

Board of Trustees
NC State University
Raleigh, North Carolina

February 21, 2003

The North Carolina State University Board of Trustees met in regular session in Room D-236, College of Veterinary Medicine, North Carolina State University Campus, at 9:20 a.m., Friday, February 21, 2003. Chair Peaches Gunter Blank presided.

MEMBERS PRESENT:

Peaches G. Blank
D. McQueen Campbell
Derick S. Close
Ann Goodnight
Suzanne Gordon
Edward E. Hood, Jr.
Bob L. Mattocks, II
C. Richard Vaughn
Cassius S. Williams
Michael Anthony, ex officio

Chair Peaches Gunter Blank called the meeting to order at 9:20 a.m.

ROLL CALL

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

MINUTES

Mr. Hood made the motion, seconded by Mr. Anthony, to approve the November 22, 2002 full board minutes; the motion carried.

Mr. Close made the motion, seconded by Ms. Goodnight, to approve the January 13, 2003 open and closed session minutes; the motion carried.

Mr. Mattocks made the motion, seconded by Ms. Goodnight, to approve the January 28, 2003 open and closed session minutes; the motion carried.

CHAIR'S REPORT - PEACHES GUNTER BLANK

Chair Blank welcomed new Trustee member Mr. Cassius S. Williams to the Board. Mr. Williams was sworn in on Thursday in advance of the Board Committee meetings. She also welcomed Dean Marvin Malecha who serves as Chair for the Provost Nomination Committee. Chair Blank announced that more than 3,000 degrees were awarded at the December Graduation, and Dr. James Goodnight delivered the Graduation address. He also was a recipient of an honorary degree. Chair Blank encouraged Board members to attend these important events in the life of the University.

The Chair noted the successful luncheon to launch the Bill and Ida Friday Institute for Educational Innovation, a research building to be located next to the Centennial Campus Middle School. The Fridays were most appreciative and honored by the luncheon speakers and activities.

Chair Blank asked for approval of a proposed new Board of Trustees Policy 01.05.9 that would delegate additional duties to the Executive Committee of the Board of Trustees (Appendix A). The policy provides a mechanism for NC State's Board to review and take action on potential conflicts of interest. A University of North Carolina Board of Governors' policy calls for the Board to identify a standing committee to consider potential conflicts of interest. Mr. Anthony made the motion, seconded by Ms. Goodnight, to approve the proposed Board policy; the motion carried.

Chair Blank encouraged the Trustees to attend the Watauga Medal ceremonies and Founders' Day dinner scheduled for March 10. She also announced that the next Board of Trustees meeting has been rescheduled for April 16-17, 2003. The meeting originally had been slated for April 24-25, 2003.

The Chair also provided a report from the Endowment Fund Board of Trustees which met on Friday, November 22, 2002. The Board heard proposals from potential fixed-income managers and approved splitting its fixed-income portfolio among Banc of America, Branch Bank and Trust Company, Voyageur Asset Management (RBC Centura) and Wachovia Bank and Trust Company. The Board also approved the 2003-2004 fiscal year budget, a gift acceptance of \$50,970, a recommendation of land exchange with the State of North Carolina of 9.8 acres on Centennial Campus, and a change in spending policy from 4.6% to 4%, reducing the assessment for University Advancement from 75 to 40 basis points.

CHANCELLOR'S REPORT - MARYE ANNE FOX

Chancellor Fox discussed the recent success of the Emerging Issues Forum - *Jump-starting Innovation: Government, Universities and Entrepreneurs*. This year's Forum focused on the fundamental challenges facing our economy in the decade ahead.

Chancellor Fox congratulated and thanked Vice Chancellor for Finance and Business George Worsley and his staff for a clean audit of the University. She asked Dean Malecha to brief the Trustees on the Provost Nomination Committee's progress in conducting a search for a new Provost and Executive Vice Chancellor for Academic Affairs. Dean Malecha stated that the Committee has set a May 1 target to provide to the Chancellor the names of three, unranked candidates for her consideration.

The Chancellor stated that she is continuing a series of faculty breakfasts, hosted by Interim Provost Bob Barnhardt. She thanked Interim Provost Barnhardt, and said that she has found the faculty breakfasts informative. Faculty have discussed a range of issues and topics, she said.

