

Board of Trustees
NC State University
Raleigh, North Carolina

April 16, 2004

The North Carolina State University Board of Trustees met in regular session in the Media Room of the Murphy Center at Carter Finley Stadium, North Carolina State University, at 9:00 a.m., Friday, April 16, 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, II
Wendell H. Murphy
Richard G. Robb
C. Richard Vaughn
Steve F. Warren
Cassius S. Williams
Tony Caravano, ex officio

Chair Blank called the meeting to order at 9:00 a.m.

ROLL CALL

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

MINUTES

Ms. Goodnight made the motion, seconded by Mr. Mattocks, to approve the February 20, 2004 minutes of the full Board, the February 20, 2004 Closed Session minutes of the full Board, and the March 1, 2004 Executive Committee minutes; the motion carried.

CHAIR'S REPORT - PEACHES GUNTER BLANK

Chair Blank summarized proposed changes to the bylaws for the Board of Trustees of the Endowment Fund as follows: 1) reduce the number of required meetings per year from four to a minimum of two; 2) increase the size of the Board of Trustees of the Endowment Fund from a minimum of six to nine members; 3) clarify the nomination process criteria for nomination

to the Fund Board; and 4) eliminate the Investment and Property Committees, as these duties are carried out by the full Board. Mr. Jordan made the motion, seconded by Ms. Goodnight, to approve the proposed changes to the Bylaws for the Board of Trustees of the Endowment Fund; the motion carried.

Chair Blank reviewed two nominees for appointment to the Board of Trustees of the Endowment Fund: Mr. David Jolley and Mr. Robert Dick. The two appointments were approved by Board consensus.

Chair Blank announced that 1) the Board of Trustees will meet on Monday, July 12, 2004, for a one-day meeting, 2) General Dan K. McNeill, an NC State alumnus who has had a distinguished military career, will be the May 15, 2004 Commencement Speaker, and 3) the Dorothy and Roy Park Alumni Center groundbreaking would take place at 1:00 p.m. this afternoon.

CHANCELLOR'S REPORT - MARYE ANNE FOX

Chancellor Fox reported that NC State University faculty, students and staff continued to garner national recognition for their scholarship and records of achievement. She provided a sampling as follows:

- 1) An NC State senior and a 2003 graduate (Seth D. Goldstein and David R. Johnston) have been awarded 2004 Gates Cambridge Trust Scholarships, full-cost merit awards valued at \$32,000 a year for study at England's Cambridge University.
- 2) Three NC State Students (Lily Jeng, Jeffrey Millman, and Laura Wingler) have been selected to receive Goldwater Scholarships. The Goldwater Foundation aims to provide a continuing source of highly qualified scientists, mathematicians and engineers by awarding scholarships to college students who intend to pursue careers in these fields.
- 3) Three NC State student-athletes (Megan Coombs, Adam Kiker, and Kristin Price) received Weaver-James-Corrigan Postgraduate Scholarships for 2004.
- 4) The Park Scholars Class of 2008 will include 16 class valedictorians, prize-winning poets, a varsity team captain, researchers and three students with perfect SAT scores.
- 5) Seven faculty members (Khaled Harfoush, Maria Oliver-Hoyo, Celeste Sagui, Yan Solihin, Agnes Szanto, Laurie Williams, and Yang Zhang) have been selected by the National Science Foundation (NSF) to receive multi-year funding of their research activities. The NSF Career Award is one of the highest honors given by NSF to young university faculty in science and engineering, and is intended to advance the development of their research careers.
- 6) Trudy F.C. Mackay, William Neal Reynolds Distinguished Professor of Genetics, was awarded the 2004 Genetics Society of America Medal for her substantial contributions to quantitative genetics during the past 15 years.

- 7) Georgia Bizios, professor of architecture, has received a Distinguished Professor award from the Association of Collegiate Schools of Architecture, the highest honor given by the architecture disciplines' educational organization.
- 8) The Alfred P. Sloan Foundation has chosen T. Brent Gunnoe, assistant professor of chemistry, as an Alfred P. Sloan research fellow.
- 9) Janice Odom, Director of the Caldwell Programs at NC State, was selected to receive the Outstanding First-Year Student Advocate Award, presented by the National Resource Center for the First-Year Experience and Students in Transition.

Chancellor Fox also reported on NC State's continuing efforts to encourage junior high and high school students to consider the opportunities of higher education in North Carolina.

To follow-up with the Board's work on tuition and fees, Chancellor Fox summarized the amounts approved by the Board of Governors of the University of North Carolina (BOG) (Appendix A). She reported that the BOG approved a request to establish a BS degree in Engineering at East Carolina University (ECU). This program will be the first Engineering program at ECU, with funding to support the program expected from the increased enrollment funds. In documents provided to the BOG, ECU said that the program is expected to develop into a separate department with the assurance that there will be no additional resources needed for the program.

