The North Carolina State University Board of Trustees met in regular session in the Hood Board Room of the Dorothy and Roy Park Alumni Center on Centennial Campus, Raleigh, NC, on Friday, September 11, 2015.

Members present:  
James W. Owens, Chair  
Robert F. Andrews  
Thomas E. Cabaniss  
Jimmy D. Clark  
Ann B. Goodnight  
Benjamin P. Jenkins III  
Stanhope A. Kelly  
Wendell H. Murphy  
Ronald W. Prestage, DVM  
Randall C. Ramsey  
Susan P. Ward  
Dewayne N. Washington  
Khari Cyrus, ex officio

Chair Owens called the meeting to order at 9:30 a.m. He reminded all members of their duty to avoid conflicts of interest and appearances of conflicts of interest under the State Government Ethics Act and inquired as to whether there were any known conflicts of interest or appearances of conflict with respect to any matters coming before the board at this meeting. Chair Owens called on Assistant Secretary PJ Teal for the roll call.

ROLL CALL  
Assistant Secretary PJ Teal called roll and certified that a quorum was present.

MINUTES  
Dr. Prestage made the motion, seconded by Mr. Kelly, to approve the open and closed session minutes of the July 15, 2015 meeting of the full board. The motion passed.

CHAIR’S REPORT- JIM OWENS  
Chair Owens thanked the Trustees who attended the Talley Student Union dedication. He noted that the first order of business is the Delegation of Authority for Athletics to the Chancellor as required by the Atlantic Coast Conference. Annually, the ACC requires each University Board of Trustees to certify that the authority for the Administration of Intercollegiate Athletics has been delegated to the Chancellor. Mr. Murphy made a motion to approve the ACC Governing Board Certification for 2015-2016, seconded by Mr. Kelly. The motion passed.

Chair Owens gave an Endowment Fund Board report and he shared that Larry Barbour and Barbara Mulkey have joined the Endowment Board. He noted that the Endowment Board approved changing a scholarship endowment, making it easier for students with financial need to qualify for the scholarship. He reported that with Vice Chancellor Charles Leffler’s retirement, the Board also approved a motion acknowledging that Mary Peloquin-Dodd will serve as Treasurer during her interim role as Vice Chancellor until a new Vice Chancellor has been named. Chair Owens reported that the Endowment Board heard a report from Brian Sischo, Vice Chancellor for University Advancement, on fundraising and other advancement highlights. Chair Owens stated that Charles Leffler, Vice Chancellor for Business and Administration, presented gifts on behalf of the Chancellor for the Endowment Board’s acceptance. He noted that the Endowment Board accepted new gifts and property of $4,993,131 received since the last meeting. He reported that the Endowment Board received from Mary Peloquin-Dodd, University Treasurer, information on and accepted
the Endowment Fund Annual Report for fiscal 2015. The Endowment Fund’s Net Assets increased by 6.98% for fiscal 2015, ending the year at $385.7 million. Investment income and gains were $17.7 million and contributions and matching revenues were $11.9 million, for the year. The Endowment Fund’s investable assets of $205.9 million (not including additional assets such as real estate) in the NC State Investment Fund (Fund) make it the second largest individual participant of the Fund.

The Endowment Board received an update from Michael Harwood on the Centennial Campus Endowment Fund projects. The report covered 78 acres of land owned by the Endowment Fund. Reports on specific projects included the Hotel and Conference Center, the North Shore Residential Development, the Center for Technology and Innovation, and the CBC Flex Building. The Board also approved the extension of the Venture Complex Leases, subject to negotiation, and gave its approval to lease approximately 130 acres referred to as the Spring Hill Precinct from the State.

Chair Owens reported that the Endowment Board also heard updates on the Hillsborough Street Corridor, including the status of The Aloft Hotel, slated to open in October and an additional project to begin opposite the Bell Tower at the roundabout. He noted that the Endowment Board approved the acquisition of property off Maiden Lane, subject to appraisals on the purchase price. Chair Owens reported that the Endowment Board heard and accepted the Hofmann Forest annual report as of June 30, 2015.

