

Board of Trustees
North Carolina State University
Raleigh, North Carolina

February 20, 2004

The North Carolina State University Board of Trustees met in the D.H. Hill Library, North Carolina State University, at 9:00 a.m. on Friday, February 20, 2004. Chair Peaches Gunter Blank presided.

MEMBERS PRESENT:

Peaches Gunter Blank
D. McQueen Campbell, III
Derick S. Close
Ann B. Goodnight
Suzanne Gordon
Robert B. Jordan, III
Bob L. Mattocks
Wendell H. Murphy
Steve F. Warren
Cassius S. Williams
Tony Caravano, ex officio

Chair Blank called the meeting to order at 9:00 a.m. and welcomed those in attendance.

ROLL CALL

Assistant Secretary Clare Kristofco called roll and certified that a quorum was present.

MINUTES

Mr. Richard Vaughn made the motion, seconded by Mr. Derick Close, to approve the minutes from the November 20, 2003 Special Session of the Full Board; November 21, 2003 Meeting of the Full Board; November 21, 2003 Closed Session of the Full Board; and December 11, 2003 Meeting of the Executive Committee. The motion carried.

CHAIR=S REPORT - PEACHES GUNTER BLANK

Chair Blank reported that from time to time Trustees receive letters and e-mails related to their role at NC State University. She noted that she had received a letter from E. Brooks Wilkins and his wife, Darlene Wilkins, regarding their daughter Lucy who had suffered and died from Non-Hodgkin's Lymphoma. Dr. Wilkins' letter expressed the family's gratitude for the care, support and service provided to Lucy by the Diagnostic Teaching Clinic at NC State and, in particular, by Drs. Cathy Crossland, Wendy Levin and Stacy Rush. The Chair commented that

the letter is typical of the impact the University and its dedicated faculty and staff have on the citizens of North Carolina.

Chair Blank reminded Board members that a meeting evaluation form is always in their notebook, and she encouraged Trustees to use the form if they have suggestions for improving the Board's meetings.

The groundbreaking for the Friday Institute for Educational Innovation Center will be Thursday, April 15, before the Board's Committee meetings. Chair Blank encouraged Trustees to adjust their schedules in order to participate in this activity at 11:30 a.m. A luncheon will follow the groundbreaking.

Vice Chancellor for Finance and Business George Worsley will retire July 31, 2003 after forty-one years at NC State University. Chair Blank said that the Board would hold an event in conjunction with the Board's April meeting to recognize his exemplary service to the University.

The Chair noted that every two years, the Board of Trustees conducts a self-evaluation. In addition, the Board will complete another evaluation of the Chancellor in Spring 2004. As soon as the Office of the President approves the questionnaire, the evaluations will be distributed to Trustees, Chair Blank said. The Board will be asked to respond quickly to the questionnaires in order to allow for a discussion of the review results at the April meeting.

Chair Blank turned the Board's attention to the discussion of an issue regarding speakers at the full Board meetings that was raised at the November 21, 2003 full Board meeting (**Appendix A**). She noted that the current practice of the Board is to schedule a full Board information session or special Committee meeting on Thursday before the Board's Friday meeting. At the Thursday information session/Committee meeting, presentations are made and the chair of the session/Committee meeting may recognize members of the audience who have asked for the opportunity to speak to an agenda item before the Trustees. Typically, the schedule for the Friday meeting has not included time for public comment. The consensus of the Board was to continue the current practice of limiting discussion at the full Board meeting to Trustees and University officials asked by the Trustees to respond to a question.

Chair Blank provided a report of the Endowment Fund meeting on Thursday, February 19, 2004. She stated that the Endowment Fund's net return was 7.1% for the December 31, 2003 quarter with a market value of \$110,757,775. The Board accepted gifts totaling \$570,375.74, and amended two professorships to allow more flexibility for the Dean and Provost to recruit or retain faculty covered by the professorships. The Board agreed to no longer use BB&T as a fixed income manager, and voted to allow the Treasurer to re-balance funds, giving the Treasurer authority to change the asset allocation from 60% equity/40% fixed income to a range of 60% to 70% for equity and 30% to 40% for fixed income. The asset allocation will be reviewed annually.

The Endowment Fund Board also approved the recommendation to continue the .40%

assessment for University Advancement and .35% assessment for the capital campaign. The Board voted to change the by-laws to decrease the number of required meetings from four to two, and set the number of members of the board at nine (from six). The full Board of Trustees will consider the revisions at the April 2004 meeting.

CHANCELLOR'S REPORT - MARYE ANNE FOX

Chancellor Fox said that the Southern Association of Colleges and Schools (SACS) accreditation team would visit the campus from March 23 through March 25. She stated that SACS accreditation is very important because it is what allows the school to confer degrees.