Finally, Chancellor Fox stated that the California Board of Regents voted to approve her appointment as Chancellor at the University of California, San Diego. She stated that after a great deal of soul searching, she has accepted the position. She expressed her appreciation for the opportunity that she has had serving as Chancellor of NC State and stated that she was proud of the accomplishments of the faculty, students and staff.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee - Chair Richard Robb

Chair Robb reported that Provost Oblinger briefed the Committee on the recently completed Southern Association of Colleges and Schools visit and reported that the visiting team was favorably impressed with NC State. The Committee heard a report on career banding that will allow our SPA salaries to more closely reflect market conditions and discussed the reasons faculty say they are leaving NC State. The Provost provided a summary of faculty retention efforts.

The Committee approved proposed salary ranges for faculty and Tier II Senior Academic and Administrative Officers for the coming year, as required by management flexibility.

Chair Robb stated that the Committee heard an update from Chair of the Faculty Dennis Daley, and the Provost provided updates on Dean searches, honorary degree nominations, the Biomanufacturing Training and Education Center, phase II bond planning, and compact planning.

Members of the Committee discussed the recent approval by the Board of Governors of a four-year general engineering program at East Carolina. Mr. Robb reported that the Academic Affairs and Personnel Committee recommends that the full Board endorse and forward the following statement to the Office of the President and the Board of Governors of the University of North Carolina:

We are surprised, disappointed and concerned that the Board of Governors has authorized a general engineering degree at East Carolina University. This decision was made despite the findings of independent experts, retained by the Board of Governors and the Office of the President that indicated no need for additional engineering programs in the State of North Carolina.

The NC State Board of Trustees believes this was an unfortunate decision considering the findings of the study and the data supplied. Further, we are convinced that this will negatively impact the already scarce resources for existing programs within the UNC system.

Mr. Robb stated that the Committee was very concerned with the BOG action, particularly in a time of ever decreasing funds for operation of existing UNC programs. Mr. Williams stated that he opposed the statement, saying that the decision has been reached and it would be counterproductive to oppose the action after the fact.

Mr. Robb noted that NC State had made overtures to ECU to collaborate in a 2+2 baccalaureate engineering degree program, similar to the successful collaboration between NC State and UNC-Asheville. He encouraged the Board to take a stance on the issue of proliferation of degree programs. Ms. Gordon agreed, stating that the Board would signal that the Trustees take notice of the actions by the BOG that directly affect NC State.

Chancellor Fox noted the actions she and Provost Oblinger took to request a delay in the consideration of the proposal, and she referred Trustees to the materials in the Board notebook (Appendix B). Mr. Jordan noted his concern that at a time when the UNC flagship universities are losing faculty to more competitive outside offers, the BOG approved a four-year engineering program at ECU. Engineering programs are expensive to establish and operate. Mr. Mattocks concurred. Mr. Caravano said he was concerned with the quality of the program and the ability of its graduates to find jobs.

With no further discussion, Mr. Robb made the motion, seconded by Ms. Goodnight, to approve the statement; the motion carried with Mr. Williams voting no.

Chair Robb concluded the AAPC report by stating that in Closed Session, the Committee approved personnel actions, including promotions, conferrals of tenure, conferral of emeritus status, contract extensions and salary actions. The Committee also approved Holladay Medal nominations.

Buildings and Property Committee - Chair D. McQueen Campbell

Chair Campbell reported that the Committee reviewed and approved four property matters, one designer, one developer and one construction manager selection, the 2004-2006 Open-ended Service Agreements, and accepted a list of completed buildings and projects. Two property matters require full Board approval. One is the updating of the boundaries of Centennial Campus to include acquired real property adjacent to the campus (Appendix C). The other is the lease of office space to Belcan Technical Services in Partners I to facilitate partnership activities with the College of Engineering in the Department of Mechanical and Aerospace Engineering (Appendix D).

Mr. Campbell made the motion, seconded by Mr. Vaughn, to approve the property matters; the motion carried.

The Committee also approved changes to Board of Trustees Policy 07.60.01 Parking and Transportation Ordinances, which require full Board approval (Appendix E). Mr. Campbell made the motion, seconded by Mr. Murphy, to approve the changes to Board Policy 07.60.01; the motion carried.

Chair Campbell stated that the Committee reviewed and approved the purchase of the lease of Urban Studio Space for the College of Design, conducted the annual review of the Physical Master Plan, reviewed three building plans, and approved three site selections, three building plans, and project plans and specifications less than \$1 million. The Committee heard a number of informational reports including the Centennial Campus Project Status Report.

Development Committee - Chair Ann Goodnight

Chair Goodnight reported that the Committee heard reports regarding fund-raising through March 31, 2004. Total gifts and pledges were \$166.8 million. This amount exceeds the nine-month goal of \$124.5 million.

The Committee was briefed on the progress of the comprehensive campaign, now in its quiet phase. The Committee received updates on capital projects fund-raising.

The Associate Dean of the Veterinary Medicine reported on the proposed Randall B. Terry, Jr. Companion Animal Veterinary Medical Center. The Vice Chancellor for Extension and

Engagement reported on the proposed golf course on Centennial Campus, and the Committee voted to approve going forward with the fundraising plan.

