

Board of Trustees
North Carolina State University
Raleigh, North Carolina

April 20, 2007

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 Friday, April 20, 2007. Chair Wendell Murphy presided.

Members present:

Wendell Murphy, Chair
McQueen Campbell III
Derick Close
Lawrence Davenport
Ann Goodnight
Suzanne Gordon
Bob Jordan
Bob Mattocks
Burley Mitchell
Richard Vaughn
Steve Warren
Cassius Williams
Will Quick, ex officio

At the beginning of the meeting, the Chair 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. Ms. Goodnight recused herself from any discussion regarding the establishment of the Institute for Advanced Analytics because of her relationship with SAS Institute. Hearing no other conflicts, the Chair 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

Mr. Campbell made the motion, seconded by Mr. Vaughn, to approve the open session minutes of the February 16, 2007, meeting of the full Board. The motion carried.

Mr. Williams made the motion, seconded by Mr. Mattocks, to approve the closed session minutes of the February 16, 2007, meeting of the full Board. The motion carried.

CHAIR'S REPORT-WENDELL MURPHY

Chair Murphy stated that this would be the last Trustee meeting for Nina Allen, Chair of the Faculty; J.C. Boykin, Chair of the Staff Senate; and Will Quick, Student Body President. He thanked them for their exemplary service to the university. He also said that this was the final meeting for Ms. Goodnight, Mr. Vaughn, and himself, who have all served for two four-year terms. Chair Murphy reported on some of the accomplishments of the university and the board that have taken place over the past eight years. Highlights include an increase in enrollment of more than 10%, annual private support increased from \$86M in 1999 to \$187M in 2006, total

research expenditures have increased by 12%, and we have celebrated the opening of the RBC Center, the Murphy Center, Vaughn Towers, the Park Alumni Center, and the Joyner Visitor Center and many other major construction and renovation projects. He thanked the Board for allowing him the opportunity to serve as chair for the past two years and stated that it has been one of the best experiences of his life.

Chair Murphy closed by reading a statement of support for Virginia Tech in the aftermath of the recent tragedy on their campus. Members of the Board voiced their approval, and Chair Murphy asked Chancellor Oblinger to communicate this statement to the Virginia Tech President.

CHANCELLOR'S REPORT-JAMES OBLINGER

Chancellor Oblinger reported on the following campus highlights since the February meeting of the Board of Trustees:

- A \$3 million gift to the golf course on Centennial Campus from Lonnie and Carol Lynn Poole will allow construction to begin on the Lonnie Poole Golf Course this summer, pending the final planning steps.
- The Raleigh City Council approved the "H3 plan" for Hillsborough Street. This plan includes roundabouts at the Pullen Road and Hillsborough Street intersection and at the intersection of Oberlin Road and Groveland Avenue. The Chancellor remarked that our students were a significant factor in the passing of this plan.
- Our College of Textiles received a software donation valued at over \$1 million from Alignent Software. Faculty in our Nonwoven Cooperative Research Center will use the software to identify technology needs and trends that will promote growth in the nonwoven industry.
- The public launch of NC State's School of Public and International Affairs was held on March 29. UNC President Erskine Bowles spoke at this event.
- Dr. Ratna Sharma, professor of biological and agricultural engineering, was one of several researchers invited to discuss alternative fuel research as part of a panel discussion with President Bush during his trip to the Novozymes plant in Franklinton on February 22.
- A new biofuels technology, called Centia, developed by NC State engineers has the potential to turn virtually any fat source into fuel to power jet airplanes. This technology which is 100% green has been licensed by Diversified Energy Corp.
- N.C. Representative Bob Etheridge and Pennsylvania Representative Tim Holden conducted a biofuels tour at NC State on March 12. In addition to visiting a number of labs and centers, they inspected a Corvette fueled by ethanol which is being developed by NC State researchers and members of the Advanced Vehicle Research Center.
- A team of College of Design students took first place at the U.S. Green Building Council Natural Talent Design Competition, sharing the top spot with two professional architectural firms. NC State's winning design will be used by Habitat for Humanity to build homes in Catawba, Chatham, and Orange counties.
- NC State will launch a new statewide program this fall aimed at developing entrepreneurs and supporting their success in the classroom and beyond. Among other things, this multi-faceted program will develop a new academic major in entrepreneurship.
- The Friday Institute for Educational Innovation at NC State is leading the implementation of a \$6 million state-funded pilot project to provide high-speed network connectivity to all K-12 schools in North Carolina. Such a state network would provide high-quality, reliable Internet access and instructional content everywhere in the state.

