Board of Trustees
North Carolina State University
Raleigh, North Carolina

September 17, 2010

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 Centennial Campus, Raleigh, NC, on Friday, September 17, 2010. Chair Lawrence Davenport presided.

Members present:
Lawrence Davenport, Chair
Jack L. Cozort
Benjamin P. Jenkins III
Bob Jordan
Gayle S. Lanier
Barbara H. Mulkey
James W. Owens
Randall C. Ramsey
John P. Sall
E. Norris Tolson
Steve F. Warren
Cassius S. Williams
Kelly Hook, ex officio

Chair Davenport called the meeting to order at 9:25 a.m. He reminded all members of their duty to avoid conflicts of interest and appearance 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. There being none, 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. Tolson made the motion, seconded by Mr. Jenkins, to approve the open session minutes of the July 15, 2010 meeting of the full Board. The motion passed.

CHAIR’S REPORT-LAWRENCE DAVENPORT
Chair Davenport reported that the Endowment Fund Board of Trustees met on Thursday, September 16, 2010. The Board heard reports on advancement priorities, investment performance, underwater endowments, spending budgets and gifts. A special presentation was made to the Board on the Hofmann Forest. The Board took the following actions:

- Approved the appointment of Gayle Lanier to Vice Chair of the Endowment Fund Board
- Accepted the 2010 Financial Report
• Accepted gifts in the amount of $3.1 million
• Approved un-endowing the Joslin Gardens Endowment and transferring endowment
  assets in accordance with the donors’ wishes
• Approved fiscal year 2011-12 spending budgets of $3.6 million
• Approved revised spending rule
• Granted a conservation easement to NC State Natural Resources Foundation, Inc. for the
  purpose of forming Bachelor’s Delight Mitigation Bank and authorized the Treasurer to
  act on behalf of the Board on this matter

Chair Davenport stated that the Board then went into closed session to have an attorney-client
privileged discussion of a litigation matter.

In his report to the Board of Trustees, Chair Davenport mentioned the Engineering Building III
Grand Opening that took place on Wednesday, September 15. This new building will house
Mechanical and Aerospace Engineering.

Chair Davenport reported that the Atlantic Coast Conference annually requires its member
institutions’ boards of trustees to certify that authority for the administration of intercollegiate
athletics has been delegated to the chancellor. Mr. Cozort made the motion, seconded by Mr.
Jenkins, to approve the ACC Governing Board Certification for 2010-2011. The motion passed.

Chair Davenport said that Trustees were notified of a proposed change to sections 2.1 and 2.2 of
the Board of Trustees bylaws. The proposed revision changes the manner, method and amount of
time needed to notice a special meeting of the board. Mr. Williams made the motion, seconded
by Ms. Mulkey, to approve revisions to Policy 01.05.1: Bylaws; the motion carried.

Chair Davenport discussed proposed changes to Board of Trustee Policy 01.05.10: Guidelines
for Committee Assignments. These changes clearly specify that the Trustee Chair will be an ex
officio voting member of all standing committees and shall count for purposes of determining
whether a quorum is present at a committee meeting. Mr. Tolson made the motion, seconded by
Mr. Owens, to approve the proposed revisions to Policy 01.05.10; the motion carried.

Chair Davenport then reminded Trustees of the joint dinner with the UNC Chapel Hill Board of
Trustees scheduled for September 22. He also asked that all board members plan to participate in
Chancellor Woodson’s installation on October 26 at 10:30 a.m. in Reynolds Coliseum.

**CHANCELLOR’S REPORT-W. RANDOLPH WOODSON**

Chancellor Woodson reported that the event to celebrate the completion of improvements to
Hillsborough Street will take place on Saturday, September 25. He stated that NC State has a
strong partnership with the City of Raleigh, Hillsborough Street merchants and neighbors.
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Chancellor Woodson stated that NC State was recently named by the Wall Street Journal as one of the top 25 colleges by recruiters; we were ranked 19th and also ranked as the best value on the list. He also reported that the Southern Association of Colleges and Schools (SACS) is the regional organization responsible for accrediting southeastern colleges and universities. Our next review is scheduled for 2013-14. The accreditation process requires significant attention and time from our faculty and staff. The decennial reaffirmation calls for approximately 75 compliance reports, a Quality Enhancement Plan (QEP) to improve student learning in an area of our choice, and on-site visits to our main campus and off-campus sites. Between decennial reaffirmations, SACS also requires a fifth-year report that includes 15 compliance reports and a progress report on our QEP. Our review last year had the best possible result. We were judged in compliance in every reported area, and our QEP was shown to have improved student learning.

Chancellor Woodson announced that the Office of Research will become the Office of Research and Innovation. We are realigning to strategically advance the capacity for our researchers and partners to innovate to full impact. This change reflects the high value we place on the research enterprise at NC State. Two elements of the Office of Research and Innovation are the Springboard Innovation Portal and the Chancellor’s Innovation Fund. The Springboard Innovation Portal will act as a virtual and physical network of networks, serving as the catalyst for full integration collaboration and cross-linking of the wealth of innovation and entrepreneurship activities, while making the university more accessible to external partners. The Chancellor’s Innovation Fund will provide proof-of-concept and early seed funding to help bring NC State’s discoveries to utilization. We will launch the fund with $250,000 per year with a goal of a sustainable amount of $500,000 per year.

