

Board of Trustees
North Carolina State University
Raleigh, North Carolina

February 18, 2005

The North Carolina State University Board of Trustees met in an open meeting in the Alumni Conference Room in the Alumni Memorial Building on Friday, February 18, 2005 at 9:05 am. Chair Peaches Gunter Blank presided.

Members Present: Peaches Blank, Chair
D. McQueen Campbell, III
Derick Close
Ann Goodnight
Suzanne Gordon
Bob Mattocks, II
Wendell Murphy
Richard Robb
Richard Vaughn
Steve Warren
Cassius Williams
Tony Caravano, ex officio

Chair Blank called the meeting to order at 9:05 am.

ROLL CALL

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

MINUTES

Mr. Robb made the motion, seconded by Ms. Goodnight to approve the minutes of the November 19, 2004 meeting of the full Board; the November 19, 2004 Closed Session of the full Board; and the December 20, 2004 meeting of the Executive Committee; the motion carried.

CHAIR'S REPORT- PEACHES GUNTER BLANK

Chair Blank introduced Mr. Stephen Showfety, vice chair of the East Carolina University Board of Trustees. He attended today's meeting as part of an effort to observe the best practices of universities across the state. Mr. Showfety brought greetings from the ECU board and told members his board is trying to emulate governing bodies that seem to be doing a good job of conducting university business.

Chair Blank announced the Board of Trustees meeting dates for the remainder of 2005. They are April 21-22; September 15-16; and November 17-18.

Chair Blank gave the Endowment Fund's February 17 meeting report. She told the board that the Endowment Fund's net return for the December 31, 2004 quarter was 7.3% with a market value of \$116,866,503.

The National Association of Colleges and Universities Business Officers annual survey reported NC State University's endowment ranked 146 out of 741 participating institutions.

Members heard reports from Academy Centennial Fund, Voyager Asset Management and Callan Associates. In addition to the reports, the board engaged in a discussion of the responsibility of the Endowment Fund.

The board approved the following actions:

- Acceptance of gifts totaling \$1,509,552.77;
- To continue the banking relationships with our fixed-income managers – Wachovia, Bank of America, and RBC;
- A spending budget exception of \$15,000 for fiscal-year 2005-2006 on the Fan Family Professorship;
- To continue the .40% assessment for University Advancement and .15% assessment for the capital campaign.

Chair Blank thanked Ms. Goodnight and Mr. Robb for their service to the board.

Chair Blank reminded the board of the dates and events surrounding Chancellor Oblinger's installation. His installation ceremony will be held on April 20 at 10:30 a.m. at Reynolds Coliseum.

In discussing other topics of interest to the Board, Chair Blank told members about a News and Observer article that was printed two weeks ago that highlighted UNC-Chapel Hill's success in being involved with political action committees. She said this was a good chance to remind the board and others about the effective processes NC State has in place but also where the university needs to continue to make improvements.

Chancellor's Report – James Oblinger

Chancellor Oblinger called attention to just a few of the university's noteworthy achievements since the last board meeting. Among those he cited were:

- According to the recently released 2004 edition of *The Top American Research Universities*, published by The Center at the University of Florida, NC State has moved to 24th from 27th in overall ranking.
- Students, faculty and staff raised \$38,754.55 through the "Wave of Relief" effort to help the victims of the Tsunami disaster in Southeast Asia and Africa.
- NC State is experiencing an unprecedented increase in four- and six-year graduation rates.
- The College of Physical and Mathematical Sciences has received a \$1 million gift from the W.M. Keck Foundation to further research on RNA-mediated evolutionary materials chemistry.