Chancellor Fox discussed the progress of the Statewide "NC State Listens" tour. The series of four to seven day-long trips across the state provides an opportunity for Chancellor Fox, NC State Deans, and University leaders to meet and listen to constituents in large cities and small towns. Participants include community leaders, business leaders, extension and engagement personnel, alumni, civic groups, high school principals/teachers, and the media. The "NC State Listens" tour conveys that NC State intends to continue to be a resource for the state and is interested in learning how to continue the legacy of service. The Chancellor spoke to the success of the New Bern and Wilson visits in January. A visit to Gastonia is scheduled for Thursday, March 26, and a visit to Waynesville is scheduled for Monday, April 7.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee - Acting Chair Derick Close for Chair Richard Robb

Acting Chair Close reported that at the meeting on February 20 the Committee had approved the consent agenda that included the minutes of the November 21 meeting.

The Committee discussed Academic Off-Campus Scholarly Assignments and received reports from faculty in the College of Textiles and College of Engineering who had completed their assignments in the Triangle.

The Committee discussed the changes in the approval process to appoint and fix compensation under Management Flexibility. Members also discussed Management Flexibility and its implications for NC State and the Board of Trustees. This discussion covered the topics of delegation of authority from the Board of Governors to the Board of Trustees for EPA personnel actions, and the Board of Governors'

requirement that the Board of Trustees establish salary ranges for tenure and tenure-track faculty positions by discipline and faculty rank and Senior Academic and Administrative Officer (SAAO) Tier II positions. The Committee discussed the University's general approach to the development of ranges, how the salary ranges would be established, including the need for market definitions and comparison of multiple relevant data sources, and the frequency of market surveys and planned range adjustments.

The Committee heard informational reports to establish two new academic programs: a Master of Veterinary Public Health degree program in the College of Veterinary Medicine, and a Ph.D. in Communication, Rhetoric, and Digital Media in the College of Humanities and Social Sciences.

In Closed Session, the Committee approved personnel actions submitted by Chancellor Fox, including five salary increases of 15% and over, and eleven conferrals of Emeritus Status. The Committee also reviewed the semester report of twenty-nine Scholarly Assignments and approved Honorary Degree nominations.

Buildings and Property Committee - Chair D. McQueen Campbell

Chair Campbell reported that at the meeting on February 20, the Committee approved the consent agenda, including the minutes of the November 21 meeting.

The Committee reviewed and approved one property matter, a lease of 1,800 sq. ft. of office space for Administrative Computing Services. The Committee also selected designers and construction managers for six projects: College of Engineering I and II, Schaub Food Science, Broughton Environmental Lab, Veterinary Medical Center, E.S. King Village Community Center, and the North Campus Chilled Water Plant. The Committee also formally accepted a list of completed buildings and projects.

The Committee approved four site selections for Riddick Lab (North Campus), Research Facility (West Research Annex), Perimeter Parking (Centennial Campus), and William and Ida Friday Center for Educational Innovation (Centennial Campus). The Committee also approved plans and specifications of formal projects of less than \$1 million.

The Committee heard informational reports on Bond Projects, Centennial Campus Project Status Report, Triangle Transit Authority Light Rail, and status reports of projects in planning and construction.

Development Committee - Chair Edward E. Hood, Jr.

Chair Hood reported that at the meeting on February 20, the Committee approved the consent agenda that included the minutes of the November 21 meeting.

Chair Hood noted that the Committee heard reports regarding fund-raising through December 31, 2002 for FY2003. Total gifts and pledges were \$92,772,012, an increase of \$20.3 million over last year's first half. The Committee was briefed on the progress of the comprehensive campaign, which is in its quiet phase.

The Committee received updates on capital project fund-raising and on the design status for the Veterinary Medical Center and the William and Ida Friday Institute for Educational Innovation on Centennial Campus. In Closed Session, the Committee approved a proposal for naming opportunities in a University facility.

Finance and Planning Committee - Chair Richard Vaughn

Chair Vaughn reported that at the meeting on February 20, the Committee approved the consent agenda that included the minutes of the November 21 meeting.

The Committee discussed the Board of Governors' conflicts of interest policy, and determined that the University's contracts with BlueCross / BlueShield are permissible under the policy. Vice Chancellor and General Counsel Mary Elizabeth Kurz noted that, in the future, the Board's Executive Committee would act on matters regarding the conflicts of interest policy.

The Committee heard several informational reports. University Treasurer Kathy Hart gave an update on NC State Investment Fund, Inc. Mr. Bob Geolas, Centennial Campus Partnership Office, discussed the

Partnership Status Report. Director of University Planning and Analysis Karen Helm discussed the Spring 2003 Enrollment Report. Vice Chancellor for University Extension and Engagement Steve Jones reported on NC State University Economic Development Partnership. Executive Director of Financial Services Ernie Murphrey delivered a presentation of the Annual Financial Report. Assistant to the Chancellor for External Affairs Andy Willis gave a Legislative Update regarding the 2003 Session and NC State's Efforts to inform North Carolina citizens about the role of the University in the State's economic growth.