Chair Owens stated that engagement and involvement are never as important as right now as the public phase of the campaign approaches and Board involvement is critical for the university to realize its goals. He noted that the Nucleus Phase or Quiet Phase of the Campaign began on July 1, 2013 and started by testing a goal of $1.5 billion. It is anticipated that the public launch of the Campaign will be in Fall 2016. Chair Owens reported that the Faculty/Staff campaign will be rolled out this year to engage the entire campus in the campaign. The centerpiece of this effort will be the establishment of a scholarship program that targets the dependents of faculty and staff enrolled as students at NC State.

Chair Owens encouraged Trustees to continue to work with the Chancellor and Vice Chancellor for Advancement to help identify and engage the donors who have the capacity and inclination to make leadership and/or transformative investments in NC State.

**CHANCELLOR’S REPORT – W. RANDOLPH WOODSON**

Chancellor Woodson welcomed the Board to the 2015 - 2016 academic year. He reported that more than 4,200 new freshman and transfer students, 2,800 new graduate students and more than 1,100 new international graduate students.

He reported that there are also some new faces on campus who have joined NC State:

- **Dr. Alan Rebar**, NC State’s new Vice Chancellor for Research, Innovation and Economic Development. Alan has a successful leadership track record and has directed the tremendous growth of Purdue’s Discovery Park.

- **Dr. William Ditto** is our new Dean of the College of Sciences. Formerly, Dr. Ditto was the Dean of the College of Natural Resources at the University of Hawaii at Manoa, where was also a professor of physics and astronomy. Originally from Anchorage, Alaska, Dr. Ditto received his B.S. in Physics from UCLA and Ph.D. in Physics from Clemson University and he started out his research career working for the Department of the Navy in Washington, DC.

Chancellor Woodson then reminded everyone that this is Vice Chancellor Leffler’s last Trustee meeting. He noted that Mr. Leffler’s impact on the university is significant, like the facilities and the physical environment, operational efficiency and fiscal management. He thanked Mr. Leffler for all that he has done.
Chancellor Woodson announced that Mary Peloquin-Dodd has agreed to serve as the Interim Vice Chancellor for Finance and Administration while a nationwide search is conducted. He introduced the new chair of the faculty, Dr. Jeannette Moore. He reported that she is Alumni Distinguished Professor and Undergraduate Teaching Coordinator for Transfer Students, Department of Animal Science and Associate Faculty Member, Department of Population Health and Pathobiology, College of Veterinary Medicine. Additionally, he introduced the new chair of the Staff Senate, Wyona Goodwin and he noted that she has been with NC State since 2000 and works in the Disability Services Office.

Chancellor Woodson reported that new this fall, the first six of the Our Three Winners scholarships will be awarded. The Our Three Winners scholarships celebrate the lives and educational legacies of Deah Barakat, Yusor Abu-Salha and Razan Abu-Salha. He reported that NC State created the scholarships earlier this year to honor three members of the NC State community—a husband-and-wife alumni couple, and the wife’s sister, a sophomore—who were killed in February. He noted that in just six months, the scholarship has raised $285,000, enough to award the inaugural $2,000 one-year scholarships to two students each in the Poole College of Management, the College of Sciences and the College of Design. Chancellor Woodson stated that Deah, Yusor and Razan truly embodied the ideals of leadership, service and creativity and these scholarships help celebrate their memories.