Chancellor Fox said that the school has been preparing for this visit for the last year and a half, and has prepared a Quality Enhancement Plan (QEP) in anticipation of the SACS visit. The QEP, entitled *Learning in a Technology Rich Environment* (LITRE) was created in response to an accreditation requirement that NC State prepare a quality enhancement plan focused on improving student learning. The SACS team will advise the University on how to implement the plan for LITRE.

Chair Blank noted the importance for all Board members to be familiar with the plan. A SACS visiting team member may call Trustees to discuss the QEP.

Chancellor Fox reported that a Board of Governors meeting was held on February 13, 2004. Chair Brad Wilson thanked the General Assembly for its support of higher education, but commented that enrollment growth has outpaced state funding and said that budget cuts and revisions have had a profound effect on UNC campuses. The discussion of the \$300 tuition increase for NC State has been deferred for at least one more month.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee - Acting Chair Suzanne Gordon for Chair Richard Robb

Acting Chair Suzanne Gordon reported that the Committee heard a report on Women Faculty Recruitment and Retention. NC State has a number of programs and policies that enhance the recruitment, retention and promotion of women. Twenty-four percent of NC State tenured and tenure-track faculty are women, and thirty-eight percent of NCSU full-time faculty whose primary responsibility is instruction and receive at least half of their funding from state appropriated instructional funds are women. Gordon reported that NC State is doing well as compared to our peers, but could do better.

Acting Chair Gordon stated that the Committee also heard a report on the Quality Enhancement Plan, *Learning in a Technology-Rich Environment* (LITRE).

The Committee reviewed changes to BOT policy 05.15.1 that establishes rights for EPA professionals who return to the faculty (**Appendix B**). The revisions allow for severance payments in lieu of notice for at will EPA employees when it is in the best interest of the University; and state that any agreement to compensate the employees in excess of the defined

terms must be approved by the Board of Trustees. Ms. Gordon made a motion, seconded by Mr. Jordan, to accept the proposed revisions to policy 05.15.1; the motion carried.

The Committee also reviewed BOT policy 05.20.6, the policy that establishes Emeritus status eligibility (**Appendix C**). The proposed revisions would establish more stringent criteria for the awarding of Emeritus rank. The revisions were developed in response to last year's request by the Academic Affairs and Personnel Committee. Ms. Gordon made a motion, seconded by Mr. Close, to accept the proposed revisions to policy 05.20.6; the motion carried.

The Committee reviewed BOT policy 05.25.1, the Grievance Procedure for Faculty, Senior Academic Administrative Officers Tier II, and EPA Professionals (**Appendix D**). The proposed revision would make clear the groups upon which a grievance involving denial of promotion and tenure may be filed, and the decision and appeal route for a grievance decision addressing both a denial of promotion and a denial of tenure. Ms. Gordon made a motion, seconded by Mr. Warren, to accept the proposed revisions to policy 05.25.1; the motion carried.

Provost Oblinger provided updates on searches for deans in the colleges of Veterinary Medicine, Management and Agriculture and Life Sciences, new degree programs, and other academic-related topics.

Chair Blank encouraged the Trustees to bring forward items for discussion at the Committee meetings. The University staff will develop any topic for further discussion.

Buildings and Property Committee - Chair D. McQueen Campbell

Chair Campbell reported that the Committee reviewed and approved ten property matters, six designer selections, and accepted a list of completed buildings and projects. Four property matters required full Board approval. The matters were: the lease of office space for the Dairy Records Department (**Appendix E**); lease of office space for the Center for Integrated Pest Management (**Appendix F**); lease of office and high-bay space to Advanced Energy Corporation in Research IV (**Appendix G**); and land reallocation of an approximately 18-acre parcel from the Department of Corrections near Schenck Forest to facilitate the extension of Carl Alwin Schenck Memorial Forest management activities (**Appendix H**). Mr. Campbell made a motion, seconded by Mr. Warren, to approve the property matters; the motion carried.

The Committee also viewed and approved the purchase of property at 801 Lake Raleigh Road (**Appendix I**). Mr. Campbell made a motion, seconded by Steve Warren, to approve the property purchase; the motion carried.

The Committee reviewed two building plans and approved two site selections, five building plans and project plans and specifications less than \$1 million. The Committee heard a number of informational reports, including 2005-2007 Capital Budget Planning.

Trustee Williams inquired about the status of the proposal for the gift of a Pavilion to be constructed on the Court of North Carolina. Chair Campbell stated that this item would be

discussed at the April meeting.

Development Committee - Chair Ann Goodnight

Chair Goodnight reported that the Committee heard reports regarding fund-raising through December 31, 2003. Total gifts and pledges were \$132.2 million. This amount exceeds the second quarter goal of \$83 million and is nearly 80% of the way to the ambitious goal of \$166 million for the year.