COMMITEE REPORTS

Academic Affairs and Personnel Committee-Chair Norris Tolson
Chair Tolson reported that the Interim Provost provided a review of the committee’s responsibilities as outlined in the Board of Trustees Policy 01.05.2-Academic Affairs and Personnel Committee Authority. The committee recommended a revision to Policy 01.05.2 to incorporate authority of the AAAPC to review and approve appointments of faculty to distinguished professorships supported in part by the Distinguished Professorship Endowment Trust Fund. Mr. Tolson made the motion, seconded by Mr. Williams, to approve the revised Policy 01.05.2. The motion carried.

Mr. Tolson stated that the committee recommended a degree title change from B.S. in Environmental Technology to B.S. in Environmental Technology and Management. No curriculum changes are required as a result of the name change. The change reflects the true nature of the degree and makes it more attractive to a broader array of potential students as well as employers of our graduates and alumni. Mr. Tolson made the motion, seconded by Mr. Williams, to approve this degree title change. The motion carried.
Mr. Tolson said that the committee approved the establishment of the Lampe Distinguished Professorship in Biomedical Engineering. The professorship will be conferred for a five-year, time-limited appointment that can be continued for additional years with approval by the Biomedical Engineering department head and dean of the College of Engineering.

Mr. Tolson stated that the committee was notified of the following items:

- A new undergraduate certificate in General Horticulture (distance education) has been established.
- The Department of Mathematics, Science and Technology Education in the College of Education has changed its name to the Department of Science, Technology, Engineering and Mathematics Education (STEM) to better reflect national trends in STEM education and to position the department to compete more effectively for external funding, graduate students and faculty leaders in the STEM education fields.
- The committee was notified of revisions to several regulations: REG 05.55.2, Hiring Procedures for Faculty and EPA Personnel; REG 05.15.1, Procedures for Establishing EPA Positions; REG 05.20.20, RPT Dossier Format Requirements; REG 05.20.11, Scholarly External Evaluations; REG 05.20.10, Evaluation of Teaching; REG 01.25.12, University Record Retention and Disposition; and REG 08.00.2, Computer Use.
- The position description for Provost and Executive Vice Chancellor was shared with the committee.
- The University signed a Memorandum of Agreement with SKEMA, a French business school. The school has leased space on Centennial Campus and plans to bring up to 300 students here in Spring 2011, pending licensure in North Carolina.
- The committee was given a brief update on the strategic planning process.
- The committee was given an overview of the current year’s budget and the pending 2011-2013 budget planning process.

In closed session, the committee discussed recommendations for awarding honorary degrees.

**Audit, Finance and Planning Committee-Chair Benjamin P. Jenkins III**

Mr. Jenkins reported that a resolution was presented to authorize NC State University to request the UNC Board of Governors to issue one or more series of bonds to be known as North Carolina State University General Revenue Bonds. The proceeds will be applied to the renovation, expansion and improvement of the Talley Student Center and the construction, acquisition and equipping of the Greek Village Townhouses, collectively called the “Special Obligations Projects.” The committee approved the resolution that requires full Board approval. Mr. Jenkins made the motion, seconded by Mr. Warren, to approve the resolution to enable issuance of special obligation bonds for the specific projects described above. The motion carried.

Mr. Jenkins stated that the committee received information on the strategic planning process, the university’s decision to delay opening a campus in South Korea due to financial considerations,
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the current year university appropriated budget, reinvestment priorities and preliminary 2011-2013 budget planning.

Mr. Jenkins said the committee heard an informational report on the 2010 fiscal year Internal Audit reports and on-going Internal Audit activities. Reports were also presented on the UNC Chapel Hill-NC State collaboration on PeopleSoft human resources, payroll and finance systems and the performance of the NC State Investment Fund.

The committee reviewed preliminary fall enrollment in relation to our long-range goals for enrollment growth. This fall, 34,404 students are registered at NC State. The university surpassed its budgeted enrollment targets, and the administration is working on budgeted enrollment projections for the 2011-2013 biennium which may include slower growth in light of resource constraints and a continued shift toward graduate programs.

Buildings and Property Committee-Chair Randall C. Ramsey

Mr. Ramsey reported that the committee reviewed and approved seven property matters, two of which require full Board approval:

- Disposition by lease of an approximately 9,742-square-foot fraternity house at 2409 West Fraternity Court to Delta Epsilon of Sigma Chi for a term of one year with a one-year extension available at the discretion of the University. The rental amount will be approximately $123,000 per year.
- Disposition by lease of approximately 1,900 square feet in Partners Building II, Suite 3700, to Phononic Devices, LLC, for an initial one-year term with two renewals of one year each. The annual rent will be $32 per square foot escalating annually at CPI and additional rent increases based on actual cost.