In Closed Session, the Committee reviewed and approved five proposals to name University facilities.

Finance and Planning Committee - Chair Richard Vaughn

Chair Vaughn stated that the committee heard informational reports on:

- § Extension and Engagement activities
- § Centennial Campus development activities highlighting the increase in partners from 59 to 61 since the last Trustees meeting
- § the Huron Consulting Group study report about the ability of North Carolina's Public Research Universities to contribute to State economic development
- § the upcoming legislative session of the North Carolina General Assembly
- § the midyear Internal Audit update describing closed and follow-up audits since July 1, 2003.

Student and Campus Affairs Committee - Chair Derick 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 through 30.

The Committee also heard a report from Staff Senate Chair Jon Barnwell describing Staff Senate's recent activities. Highlights included the computer loan program, the Crime Stoppers program, and President Broad's interest in UNC System employees not being governed by the Office of State Personnel.

Janice Odom, Director of the Caldwell Fellows Program, and five Caldwell Fellow students, including Student Body President Tony Caravano, gave a presentation on this scholarship and leadership development program.

Associate Vice Chancellor Tim Luckadoo and Dean Kay Moore, along with several faculty members and students, gave a presentation on living and learning villages designed to enhance students' opportunities for academic and social engagement.

The Committee heard one student appeal in Closed Session.

Nominating Committee - Chair Richard Vaughn

Chair Vaughn reported that he ensured that all members understood the Board’s Nominating Committee guidelines. Mr. Warren made a motion, seconded by Mr. Murphy, to nominate the following slate of officers for 2004-2005:

- Peaches Gunter Blank, Chair
- Richard Robb, First Vice Chair
- Derick Close, Second Vice Chair
- McQueen Campbell, Secretary, and
- Clare Kristofco, Assistant Secretary.

The Committee voted unanimously to support the slate.

Board of Visitors Report - Assistant to the Chancellor for External Affairs Andy Willis

Mr. Willis stated that the Board of Visitors met on Friday, March 26, 2004. Twenty-three of the thirty-one members were present. Coach Chuck Amato was the guest speaker, Vice Chancellor Terry Wood provided an update on University Advancement and fundraising activities, and Dr. Peter Kilpatrick gave an update on the Biomanufacturing Training and Education Center. The Board of Visitors developed a mission statement and timeline for an NC State Advocacy Network to be entitled, “Alumni and Friends Advocacy Network of NC State University (AFAN).” In addition, the Board of Visitors reviewed the Board Bylaws.

Student Government Report - President Tony Caravano

Mr. Caravano stated that the 2004-2005 slate of officers for Student Government were elected as follows:

- Tony Caravano, Student Body President
- Will Quick, Student Senate President
- Mital Patel, Treasurer
- Anna Eddens, Student Body Chief Justice

He also reported that students attended the Board of Governors’ meetings to participate in the discussion about the proposed tuition and fee increases. Students were disappointed in the decision to cut the proposed increase to the student activity fee, he said.

Students are making plans for next year’s homecoming events. This year the parade will move to Hillsborough Street.

CHANCELLOR SEARCH

Chair Blank reported that she has been busy meeting with campus constituencies including the General Faculty, Staff Senate and Student Senate. General themes discussed in all three meetings were as follows:

- 1) Overwhelming support for Chancellor Marye Anne Fox and sadness about her departure
- 2) Desire to maintain the momentum and progress at the university
- 3) Concern about the number of vacancies in upper administration – the Vice Chancellor for Finance and Business, three Deans, Associate Vice Chancellor for Human Relations and Centennial Campus Coordinator
- 4) Selection of an interim and who that may be

Chair Blank said she has solicited members of the Campus Community for names of potential members to serve on the Chancellor Search Committee and recommends that the search process be started very quickly. Chair Blank stated that she has received assurances from Chair of the Faculty Dennis Daley that faculty will be available over the summer to assist in the process.

Related to the Chancellor search, Chair Blank distributed to the Board a proposed timeline, excerpts from the UNC Code pertinent to the appointment of the Chancellor Search Committee, and information from the two most recent Chancellor searches within the UNC System. She has also consulted with President Broad about the search committee budget and staff. The budget for the search will be approximately \$150,000 to \$200,000, and it will be necessary to engage the services of an executive search firm to assist with the process.

With no further business for Open Session, Chair Blank called for the motion to go into Closed Session. Mr. Vaughn made the motion, seconded by Ms. Goodnight, 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, performance, condition of appointment of a public officer or employee or perspective public officer or employee, according to North Carolina General Statute, Section 143-318.11 (a)(6).

At 11:16 a.m., the Board came out of Closed Session. Before Chair Blank adjourned the meeting, Mr. Caravano thanked the Board for the discussions in the Committees and at the full Board meeting.

With no further business, Chair Blank adjourned the meeting at 11:20 a.m.