The Committee was briefed on the progress of the comprehensive campaign, now in its quiet phase. The Committee was informed that the kickoff for the public phase of the comprehensive campaign would be a three-day, university-wide celebration on September 16, 17 and 18, 2004. Festivities will involve donors, volunteers, administration, faculty and students. The events will reflect the comprehensive nature of the campaign by including all aspects of the university – from arts to athletics – and will culminate in the announcement of the overall campaign goal.

The Committee received updates on capital projects fund-raising. The Dean of the College of Design reported on a proposed pavilion on the Court of North Carolina, which the Committee approved as a capital project. The Director of Prospect Management and Research reported on electronic screening and peer review of alumni and friends and the role these tools play in the comprehensive campaign.

In closed session, the Committee reviewed and approved five proposals to name University facilities.

Finance and Planning Committee - Chair Richard Vaughn

Chair Vaughn stated the Committee heard informational reports about Centennial Campus development activities and the University's intention to plan four new degree programs: B.A. in Africana Studies, B.A. in International Studies, B.S. in Sport Management, and a Masters degree program in Social Work.

The Committee heard a report on the performance of the NC State Investment Fund through December 31, 2003, NC State's efforts to spur economic development in North Carolina, the assimilation of the regional Small Business Technology Center into NC State Extension and Engagement as of October 1, 2003, and the 2002-2003 annual financial report, including the unqualified audit opinion from the Office of the State Auditor.

Student and Campus Affairs Committee - Chair Derick S. Close

Chair Close reported that the Committee heard a report from Vice Chancellor Tom Stafford on the NCAA certification process. The Peer Review team will be on campus for the on-site visit April 28-30, 2004. The link to the full report, *NCAA Self-Study Instrument*, may be found on NC State's Athletics homepage.

The Committee heard a report from Student Body President Tony Caravano describing Student Government's recent activities. Highlights included The Big Event, Dance Marathon,

distribution of the Association of Student Government's Personal Stories Project book, plans for students to attend the March 19 Board of Governors meeting to discuss tuition increases, ongoing work to establish new traditions and distribution of Good Neighbor cards to students living off campus.

Chair Closed stated that in closed session, the Committee heard two student appeals. The Committee voted to modify one student appeal; the matter will be discussed by the full Board in Closed Session.

Carol Schroeder, Director of the Career Center, gave a report on the mission, staff, activities and online offerings of the Career Center. Phil Moses, Director of Academic Support Program for Student Athletes, presented information on academic support services provided to student athletes.

Chair of the Faculty Report - Chair Dennis M. Daley

Chair Daley reported that because tenure track faculty engage in both teaching and research, they play a vital role in the life of a research university. He stated that 40% of the faculty at NC State are not in a tenure track and suggested converting adjunct and specialty faculty to the tenure track. This would enable more students to acquaint themselves with research, Chair Daley stated.

Tenure-track faculty involved in research benefit the university by: generating money for sponsored research; bringing their research directly to the classroom; and becoming involved in long-term curriculum development.

Chair Daley also reported on a number of Senate long-term projects that are nearing completion. These include updating the grievance process, restructuring and rationalization of special faculty titles, and the safety task force.

Chair of the Staff Senate Report - Chair Jon R. Barnwell

Chair Barnwell reported that NC State has been added to the Greater Triangle Crime Stoppers hotline. This will allow students, faculty and staff to contribute to ensuring the safety of the campus community.

Chair Barnwell also mentioned that the computer loan program is almost up and running. This will allow employees with a 59-pay grade or lower to check out computers for home use.

The Senate adopted an internal communication resolution targeted at the department level where information is not communicated to the rank and file employee.

Items of Interest to Members of the Board

Chancellor Fox recognized Mr. Bob Geolas, Centennial Campus Coordinator, for the leadership he brought to the development of the Centennial Campus. Mr. Geolas has accepted a position at Clemson University.

With no further items to come before the Board of Trustees, the Chair called for the motion to go into Closed Session. Mr. Campbell made the motion, seconded by Mr. Vaughn, to go into Closed Session to prevent the premature disclosure of an honorary award or scholarship, according to North Carolina General Statute, Section 143-318.11 (a)(2), and to consider the qualifications, competence, and/or performance of a public officer or employee or perspective public officer or employee, according to the North Carolina General Statute, Section 143-318.11 (a)(6); the motion carried. The Board went into Closed Session at 10:08 a.m.

At 11:12 a.m., the Board came out of Closed Session.

Chair Blank announced the composition of the Nominating Committee, charged with developing a slate of officers for the 2004-2005 academic year. Richard Vaughn, Wendell Murphy, and Steve Warren will serve on the Committee and will be asked to report its recommended slate at the April 16, 2004 meeting.

With no further business to come before the Board, Chair Blank adjourned the meeting at 11:15 a.m.