Mr. Ramsey made the motion, seconded by Mr. Jenkins, to approve these two property matters. The motion carried. The five other property matters reported to the board are:

- Disposition by lease of approximately 796 square feet in Research Building II, Suite 200, to GlaxoSmithKline
- Acquisition by lease of approximately 2,600 square feet at a location in Raleigh, NC that will be determined by advertised bid process for the College of Design’s Downtown Studio
- Acquisition by lease of approximately 1,630 square feet at 115 Pomona Drive, Greensboro, NC with 115 Pomona LLC for the Small Business Technology Development Center
- Acquisition by lease of approximately 1,139 square feet at 302 Jefferson Street, Raleigh, NC with Hirsch & Sons LLC for the College of Humanities and Social Sciences’ Center for Family and Community Engagement
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- Severance by demolition of the NCSU Bookstores to make way for the Talley Student Center expansion and renovation

Mr. Ramsey reported that the committee approved five designer selections and one commissioning agent selection. They approved nine designer selections for projects that each costs $500,000 or less, and they accepted 18 completed capital projects with a value of $71.7 million that included the Engineering Building III at a cost of $60.3 million. The committee approved the site plans for the North Hall exterior improvements and three design projects that each costs less than $2 million. They reviewed design plans for the North Hall exterior improvements and the Alliance Center.

Mr. Ramsey said the committee received a report on Centennial Campus development, an update on the Gregg Museum of Art and Design, and status reports on capital projects in planning, design, or construction.

Development Committee-Chair Gayle S. Lanier

Ms. Lanier stated that the committee reviewed their responsibilities. They were updated on capital fund raising projects, fund raising results for fiscal year 2010 and year-to-date results for the current fiscal year. The committee participated in a discussion of University Advancement’s 2010-11 goals. More emphasis is being placed on major gift fund raising to endowment across the campus.

Ms. Lanier reported that the committee heard a presentation of best practices in gift accounting. They discussed the challenges and opportunities of launching a new campaign. In closed session, the committee reviewed and approved one proposal to name a specific university facility. This proposal will be brought before the full Board in closed session at the end of this meeting.

Student and Campus Affairs Committee-Chair Barbara H. Mulkey

Ms. Mulkey stated that the committee reviewed their responsibilities. They heard a report on the activities of Student Government since last April. Student Government is working hard to keep students involved in the strategic planning process. Student Government raised over $40,000 and officially dedicated the Kay Yow Memorial on August 24. Traditions, sustainability, diversity, transportation, and community service are specific areas of interest this year.

Ms. Mulkey reported that the committee was updated on the process for setting tuition and fees for 2011-2012. Committees have been appointed and have begun their work. These committees will make recommendations on their respective increases to the Conference Committee that will then make recommendations to the Chancellor. The Chancellor will work with student leaders on the proposed increases and then finalize his recommendations to the Student and Campus Affairs Committee. The committee will consider the Chancellor’s recommendations at their November meeting and give their recommendations to the full Board of Trustees.
Ms. Mulkey said the committee heard updates on student life including the Talley Student Center project, student apartment housing on Centennial Campus, and upcoming special football games-Military Appreciation on September 16, Parents and Families on October 2 and Homecoming on November 13.

**Faculty Senate Report-Chair Margery Overton**

Dr. Overton reported that she has been actively involved in many activities and committees on campus, including the Athletic Director Nominating Committee, the Chancellor’s Installation Committee, the Provost Search Nominating Committee, and the Strategic Planning Steering Committee that she co-chairs with Interim Provost Arden.

Dr. Overton stated that she is continuing to work on the faculty grievance procedures with representatives from the Office of the Provost and Office of General Counsel. The first Faculty Senate meeting of the academic year was held on August 24, and topics of discussion were the strategic planning process, the budget reinvestment initiative, and recent university rankings.

Dr. Overton said that an open forum on strategic planning is scheduled for October 26, and the fall General Faculty meeting is October 5. The Provost Search Committee is currently reviewing applications, and they hope to bring candidates to campus for interviews in November.

**Staff Senate Report-Chair Randy Colby**

Mr. Colby reported that the Staff Senate elected officers for 2010-11. Goals for this year include educating on-campus staff about the university’s extension and research districts across the state and encouraging Staff Senate committees to initiate at least one program or activity that promotes the purpose of Staff Senate.

Mr. Colby stated that the annual Staff Senate retreat was held on July 7. The first Staff Senate meeting of the academic year was held on August 4, and Kelley Eaves-Boykin, chair of the UNC Staff Assembly, was the guest speaker. Since this meeting, Staff Senate committees have been meeting to select officers.

Mr. Colby attended the University Council Retreat on July 29, and a topic of discussion was the strategic planning process. Staff Senate will have the opportunity to serve on the task forces that focus on the nine strategic priorities.

With no further business in open session, the Board of Trustees went into closed session according to North Carolina General Statute, Section 143-318.11 (a)(2)(3) to prevent the premature disclosure of an honorary award and to consult with an attorney to protect the attorney-client privilege.
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At 11:25 a.m., the Board came out of closed session. With no further business, Chair Davenport adjourned the meeting at 11:35 a.m.

Respectfully submitted,

[Signature]
Assistant Secretary

[Signature]
Secretary

Approved:

[Signature]
Chair of the Board