Chancellor Woodson gave a quick update on the state budget. Then he reported that as part of the Princeton Review’s annual “Best Colleges Guide,” NC State’s Student Health Services was once again named to the “Best Health Services” making the list at #9, the highest ranking health services department, public or private, in North Carolina. He also reported that Student Health Services saw 46,964 patient visits in 2014-15 and provides additional services such as pharmacy, dental, massage therapy and x-ray. He listed other Princeton Review Rankings and they were as follows:

- 15th in campus enthusiasm for athletics.
- 25th on a list of high-impact schools.
- 25th on a list of schools with the strongest alumni networks.
- The university also made the lists of “colleges that pay you back,” best colleges in the southeast, best public schools and best green colleges.
- On a scale of 60 to 99, the university scored 93 for quality of life, 97 for sustainability, 97 for fire safety and 91 for selectivity. All four measures showed gains over last year.

Chancellor Woodson listed the U.S. News and World Report Rankings. They were as follows:

- NC State ranked 89th in National Universities – that is up from 95th last year.
- We ranked 37th in Public National Universities – which is up from 43rd.
- And we are 31st in Undergraduate Engineering programs – the same ranking as last year.
- Top Ten for affordability.

Chancellor Woodson asked that the future focus be on faculty salary to recruit and retain the best faculty.

Chancellor Woodson reported that the Distance Education & Learning Technology Applications (DELTA) celebrated its 15th anniversary recently with an event at the Hunt Library. He noted that distance education is very important, and becoming more important every day. He reported that DELTA has been instrumental in rethinking a critical course path for courses required by a department or college for graduation by working with faculty members to make it better and more accessible for students challenged by schedule flexibility. In fiscal year 2000-2001, a little more than 3,000 students were enrolled in a distance ed classes and now, that number is more than 19,000. He reported that back in 2000-2001, there were 504 courses and sections available. Today, there are 1,808. DELTA has worked hard to identify learning technologies that improve student success, and they continue to provide the highest quality faculty support.
Chancellor Woodson stated that the new Talley Student Union is a great example of the commitment to our students and part of that commitment includes food service. NC State was named College Innovator of the Year, by Food Management Magazine and Randy Lait, Senior Director of Hospitality Services is on the cover. The retail dining services at Talley and at The Oval were recognized for their variety of offerings – to suit the tastes of people of all ages including many healthy choices.

Chancellor Woodson informed the Board that there was an event recently celebrating the ground-breaking for the North Shore town homes and it is an expansion of the original North Shore project that began back in 1999 with 47 new town homes condominiums and 64 new apartment-style condominiums which will be an addition to Centennial Campus.

Chancellor Woodson informed the Board that Provost Arden is having his five year comprehensive review this year and that the surveys for that review will be ready in early October.

**COMMITTEE REPORTS**

**AUDIT, RISK MANAGEMENT AND FINANCE COMMITTEE – CHAIR TOM CABANISS**
Mr. Cabaniss reported that the committee reviewed and discussed its responsibilities, the 2015-16 agenda, and the draft plan of work for the year. He noted that the four key areas of committee authority are audit, finance, risk management, and policy development for institutional trust funds.

Mr. Cabaniss reported that the committee heard a report on “Financial Reporting for Intercollegiate Athletics,” from Diane Moose, Senior Associate Director of Athletics, after an introduction from Athletics Director Deborah Yow. He informed the Board that NC State Athletics self-generated 90.5% of all Athletic revenue for FY14, and is in the top quartile compared to other schools in the conference. The other 9.5% revenue is from student fees. He noted that NC State’s Student Fee for Operations is the lowest in the UNC System. It has not increased since FY13 and is not slated to increase through FY17. He also stated that Ms. Moose provided a report on expenses for FY14 of $63.9 million. NC State’s expenses are approximately $9 million lower than the average ACC School. Athletic expenses are 5% of total institutional expenses, which is at the lower end of the spectrum. Mr. Cabaniss stated that Ms. Moose also provided other financial information to the Committee including a full report for fiscal 2014-2015 and the annual budget for fiscal 2015-16 for the Department of Athletics.