- Four NC State students were selected as recipients of the prestigious Barry M. Goldwater Scholarship for the 2007-2008 academic year. The students were Jennifer Boyd, Joe Morrow, Warren Perry, and Jennifer Ricks. Only six other universities had four scholars selected this year (Harvard, Stanford, Chicago, Carnegie-Mellon, Kenyon, and North Texas).
- The UNC Board of Governors recently honored two NC State faculty members. Dr. Trudy Mackay was selected as a recipient of the 2007 O. Max Gardner Award. Dr. William Swallow was selected as a recipient of the 2007 Board of Governors Award for Excellence in Teaching.
- Coach Kay Yow received the 2007 Naismith Award for her outstanding contributions to women's basketball. She was recognized at the annual Naismith Awards Banquet on April 5 at the Georgia World Congress Center.
- Chancellor Oblinger was one of six university chancellors and presidents to accompany U.S. Under Secretary of State Karen Hughes and Deputy Assistant Secretary Thomas Farrell on a weeklong trip to India to promote U.S. higher education and build educational ties. During the trip, he met with India's President, A.P.J. Kalam; had lunch with India's Foreign Secretary, Shiv Shankar Menon; and had dinner with the U.S. Ambassador to India, David Mulford. He also participated in a roundtable discussion with Indian university leaders on the importance of international education in preparing students to be competitive in the 21st century. Chancellor Oblinger stated that this trip was a life-changing experience for him. He and Dr. Diana Oblinger are also going to China in May as part of a delegation from NC State and the Research Triangle Park.
- Chancellor Oblinger was recently elected an Institute of Food Technologists (IFT) Fellow. He will receive this honor in July at the IFT annual meeting in Chicago.

Chancellor Oblinger closed his remarks by saying how proud he was of the way our students responded to the recent tragedy at Virginia Tech. NC State students held a very moving candlelight vigil that he attended on campus. Campus safety issues have always been one of our top priorities, and we are dedicated to making NC State as safe as we possibly can. We are always looking for ways we can improve the safety climate on campus.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee-Chair McQueen Campbell

Chair Campbell stated that the Committee heard a report on the Standard Operating Practice on Residence for Full Scholarship Undergraduates and also received an annual update of the special consideration process of Undergraduate Admissions. This update included a review of the performance of students previously admitted through that process.

The committee approved revisions to Policy 01.20.01, Authority of the Chancellor; Policy 05.15.2, Emeritus status for SAAOs; and Policy 05.20.2, Emeritus Faculty Status and Involvement. These revisions are part of a package of three policies and one regulation that all must be revised to implement the Board of Trustees delegation to the Chancellor the authority to approve faculty and SAAO Tier II emeritus status. Chair Campbell made the motion, seconded by Mr. Williams, to approve these three policy revisions; the motion carried.

The committee approved a revision to Policy 05.20.1, Academic Tenure. This policy is revised to correct minor errors. Chair Campbell made the motion, seconded by Mr. Close, to approve this revised policy; the motion carried.

The committee discussed authorizing the Vice Chancellor and General Counsel to make changes such as those just presented in the Academic Tenure Policy without those changes requiring approval of the full Board. The committee made the motion, seconded by Ms. Gordon, that the Board of Trustees grant authorization to the Vice Chancellor and General Counsel to make non-substantive edits and substantive updates that are non-discretionary mandatory changes to accord with UNC policies and regulations or state or federal law; the motion carried.

The Committee also heard an overview report of this year's background data analysis and shared information on our current compensation status compared with our peers. The committee approved the salary ranges for the Senior Academic Administrative Officers.

Nina Allen, Chair of the Faculty, reported on Faculty Senate activities since the February Board of Trustees meeting. These activities include a Faculty Senate resolution supporting the Gay, Lesbian, Bisexual, and Transgender Center; discussion of Post-Tenure Review of Faculty; course evaluations on-line; background checks; and accepting donations from a foundation.

Provost Larry Nielsen notified the committee of updates to two regulations. Notifications of intent to plan and authorizations to establish new degrees have been processed for distance degrees in Electrical and Computer Engineering, and new degrees have been processed for Agricultural Science, German Studies and Public History. The name of an existing degree is being changed from BS Textile and Apparel Management to BS Fashion and Textile Management. A Department of Elementary Education is being established. The committee heard updates on the establishment of the Center for Excellence in Curricular Engagement and Institute for Advanced Analytics. Class evaluations will be administered on-line effective this semester.

Chair Campbell reported that the committee also approved a salary increase, the granting of faculty emeritus status, contract extensions, appointments to endowed professorships and conferral of tenure. The committee also approved recommendations for the awarding of Honorary Degrees which will be considered by the full Board in closed session at the conclusion of this meeting. In addition, the committee received a report of the terms of settlement regarding the contract of a former employee of the Department of Athletics.