- The Bank of America Charitable Foundation has awarded a \$1 million grant to the College of Management to support the Enterprise Risk Management Initiative.
- Two NC State students received Mitchell Scholarships. Only one other institution in the nation had two students named as Mitchell scholars.
- The 20th annual Emerging Issues Forum was held on February 7 and 8 – focusing on healthcare in North Carolina. Many of the business, government and healthcare leaders who attended the forum are planning to spin-off from the forum to facilitate changes in healthcare policy.
- NC State Vice Provost and Director of Libraries Susan Nutter has been named the 2005 Librarian of the Year by *Library Journal*. Ms. Nutter's recognition was also spotlighted during the last Board of Governor's meeting.

Chancellor Oblinger summarized his experiences so far as part of his tour across North Carolina. He had recently visited several towns and cities across the eastern part of the state and said it was a wonderful and energizing trip.

Chancellor Oblinger reported on the Board of Governors' decision to freeze tuition increases for in-state undergraduate students. That decision means at least half of the tuition increase requested by the university will not be available.

COMMITTEE REPORTS

Audit, Finance and Planning Committee- Chair Richard Vaughn

Chair Vaughn reported that the committee heard reports on:

- The NC State Investment Fund through December 31, 2004. The Fund was approximately \$248.4 million with one-year performance of 12.29% net of fees.
- An overview of recent bond issuance settled on February 10, 2005. Total bonds of \$81,615,000 were issued with an all-in total interest cost of 4.12%.
- An intent to plan a new Doctoral program in the Fisheries and Wildlife Sciences, two new BS programs in Nutritional Science and Elementary Education, and a Masters of Social Work program.
- The locating of the Small Business Technology Development Center within the Centennial Campus technology incubator.
- Presentation of the 2003-2004 Annual Audited Financial Report by internal staff with comments by the State Auditor's Office; and
- Budget priorities for the current legislative session.

Academic Affairs and Personnel Committee- Chair McQueen Campbell

Chair Campbell reported that Ms. Sharon Pitt and Dr. Thomas Miller met with the committee and discussed learning systems at NC State and how much faculty use them, and how much they anticipate their use in the future.

Charles Leffler updated the committee on the search for Provost and Executive Vice Chancellor for Academic Affairs.

The description and highlights of the University Honors and Scholars Programs were shared by Dr. Larry Blanton and Mr. Alex Miller.

University Registrar Louis Hunt reported on the Fall 2004 graduation statistics. Fall 2004 graduation included a total of 2,741 degrees: 78 Associate Degrees, 1, 862 Bachelor Degrees, 602 Master Degrees, and 199 Doctorate Degrees.

Accreditation has been reaffirmed by SACS for NC State.

Notices of Intent to Plan new BS degrees in Nutritional Science and Elementary Education have been approved. Authorization to plan a new Ph.D. in Fisheries and Wildlife Sciences, as well as to establish a Master of Social Work are in process. The Doctor of Education Degree in Occupational Education to the Doctor of Education in Agricultural and Extension Education name change has been approved.

Three deans are undergoing 5-year reviews this academic year: Dean Blanton Godfrey, College of Textiles, presented his seminar on January 26; Dean Dan Solomon, College of Physical and Mathematical Sciences will present his seminar on March 3; and Dean Kay Moore, College of Education will present her seminar on March 30.

In Closed Session, the Committee approved personnel actions, including salary increases and one contract extension. Conferrals of Emeritus Status were approved, and the Committee was presented with a report of campus scholarly assignments.

Buildings and Property Committee- Chair Steve Warren

Chair Warren reported that the committee reviewed and approved six property matters and five designer selections, and accepted a list of completed buildings and projects. Three of the property matters require Full Board approval. The property matters are the Lease of office space for the College of Humanities and Social Sciences for use by administrative units (Appendix A); the Demolition of Morris Building to facilitate future development of North Campus (Appendix B); and the Purchase of 134-acre tract in Orange County for use by the College of Agriculture and Life Sciences (Appendix C). Chair Warren made the motion, seconded by Mr. Murphy, to approve the property matters; the motion carried.