Mr. Cabaniss reported that Cecile Hinson, Director of Internal Audit, reviewed the Internal Audit Charter and the Committee approved the Charter as presented. He noted that she also gave a final report for fiscal year 2015 including 34 total engagements, 65% of which were audits.

Mr. Cabaniss reported that Vice Chancellor and General Counsel Eileen Goldgeier gave an overview of the University Compliance Program Objectives and Roadmap. The overview included the areas of strategic risk management that includes financial, operational, compliance, life safety and reputational risks. He noted that she and Rob Hoon, Deputy General Counsel, gave an in-depth review of compliance at the University and the attributes of NC State’s Compliance and Ethics Program below the executive level.

Mr. Cabaniss stated that Vice Chancellor Leffler advised that while there is no approved legislative budget at present, it is very likely there will be a budget reduction in 2015-2016.

**BUILDINGS AND PROPERTY COMMITTEE - CHAIR RANDY RAMSEY**
Mr. Ramsey stated that the Buildings and Property Committee reviewed the 2015-2016 plan of work and the committee responsibilities. He reported that the committee reviewed and approved the April 17, 2015 meeting minutes and two property matters that require full board approval. They were:
Disposition by Lease – for approximately 130 acres on Spring Hill of Centennial Campus from the State of North Carolina to the Board of Trustees of the Endowment Fund for North Carolina State University for a nominal sum and a term of 99 years.

Disposition by Deed and Easement for 31,134 square feet along Hillsborough Street to the City of Raleigh for the purpose of streetscape improvements from Gardner Street to Rosemary Street, 4,233 square feet by deeded Right of Way conveyance, 1,281 square feet in permanent easements and 25,263 square feet in temporary construction easements.

Mr. Ramsey made a motion, seconded by Mr. Murphy for the approval of the two property matters. The motion passed.

Mr. Ramsey reported that the committee approved 23 designer selections and accepted 17 completed buildings and projects at a combined value of $45.5 million. Additionally the committee approved the site plan for Sigma Phi Epsilon House and reviewed the design plan. The committee also approved 14 Plans and specifications of formal projects costing less than $2 million. Mr. Ramsey reported that the committee received updates about Capital Projects and Projects in Planning, and also received reports on the demolition of Harrelson Hall and the planned Wake county emergency communications center.

UNIVERSITY ADVANCEMENT AND EXTERNAL AFFAIRS COMMITTEE - CHAIR JIMMY CLARK

Mr. Clark reported that Vice Chancellor Brian Sischo provided a University Advancement update by highlighting a number of accomplishments for the University in FY15, including raising a record $208 million, and overarching strategic goals for FY16. He noted the combination of sound investment returns and new gifts has propelled the University’s endowment to $984 million as of June 30. Mr. Clark reported that Vice Chancellor Sischo announced the hiring of Francine Cronin as the new Associate Vice Chancellor for University Development, who will begin her duties at NC State on October 1. He recognized the stellar work being done by the Alumni Association and University Communications, the broad success of the Our Three Winners scholarship, and the finalization of foundation operating agreements as high points as we begin a new academic year. Mr. Clark noted that goals for next year center on continued work on the University’s campaign, with emphasis on preparing for the public launch of the campaign in Fall 2016. Gifts and pledges for the campaign totaled $725 million as of the end of the fiscal year.

Mr. Clark reported that Athletic Director Debbie Yow shared plans and artistic renderings on the proposed Case Commons residence hall, which would house both the men’s and women’s basketball teams along with members of the general student population. Mr. Clark reported that Bobby Purcell presented the naming opportunities for the Case Commons project, which the committee subsequently approved.

Mr. Clark informed the Board that in Closed Session, the Committee reviewed and approved five naming proposals to name specific university facilities. A motion will be made at the end of the full board meeting to go into Closed Session to consider all naming opportunities.

UNIVERSITY AFFAIRS COMMITTEE – CHAIR SUSAN WARD

Chair Ward reported that the committee began by reviewing the committee’s responsibilities as outlined in the Board of Trustees Bylaws and also reviewed the committee’s plan of work for this academic year.