Audit, Finance and Planning Committee-Chair Richard Vaughn

Chair Vaughn reported that the committee approved the establishment of the Center for Excellence in Curricular Engagement and the Institute for Advanced Analytics. The Committee received a quarterly update on Internal Audit activities, and an overview on the University Debt portfolio.

Presented to the Committee were the Notification of Intent to Plan and Authorization to Establish Undergraduate Degree Programs in Agricultural Science and German Studies, and the Notification of Intent to Plan and Authorization to Establish Graduate Degree Programs in Electrical Engineering (Distance Education), Computer Engineering (Distance Education), and Public History.

Chair Vaughn stated that the Committee received an update on the physical master plan of the university. In addition, the committee heard an update on the current status of the Dix property.

Buildings and Property Committee-Chair Derick Close

Chair Close reported that the committee reviewed and approved twelve property matters, seven designer selections, one construction manager at risk selection, and a list of nine completed buildings and projects. Nine property matters require full Board approval:

1. Conditional approval for an option to sell Corporate Research I and Corporate Research I parking deck to MeadWestvaco to accommodate the expansion of Corporate Research I by 65,000 gsf.
2. Conditional land lease to MeadWestvaco in the event a sale of the improvement is pursued.
3. Conditional approval to demolish the Corporate Research I parking deck if ownership of the deck is retained and the expansion of Corporate Research I is developed by the university to accommodate MeadWestvaco.
4. Request to demolish Blue Ridge Annex on Centennial Biomedical Campus. The location is the site for a new parking deck.
5. Lease renewal of approximately 7,000 square feet of off-campus space near Gorman and Hillsborough streets for the Ergonomics Center of North Carolina.
6. Lease renewal for the College of Design for teaching facilities in Prague, Czech Republic.
7. Ground lease of 20 separate university parcels to Greek organizations that will allow for construction of individual chapter houses.
8. Ground lease of approximately .25 acres of NC State University Lot 86 to Carolina Solar Energy to allow for construction of a solar generation project for collaborative research with the NC Solar Center.
9. Approval of hunting license at Bull Neck Swamp Research Forest in Washington County for the College of Natural Resources that would provide funds for the College to support forest-related research, teaching, and public service programs.

Chair Close made the motion, seconded by Mr. Quick, to approve these nine property matters; the motion carried.

Chair Close stated that the committee approved four property matters received after the mailing to the full Board. Two of these matters require full Board approval:

1. Sewer line easement to KSC Associates to facilitate a sewer line across NC Department of Agriculture and NC State lands in the area of Lake Boone Trail and Macon Pond Road.
2. Sale of .78 acres of undeveloped land between the Pamlico Sound and Hatteras Harbor. Proceeds are intended for use by the College of Agriculture and Life Sciences in support of marine research.

Chair Close made the motion, seconded by Mr. Williams, to approve these two property matters; the motion carried.

Chair Close reported that the committee approved changes to Parking and Transportation Policies, which require full Board approval. Chair Close made the motion, seconded by Mr. Vaughn, to approve these changes; the motion carried.

Chair Close stated that the committee also approved the physical master plan 2007 update, reviewed three project plans and approved four other project plans. They also received informational reports about the status of capital projects throughout the campus. He thanked Vice Chancellor Leffler and Associate Vice Chancellor MacNaughton for all of their hard work relating to these projects.

Development Committee-Chair Bob Jordan

Chair Jordan reported that the committee reviewed and approved a proposal for a fund-raising project and a new fund-raising feasibility study. They also received an update on the status of the Vice Chancellor for University Advancement search.

Chair Jordan stated that the committee heard reports regarding fund raising for the third quarter of fiscal year 2007; total gifts and pledges were \$155.7 million. The committee was briefed on the progress of the *Achieve! Campaign*. As of March 31, the campaign has raised over \$1.090 billion and is at 109% of its \$1 billion goal. The committee also reviewed the progress of the university entities toward their working campaign goals.

The committee received updates on fund raising for the five current capital projects and heard reports on findings and recommendations from consultants on three completed feasibility studies.

Chair Jordan stated that the committee reviewed and approved fifteen proposals to name specific university facilities. A motion will be made at the end of this meeting to go into Closed Session to consider these proposals.

Student and Campus Affairs Committee-Chair Steve Warren

Chair Warren stated that the Committee received a report on NC State's efforts to prevent and respond to emergency situations, such as the tragic events that occurred recently at Virginia Tech. Our Campus Police Department is made up of 56 police officers and is one of only 35 accredited programs nationwide. The issue that is always most critical in emergency situations is communication. Our goal is to have redundant systems in order to ensure that everyone on campus is notified during an emergency situation. Towards that end, the university is reviewing the campus communication and emergency notification system to make sure multiple systems are in place.