The committee approved the appointment of Kevin J. MacNaughton as Secretary to the Buildings and Property Committee and the Appointment of Vice Chancellor of Finance and Business as university agent under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Appendix D). Chair Warren made the motion for the Board to approve the Appointment of Vice Chancellor of Finance and Business as University Agent under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Mr. Vaughn seconded the motion; the motion carried.

The committee was told that the chancellor's present residence, which is undergoing repair work, would be ready for occupancy on March 24. The Chancellor's Residence

Building Committee met earlier this week and selected a designer for the new residence to be constructed on Centennial Campus.

The committee approved one site plan, three building plans, and projected plans and specifications costing less than \$1 million. Committee members also heard informational reports about the Bond Program, construction projects and the Status of Sale of Randleigh Farm.

Development Committee- Chair Ann Goodnight

Chair Goodnight reported that the committee approved revisions to Board of Trustee Policy 03.00.2, which refers to the naming of university facilities and programs (Appendix E). These revisions require full board approval. Chair Goodnight made the motion, seconded by Mr. Close, to approve revisions to BOT policy 03.00.2; the motion carried.

The committee heard reports regarding fund-raising through the second quarter of fiscal year 2005. Total gifts and pledges were \$97.2 million. This amount exceeded the second quarter goal of \$79 million and is well on pace to exceed this year's goal of \$158 million.

The committee was briefed on the progress of the comprehensive campaign, which continues in its quiet phase. Members received updates on fund-raising for the five current capital projects and approved fund-raising for a new capital project.

The Associate Vice Chancellor for Student Affairs, who is responsible for the arts program, presented a report outlining the proposed renovation of the Frank Thompson Building.

In Closed Session, committee members reviewed and approved six proposals to name university facilities. These proposals will be considered by the full Board in closed session at the conclusion of the meeting.

Student and Campus Affairs Committee –Chair Derick Close

Student Body President Tony Caravano gave the Committee a report on Student Government's recent activities. Student Government has just concluded their relief effort for the tsunami victims. They raised over \$38,000 for the American Red Cross through their "Wave of Relief" project, and will continue their efforts by selling red wristbands. Proceeds from these wristbands will also support the Wolfpack Student Initiative for student scholarships. Student Government has also been working to resolve a situation where several Senators have been implicated in taking vouchers from their distribution window for men's basketball games.

Physical Education Department Head March Krotee gave an overview of the department's mission, courses, minor programs, partnerships, and initiatives. Professor Larry Brown then described the innovative ways that Physical Education faculty members are utilizing technology to enhance student learning.

The committee also heard a report from Campus Recreation Director Peter Kay on the program activities of that department including Club Sports, Fitness and Wellness, Intramural Sports and Outdoor Adventures. Two students described the impact of their involvement in Campus Recreation on their academic careers and their lives in general.

Chair of the Faculty Report- Chair Dennis Daley

Chair Daley explained why the compact planning process is a good instrument for encouraging faculty involvement. He said the Faculty Senate supports a structure that involves faculty at all stages. He also relayed his perception that the current committee structure is slow and cumbersome. He said he would like to see this process sped up.

Chair of the Staff Senate Report- Chair Laura Massengill

Chair Massengill reported that the Staff Senate voted to endorse the faculty resolution to provide in-state tuition waivers for NC State University employees and their families.

Chair Massengill said the Staff Senate is making progress toward working to build a coalition with staff from other area universities; the creation of a textbook voucher program, and the full implementation of a computer loan program.

Other resolutions the Staff Senate is working on include providing email access for all staff and keeping the greens fees low for staff once the new golf course on Centennial Campus opens.

With no further business for Open Session, Chair Blank called for the motion to go into Closed Session. Mr. Murphy made the motion, seconded by Ms. Goodnight to go into Closed Session to consider a naming proposal for full Board approval.

At 10:25 a.m., the Board came out of Closed Session. With no further business, Chair Blank adjourned the meeting at 10:27 a.m.

Respectfully submitted,

Assistant Secretary

Secretary

Approved:

Chair of Board