

Board of Trustees  
NC State University  
Raleigh, North Carolina

July 14, 2003

The North Carolina State University Board of Trustees met in regular session in the Alumni Conference Room, Alumni Memorial Building, North Carolina State University, at 1:00 p.m., Monday, July 14, 2003. Chair Peaches Gunter Blank presided.

**MEMBERS PRESENT:**

Peaches G. Blank  
D. McQueen Campbell, III  
Derick S. Close  
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 1:01 p.m.

**ROLL CALL**

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

Ms. Vicki Walton, Administrative Officer in the Provost Office, conducted the official swearing in of new trustees Mr. Tony Caravano, Mr. Robert B. Jordan, III and Mr. Steve F. Warren.

**MINUTES**

Mr. Campbell made the motion, seconded by Mr. Close, to approve the April 17, 2003 full Board minutes; the motion carried.

Mr. Campbell made the motion, seconded by Ms. Gordon, to approve the April 17, 2003 Closed Session minutes of the full Board; the motion carried.

Mr. Campbell made the motion, seconded by Mr. Robb, to approve the minutes from the Executive Committee meeting on June 27, 2003; the motion carried.

**ELECTION OF OFFICERS**

At the April 17, 2003 meeting of the Board of Trustees, the Nominating Committee, chaired by Mr. Mattocks, nominated the following slate of officers for 2003-2004:

Chair	Peaches Gunter Blank
First Vice Chair	Richard G. Robb
Second Vice Chair	Derick S. Close
Secretary	D. McQueen Campbell
Asst. Secretary	Clare M. Kristofco

Mr. Mattocks made the motion, seconded by Ms. Gordon, to approve the slate of officers for 2003-2004; the motion carried.

Chair Blank recommended that Mr. Vaughn be elected to the fifth position of the Board of Trustees Executive Committee. With no further discussion, Mr. Murphy made the motion, seconded by Mr. Mattocks, to approve Mr. Vaughn as the fifth member of the Executive Committee; the motion carried.

Chair Blank asked Chancellor Fox to provide her report.

**CHANCELLOR'S REPORT - MARYE ANNE FOX**

Chancellor Fox formally introduced Dr. James L. Oblinger as the newly appointed Provost and Executive Vice Chancellor for Academic Affairs. He began his appointment on May 19, 2003. The faculty breakfasts, hosted in the spring semester by Interim Provost Bob Barnhardt, were invaluable for gaining faculty insight and suggestions, the Chancellor said. Provost Oblinger and Chancellor Fox will continue these interactions through the fall semester. The Chancellor also will again hold one-on-one faculty Awalk-in@ times, and will continue to schedule these opportunities with students.

Chancellor Fox provided an update of the Capital Campaign. As of June 30, the Capital Campaign total was \$151.8 million, well ahead of the \$120 million FY 2003 goal.

NC State's comprehensive marketing effort, ANC State: Achieve!@ begins a second phase of advertising this summer in an effort to increase visibility for the university and the achievements of its students, faculty and staff. Using a variety of media, the campaign is designed to showcase how NC State achieves results that improve the lives of North Carolinians through teaching, research and outreach.

The marketing efforts will include print ads, radio spots and billboards that will ultimately make a total of about 110 million positive impressions across the state during a three-month period.

Half-page, full-color print ads will run in three issues of *Business North Carolina* magazine, which has a monthly circulation of 30,578 B 62 percent of whom are top management executives. The ads also will run in the alumni magazine B *NC State* B and in the football program and preview guide. The ads profile Achievers@ at NC State including Dr. Roger Barker at the College of Textiles and his work on protective clothing for firefighters; Dr. Anne-Marie Stomp and her work in genetically engineering duckweed to produce beneficial proteins, and women's basketball coach Kay Yow, who molds her players into accomplished athletes and upstanding citizens. Also to be featured is a successful alumnus, Scot Wingo, whose software company made him a millionaire before age 30.

Two different billboard designs will be on display in 110 sites in major population centers across the state for the busiest travel season, July through September.

Radio spots will run 15 times per week for six weeks on 84 stations on the N.C. News Network. These spots will reach an estimated one-third of the state's adult population in both metropolitan and rural areas. The ads showcase people at NC State who have forged partnerships with communities, and made a difference in the lives of our citizens.

Chancellor Fox congratulated Mr. Close for Springs Industries' recent 2003 Innovation Award given by *Textile World* magazine. Mr. Close is President of the Creative Products Group at Springs Industries.

Chancellor Fox asked Assistant to the Chancellor for External Affairs Andy Willis to give the Board a brief budget update. Mr. Willis provided an informational report regarding the authorized budget for the University of North Carolina System for FY 2003-2004. The University System will have a budget of \$1,792,141,661. NC State will see a budget reduction from the previous fiscal year of 3.5% to 4.0%, a smaller reduction than had been anticipated.