Mrs. Ward reported that Senior Vice Provost Louis Hunt presented preliminary Fall enrollment information and the data presented showed that NC State’s Class of 2019 is one of the most academically prepared class ever admitted to the university. She noted that more than 21,000 applications were received for Fall 2015, which represented all North Carolina counties, 49 states, and more than 90 countries. The incoming freshman class included 235 students that graduated as valedictorian or salutatorian in their high school class, 695 children of alumni, and more than 750 students that are the first in their family to attend college. Several new efforts intended to enhance student success were highlighted.
Mrs. Ward reported that Katie Sheridan Graham, Assistant Dean and Director of the Academic Support Program for Student Athletes, provided information from the annual report to the Board of Governors on Intercollegiate Athletics. This report is required per UNC Policy. The report highlighted the profiles for admitted student-athletes including SAT/ACT scores and high school grade point averages; the student-athlete exceptions to the minimum course requirements set by the Board of Governors; the student-athlete profiles for admitted graduate student-athletes; information about the majors chosen by student-athletes; and NC State University practices that reinforce the integral connection between academics and athletics.

Mrs. Ward reported that the committee recommended the discontinuation of the Masters in Literature, English and American, Teacher Education. This degree program is listed in the UNC-GA academic program inventory but the degree does not exist at NC State. She noted that by approving this discontinuation they request that the UNC-GA academic program inventory be updated. Mrs. Ward made a motion for the approval of the Authorization to Discontinue this degree program, seconded by Mrs. Goodnight. The motion passed.

Mrs. Ward reported that the committee recommended a change in degree program title for the Masters of Parks, Recreation and Tourism Management to include the term “sport.” The new degree program title would be Masters of Parks, Recreation, Tourism and Sport Management. This new title will more accurately reflect the degree content and focus, match the existing course titles in the program and should also increase interest in the program. Mrs. Ward made a motion for the approval of the degree title change, seconded by Mr. Jenkins. The motion passed.

Mrs. Ward reported that the committee also approved the Request for Authorization to Continue the following Centers and Institutes all of which have completed the required periodic review of activities in accordance with university regulations: the Center for Environmental and Resource Economic Policy, the Institute for Advanced Analytics and the Institute for Nonprofit Research, Education and Engagement.

Mrs. Ward reported that the committee received a report from Student Body President Khari Cyrus on Student Government activities. His report highlighted some of the events held on campus during Wolfpack Welcome Week and some new initiatives underway in student government including a program to assist first year students in developing leadership skills. She noted that NC State Student Government will also be partnering with the National Campus Leadership Council on multiple initiatives this year including a national effort to raise awareness for mental health issues on college campuses.

Mrs. Ward reported that in the Provost’s update, the committee received information about the 2015-2016 faculty salary ranges and also an update on leadership and position searches. She informed the Board that the Dean searches for the Poole College of Management and College of Textiles are underway and progressing well. She noted that on-campus interviews are expected later this fall.

She reported that in closed session, the committee approved a non-salary compensation request, conferral of emeritus status to SAAO Tier I employees and conferral of tenure to a new faculty member. She noted that the committee also endorsed honorary degree nominations which will be considered by the full Board in closed session at the conclusion of this meeting.

**FACULTY SENATE REPORT – CHAIR JEANNETTE MOORE**
Dr. Moore reported that the University College has been created in the Division of Academic and Student Affairs, the university now makes decisions on internal transfer of students who are changing majors (formerly processed at the departmental level), the new campus timetable (class times) is currently being used as we schedule spring classes, and the Faculty Ombuds (Roy Baroff) now has a nearby off-campus office.
Dr. Moore reported that the proposed changes to Post Tenure Review were presented by the Personnel Policy Committee at the last senate meeting on April 21, and a spirited discussion that continued into the summer (via email) ensued. She noted that the revisions were finalized over the summer and included a compromise on suggestions made by the Faculty Senate. She reported that the other three committees (Academic Policy, Governance, and Resources & Environment) also made progress reports to the Senate at the last meeting; reports from all committees are posted on the Faculty Senate website.