Student and Campus Affairs Committee - Chair Michael Anthony

Mr. Anthony reported that at the meeting on February 20, the Committee approved the consent agenda that included the minutes of the November 21 meeting.

The Committee heard reports on planning in the Division of Student Affairs for enrollment growth, including construction of Wolf Village Apartments. University Housing recently began construction of Wolf Village, a 1,200 bed apartment community at the corner of Gorman Street and Western Boulevard. The units will house upper-division students, along with transfer and graduate students in a living community. Wolf Village is envisioned as a place where students, faculty and members of the local community can interact and learn from each other. The first three residential buildings will open in Fall 2004. The five remaining buildings will be completed and ready for occupancy by Fall 2005.

The Committee also heard an update on the Carmichael Gymnasium Expansion Project. The Expansion will open for service in Fall 2006 featuring approximately 10,000 square feet of cardiovascular and weight training space open during all recreational hours; outdoor adventures space allowing for the short-term use of University sports equipment and staging areas for all academic and non-academic trips; four new group fitness rooms that will allow for courts to return to use for basketball; one multipurpose room used by academics, campus recreation and student organizations; and a new component for fitness testing and personal training.

The Committee also heard a report on the NCAA certification process which was initiated in January 2003 and will involve a University self-study of the Athletic Department following NCAA guidelines. Six individual subcommittee reports will be combined into a final University report that will be reviewed by the NCAA peer-review certification team before its campus visit in April 2004.

The Committee also heard a report on the activities of Student Government including Service Raleigh, and an upcoming student leadership conference to be hosted at NC state for the first time. The Committee reviewed a video created to introduce students to visual and performing arts programs and heard from a student about her experience in the University Theatre.

In Closed Session, the Committee heard one student appeal.

Chair of the Faculty Report - Chair Phil Carter

The Chair of the Faculty was not present for the report. However, he had provided a written report that included the following topics: The Faculty Senate passed several resolutions last semester, foremost among them is a resolution supporting changes in the procedures for addressing grievances among the faculty or between the faculty and members of University administration. Other than some cosmetic changes in wording,, the changes are primarily focused on bringing the language into line with that requested for the University of North Carolina System.

Along with discussion of the grievance procedures, Senators considered the new role of the Vice Chancellor for Human Resources in the processing of mediation requests. The Chair of the Faculty is working with Human Resources to explore concerns expressed by the faculty that the Chair of the Faculty be informed of all mediation involving faculty.

The weekly faculty "brown bag" lunches are continuing, frequently without planned topics. However, some lunches this autumn have focused on issues of concern to faculty and include the status of the Honors/ Scholars/ National Scholarships program, web utilization for teaching, the future of technology transfer, and others.

Chair of the Staff Senate Report - Natalie Worth

During the second quarter of this year, the Staff Senate has made progress in several areas. As a follow-up to a November presentation by Associate Vice Chancellor for Facilities Charles Leffler, the Staff Senate is working to communicate with staff about construction projects. The Resource and Environment Committee will begin to work with Facilities and Construction Management to develop effective ways to ensure that staff members are notified of upcoming construction projects and changes to the work environment. During the past two months they have worked with staff at both the College of Veterinary Medicine and Construction Management to address a concern regarding parking and accessibility around the new construction area. Through the diligence of the committee, a compromise was reached regarding an issue for faculty and staff parking in the Blue Ridge parking facility.

A new initiative for the Staff Senate has been the decision to work to establish a University Crimestoppers program. At the suggestion of a constituent from PAMS, discussion began to identify ways the Senate could work with other groups on campus to improve safety. Senator Jon Barnwell, a member of Campus Police Department, will lead the effort to establish a program in the Crimestoppers format.

The Senate will work this spring to set up a meeting of the chair and chair-elects from the UNC campus staff groups. The aim is to provide an opportunity for the exchange ideas and information. A date has not been set, but tentative plans call for a mid-spring time frame.

With no further business for Open Session, Chair Blank asked Ms. Kristofco to read the motion. Mr. Hood made the motion to go into Closed Session, seconded by Mr. Murphy, to prevent the premature disclosure of an honorary award or scholarship, according to North Carolina General Statute, Section 143-318.11 (a)(2); the motion carried.

With no further business to discuss in Open Session, Chair Blank adjourned the meeting at 9:55 a.m.