Chair Warren reported that J.C. Boykin, Staff Senate Chair, was unable to attend the meeting to give his report. Mr. Boykin asked Vice Chancellor Tom Stafford to express his appreciation to the Trustees for allowing him to present Staff Senate activities this year.

Chair Warren stated that the committee heard a report on the Living and Learning Villages. The goals of the villages include attracting top students and enhancing personal and academic success. Between 2003 and 2006, almost 4,000 individual students have resided in the villages. The committee felt that this presentation was very uplifting and commended University Housing and its partners for the success of the Living and Learning Villages.

Chair Warren said that Vice Chancellor Stafford introduced the newly elected student leaders, and the committee expressed appreciation to outgoing Trustees Richard Vaughn and Will Quick for their service to the committee.

Nominating Committee-Chair Cassius Williams

Mr. Williams stated that after a review of the Nominating Committee guidelines, committee members unanimously agreed to present the following nominations for full Board consideration at the July meeting:

- McQueen Campbell, Chair
- Bob Jordan, First Vice Chair
- Suzanne Gordon, Second Vice Chair
- Steve Warren, Secretary
- PJ Teal, Assistant Secretary

Also, after further discussion of the Nominating Committee guidelines, the committee agreed to recommend that the Board of Trustees change the third sentence of section 1.3.5 of the bylaws to read, "The Nominating Committee shall be responsible for presenting a slate of nominees to the Board at its last meeting before the beginning of each University fiscal year." Chair Williams stated that the full Board will also consider this change at the July meeting.

Chair of the Board of Visitors Report, Chair Jack Cozort

Chair Cozort reported that there was good attendance at the March 30 meeting of the Board of Visitors. Representative Rick Glazier was a guest at the meeting, and he provided good, candid information on the budget. The Board also heard from some graduate students who talked about their NC State experiences. Head football coach Tom O'Brien was the lunch speaker; he spoke about his goals for the football team, both on the field and in the classroom.

Chair Cozort said that he has received numerous telephone calls, letters, and visits from individuals who would like to serve on the Board of Visitors. He stated that this is a great compliment to the members of the Board of Visitors as well as to NC State. He thanked the university for giving him the opportunity to serve as Chair.

Student Government Report- Student Body President Will Quick

Student Body President Quick stated that this would be his last report to the Trustees since he will graduate in May. He has been accepted into the MBA program at NC State next year. Mr. Quick announced the new Student Government officers for next year.

Mr. Quick reported that our students have been very active in supporting the students at Virginia Tech. Our students signed banners of support which have been sent to Virginia Tech. He has spoken with student leaders at Virginia Tech and has let them know what NC State students are doing to show their support during this very difficult time.

Chair Murphy thanked Mr. Quick for his distinguished service to the Board of Trustees and wished him well as he begins his graduate studies at NC State.

Presentation of Walter Hines Page Awards

First Vice Chair Bob Jordan and Chancellor Oblinger presented the Order of Walter Hines Page certificates to the four Trustees who are going off the Board: Ann Goodnight, Wendell Murphy, Will Quick, and Richard Vaughn. Mr. Jordan read a brief biography of Walter Hines Page and explained that these awards are presented only to former Trustees in appreciation for their dedicated service to NC State University.

Student Body President Oath of Office

Trustee Burley Mitchell, former Chief Justice of the NC Supreme Court, administered the oath of office to Robert D. Mills, Jr. Mr. Mitchell commented that he felt very honored to perform this task because he and Mr. Mills' grandfather are good friends. Mr. Mills thanked the Trustees for their support and said he is looking forward to a good year as Student Body President.

Items of Interest to the Board

Trustee Mattocks made the observation that this Board is a very compatible group with excellent leadership, and he is proud to serve on the Board. He asked that we always be mindful of the need to be inclusive as we discuss issues that affect NC State.

Trustee Davenport thanked Chancellor Oblinger and staff for last night's Board of Trustees dinner. He felt that this was a first-class event and stressed the importance of high-quality events such as this.

With no further business in Open Session, Chair Murphy called for the motion to go into Closed Session according to NCGS 143-318.11 (A)(2). Mr. Williams made the motion, seconded by Ms. Gordon, to go into Closed Session to prevent the premature disclosure of an honorary award or scholarship; the motion carried.

At 10:45 a.m., the Board came out of Closed Session. Chair Murphy closed the meeting by saying that he will miss serving on the Board of Trustees, and he thanked members of the Board for allowing him to serve as Chair for the past two years. He said that when he entered NC State in 1956, he could not have imagined what a wonderful experience was in store for him. He said he has truly come full circle.

With no further business, Chair Murphy adjourned the meeting at 10:45 a.m.