Dr. Moore reported that several resolutions were passed at the last two Senate meetings: Resolution for a University Standing Committee on Lectures and Speakers (to create it); Resolution on Board of Governors Teaching Award (recommending that non-tenure track faculty be eligible); Resolution on Funding Library Collections (recommending increased funding for collections and databases); Resolution on Funding Library Services (recommending restoring library staff to levels adequate to allow D.H. Hill and Hunt libraries to function at past levels). A Statement of Concern on Chancellor Search Policies was endorsed.

Dr. Moore reported that the Faculty Senate Executive Committee voted to reduce the number of senate committees from four to three beginning with the 2015/2016 academic year. Resources & Environment and Academic Policy remain the same; Personnel Policy has been combined with Governance to even out the committee workload and to allow 11 to 12 senators per committee rather than 8 or 9. The committee name is Governance and Personnel Policy.

She noted three issues of concern that will continue to be discussed by Faculty Senate committees are grant administrative delays, grade distributions for a course varying by section, and faculty involvement in the process of degree consolidation or elimination. One new issue of concern that came in over the summer is phone and internet cost hikes to departments.

Dr. Moore reported that a flowchart to explain Faculty Governance and Representation in the UNC System was created over the summer to help new senators understand the multiple layers of governance, and she noted that it is posted on the Faculty Senate website.

**STAFF SENATE REPORT – CHAIR WYONA GOODWIN**

Ms. Goodwin reported that the NC State Staff Senate started off its 21st year with a staff retreat at the Lonnie Poole Club House. Guests included Chancellor Woodson; the Staff Forum Chairs from UNC Chapel Hill and UNC Pembroke; and Dr. Jeanette Moore, the incoming Chair of the Faculty at NC State. Each guest shared a few words with the Senators regarding the importance of shared governance, not only within the university, but across the UNC system.

Ms. Goodwin gave an events update since new session began in July.

- The Staff Senate continues to be involved with Packapalooza, by helping with the event and providing volunteers.
- In October, the Staff Senate will kick off the Bountiful Harvest Food Drive. This drive will help raise non-perishable and non-food items for the NC State food pantry as well as the North Carolina Food Bank.
- In November, the Staff Senate will be partnering with the U.S. Marine Corps in gathering donations for the annual Toys for Tots drive. The Senate also recognizes our US military members on campus and across the state by displaying American flags on the lawn of the Court of Carolina (in front of the 1911 Building).
- For the third year in a row, the Staff Senate plans to host a Staff Alumni Social during Homecoming week.
- The Staff Senate will also be hosting a series of Lunch and Learn sessions across campus with topics of interest to staff.
• Employee forums are continuing to take place in divisions and colleges. In particular, Facilities has held seven forums in order to allow employees on different shifts to attend and talk with their Associate Vice Chancellor.
• The Staff Senate will continue its participation and involvement in community engagement projects, such as Habit for Humanity and volunteering at the NC State Food Pantry, etc, as well as supporting the State Employees Combined Campaign and the University's own campaign fundraising efforts.

With no further business in open session, Mrs. Goodnight made the motion, seconded by Mr. Kelly at 10:50 to go into closed session to prevent the premature disclosure of an honorary award and to consider the qualifications, competence, performance, conditions of appointment of a public officer or employee or prospective public officer or employee. The motion passed.

Reconvene in Open Session
At 11:35 a.m., the board came out of closed session. With no further business in open session, Chair Owens adjourned the meeting at 11:40 a.m.

Respectfully submitted,

[Signatures]

Assistant Secretary
Secretary

Approved:

[Signature]
Chair of the Board