In light of the difficult times, however, the University received some encouraging news. Enrollment will be fully funded at \$46.1 million and graduate student tuition remission will receive no reductions

for FY 2003-2004. Also, facilities and administrative costs (overhead receipts) will see no reductions in the new fiscal year.

The General Assembly increased tuition by 5.0% which will generate \$24 million. The North Carolina University System is fairing remarkably better than most of its peer universities, Mr. Willis said, as some universities are experiencing as much as a 26.0% increase in tuition for the coming academic year. MCNC supercomputing, which supports and promotes the use of computational science for education, research and commercial applications, will receive a recurring reduction of \$500,000.

Mr. Willis reported that EPA and SPA employees will receive a one-time compensation bonus of \$550 and an additional 10 days of vacation. Employees will see no changes to health plan benefits, deductible price, out-of-pocket maximum, or additional co-pays for prescription drugs. There will be a 17.0% premium increase for members of the NC Teachers and State Employees Comprehensive Major Medical Plan.

NC State's College of Agriculture and Life Sciences will be provided funds of \$310,000 for the construction of a Structural Pest Training Facility, and will receive \$164,000 of recurring operating expenses for this facility to begin in the second year of the biennium.

Mr. Willis said that the University is now concentrating on the General Assembly's consideration of Optional Retirement Plan opportunities for EPA professionals and the self liquidating projects bill, which includes a number of NC State projects.

Chancellor Fox stated that the University System had been fortunate, given the state's economic crisis. She thanked the Board for their assistance in communicating NC State's needs to the legislature.

#### **CHAIR'S REPORT - PEACHES GUNTER BLANK**

Chair Blank provided a report from the May 13, 2003 meeting of the Board of Trustees of the Endowment Fund, and stated that the Board approved acceptance of gifts totaling \$151,540. The Board's net return for one year ending March 31, 2003 totaled a negative 9.5% and a negative 1.6% return was reported for the quarter ended March 31, 2003. Total investments of the Endowment Fund are \$96.4 million, down from \$104.3 million on December 31, 2003. The Board approved a continuance of the .40 assessment for University Advancement and a .35 assessment for the capital campaign.

Chair Blank congratulated Chancellor Fox and the university administration for the smooth transitions in leadership that had occurred during the last academic year. In her summary of the year's major events, Ms. Blank noted that the Board had completed a comprehensive four-year review of Chancellor Fox's review, in which the Trustees had unanimously commended the Chancellor for her outstanding leadership of NC State as it has sought academic prominence.

In detailing transitions in senior level administration, Chair Blank noted that Dr. George Dixon, Vice Provost for Enrollment Management and Director of Undergraduate Admissions, had retired and Mr. Tommy Griffin has been appointed as Director of Admissions. Dr. John Gilligan was appointed to the post formerly held by Dr. Charles Moreland, Vice Chancellor for Research and Graduate Studies, who retired. Mr. Andy Willis filled the vacancy of Assistant to the Chancellor for External Affairs, formerly held by Mr. Mark Fleming, who accepted a position at the University of North Carolina Office of the President. Dr. Lennie Barton recently started his appointment as Executive Director of the Alumni Association, replacing Mr. Bob Bryan, who had resigned. Finally, Mr. Matt Peterson assumed the duties of a new position, Director of Federal Research Affairs.

Chair Blank welcomed Dr. James L. Oblinger as the newly appointed Provost and Executive Vice Chancellor for Academic Affairs. She voiced her anticipation of great accomplishments in the coming academic year under his leadership and through the efforts of his staff. She expressed, once again, her

appreciation to Dr. Robert A. Barnhardt, former Dean of the College of Textiles, for his willingness to assume the responsibilities of Interim Provost.

This year's General Henry Hugh Shelton Initiative for Leadership Development program was very successful, Chair Blank said, and she encouraged Trustees to attend the next program on November 14 at the McKimmon Center. She also noted the accomplishments of the Park Scholars program and the Achieve ad campaign. Chair Blank added that the Board remains committed to successful resolution of issues including the proposed Executive Conference Center, student enrollment, and campus construction projects.

Chair Blank reviewed the materials behind tab 9 in the Trustee notebook, noting that the revisions to Board policies are the latest in the Board's efforts to fine-tune operations and make the most efficient use of members' time. She called for a motion to approve Board of Trustees Policy revisions and/or new policies as listed below:

- § Board of Trustees Policy 01.05.1 - To eliminate ambiguities, ensure consistency in language, accommodate recent Board of Governors' delegations of authority, and codify the Board's existing practices regarding election of the fifth member of the Executive Committee in the absence of an immediate past chair.
- § New Guidelines - To streamline board operations and committee schedule. The guidelines address committee assignments and scheduling, streamline the Board's committee meeting schedule, incorporate the Board's Nominating Committee Guidelines, and therefore deletes Board of Trustees Policy 01.05.6.
- § Board of Trustees Policy 01.05.2 - To clarify Academic Affairs and Personnel Committee's role in selection of individuals to receive Board of Trustees honorary degrees, awards, and distinctions. Policy gives the Board the opportunity to provide advice to the Chancellor in the selection of Commencement speakers.
- § Board of Trustees Policies 01.05.5 and 01.05.7 - To remove ambiguities in the approval process for campus based tuition increases and student fees. Changes to the policies make the process for consideration of student fees and campus initiated tuition increases (CITI) consistent with the Board's procedures for review of key issues. All student fees and CITI proposals would be reviewed by the Student and Campus Affairs Committee and then forwarded to the full Board for consideration.
- § Board of Trustees Policies 01.30.1, 01.30.2 and 01.30.3 - To enhance the nomination process by providing the NC State community with multiple avenues for bringing forth to the Academic Affairs and Personnel Committee nominations for the Holladay Medal, Honorary Degree and Watauga Medal. In the Honorary Degree process, the change strengthens the role of the Provost and Executive Vice Chancellor for Academic Affairs and broadens participation by the faculty in the Honorary Degree nomination process.
- § Board of Trustees Policy 01.05.8 and new policy - To codify procedures for the Student and Campus Affairs Committee in student appeals, and to update current 01.05.8 policy to reflect changes previously made by the Board to the EPA employee grievance procedure.

Mr. Campbell made the motion, seconded by Mr. Vaughn, to approve the policies (Appendix A); the motion carried.

The Trustees discussed procedures for bringing forward proposals to amend the Board's Bylaws. Chair Blank said that all Trustees may recommend changes to the Board's bylaws. Mr. Williams suggested that the Board consider a more formal Bylaws review procedure, such as a standing committee to review Board Bylaws. Chair Blank suggested that the Board consider this topic at its September

retreat.

Mr. Campbell stated his support for the Board's providing advice to the Chancellor as the Chancellor selects the Commencement speaker. He noted the disappointment of many graduates and their families with Spring 2003 Commencement speaker Phil Donahue. Mr. Robb encouraged the Board to continue to allow a range of opinions to be expressed at the university.

### **COMMITTEE REPORTS**

#### **Buildings and Property Committee - Chair D. McQueen Campbell**

Chair Campbell reported that at the meeting on July 14, 2003, at 10:00 a.m., in the Primrose Hall Conference Room, the Committee approved the consent agenda, including the minutes of the April 16 meeting.

The Committee reviewed and approved five property matters, four designer selections and one open-ended service agreement. Two property matters require full Board approval. The first property matter is a two-year lease of space, to be determined by bid, for temporary lab and office space for use while Schaub Hall is renovated. The second is a lease for administrative space for the Office of Technology Transfer. The department has outgrown the facilities it has been occupying in the College of Textiles. The lease would be for five years and the location will be determined by bid.

Mr. Campbell made a motion, seconded by Mr. Murphy, to approve the property matters (Appendix B); the motion carried.

The Committee accepted a list of completed buildings and projects. They reviewed the Physical Master Plan for the Spring Hill Precinct and the proposed Catalano Pavilion. They reviewed two site selections and approved three others. They also reviewed two building plans, approved one other and approved project plans and specifications less than \$1 million.

Before the Board recessed for Committee meetings, Chair Blank distributed Committee assignments.

### **COMMITTEE ASSIGNMENTS**

Chair Blank announced Committee assignments for 2003-2004, as follows:

#### **Academic Affairs and Personnel**

Richard Robb, Chair  
Suzanne Gordon  
Robert Jordan  
Bob Mattocks

#### **Buildings and Property**

McQueen Campbell, Chair  
Ann Goodnight  
Wendell Murphy  
Steve Warren

#### **Student and Campus Affairs**

Derick Close, Chair  
Tony Caravano  
Richard Vaughn  
Cassius Williams

#### **Finance and Planning**

Richard Vaughn, Chair  
McQueen Campbell  
Derick Close  
Suzanne Gordon  
Richard Robb  
Cassius Williams

#### **Development**

Ann Goodnight, Chair  
Tony Caravano  
Robert Jordan  
Bob Mattocks  
Wendell Murphy  
Steve Warren

Chair Blank recessed the full Board meeting to allow the newly reassigned Committees to meet and briefly examine their respective committee responsibilities.

Chair Blank reconvened the Board at 3:25 p.m. Mr. Vaughn reported that the Finance and Planning

Committee had approved a Resolution regarding the Issuance of a Special Obligation Bond, and recommended approval by the full Board. The Board's approval would authorize the University to classify the projects in the 2003 Self-Liquidating Bill as projects eligible for the University's Interim Financing Program. Mr. Vaughn made the motion, seconded by Mr. Close, to approve the resolution (Appendix C); the motion carried.

With no further items to come before the Board of Trustees, the Chair called for the motion to go into Closed Session. Mr. Close made the motion, seconded by Mr. Campbell, 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 3:28 p.m. and returned to Open Session at 3:35 p.m.

With no further business to discuss in Open Session, Chair Blank adjourned the meeting at 3:36 p.m.