

**Board of Trustees  
North Carolina State University  
Room 304, Marye Anne Fox Science Teaching Laboratory  
September 17, 2004**

The North Carolina State University Board of Trustees met in regular session in Room 304 of the Marye Anne Fox Science Teaching Laboratory, North Carolina State University, at 9:40 a.m. on Friday, September 17, 2004. Chair Peaches Gunter Blank presided.

**Members Present:**

Peaches Gunter Blank, Chair  
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 9:40 a.m.

**Roll Call**

Assistant Secretary PJ Teal called roll and certified that a quorum was present.

Chair Blank welcomed those in attendance and acknowledged the new Dean of the College of Veterinary Medicine, Warwick Arden. She also recognized Assistant Secretary PJ Teal and Vice Chancellor for Finance and Business Charlie Leffler, who are both in new positions.

**Minutes**

Mr. Campbell made the motion, seconded by Mr. Close, to approve the July 12, 2004 minutes of the Full Board, the July 12, 2004 Closed Session minutes of the full Board, the July 30, 2004 Executive Committee minutes and the July 30, 2004 Closed Session minutes of the Executive Committee; the motion carried.

**Chair's Report – Peaches Gunter Blank**

Chair Blank noted that there is a vibrant feeling on campus. She credited Interim Chancellor Bob Barnhardt for a seamless transition in leadership and applauded his hard work and efforts on behalf of the university. Chair Blank observed that active and interactive communication are a mark of this board and are crucial for the work of the committees and of the full board to continue.

Chair Blank acknowledged the appointment of Suzanne Gordon as the Chair of the NC State Investment Fund Members Board. Bob Dick and David Jolley will also be serving on the board. Richard Vaughn is the retiring Chair of the Members Board.

Chair Blank also recognized other members of the Board of Trustees for their hard work as well: McQueen Campbell, Chair, "On Course for Distinction" Campaign and Bob Jordan, Chair, Chancellor search committee. Chair Blank said all of the work by the trustees on those committees is greatly appreciated.

Annually, the Atlantic Coast Conference requires its university boards of trustees to certify that authority for the administration of intercollegiate athletics has been delegated to the Chancellor. Mr. Warren made the motion, seconded by Mr. Caravano, to approve the ACC Governing Board Certification for 2004-2005; the motion carried (Appendix A).

Chair Blank remarked that the activities of being the chair kept her very busy and that she appreciated the support from all of the trustees.

**Chancellor's Report – Robert A. Barnhardt**

Interim Chancellor Barnhardt acknowledged the shooting deaths of two people who were tailgating during a NC State football game over Labor Day weekend at an off-campus parking lot. Interim Chancellor Barnhardt assured the board that he and Agriculture Commissioner Britt Cobb are working to step up precautions in order to ensure the safety of everyone during NC State athletic events.

Interim Chancellor Barnhardt thanked Mr. Caravano for serving both the students and administration in the handling of the situation. He credited Mr. Caravano for helping to diffuse some of the student concerns over the tailgating changes that had been enacted. As a result, the Trinity Road fairground lot will be open five hours before Saturday's game against Ohio State instead of the three hours originally announced in order to address traffic concerns. Interim Chancellor Barnhardt applauded the work of the Executive Officers during the handling of this incident.

Among the university's noteworthy achievements, Interim Chancellor Barnhardt drew the board's attention to the Iams Pet Imaging Center on the Centennial Biomedical Campus. The center is the area's first magnetic resonance imaging (MRI) facility dedicated solely for use on pets and domestic animals. He also urged any of the board members who have not already visited the new Wolf Village Housing Complex to do so.

Interim Chancellor Barnhardt congratulated Dean Soloman and the Statistics Department on receiving its second VIGRE Grant. VIGRE stands for Vertical Integration of Research and Education. This award is for \$1.59 million. He also noted the celebration this week of Dr. Kerry Smith's election to the National Academy of Sciences.

Among other good news - Interim Chancellor Barnhardt referenced a recent US News & World Report article that cited NC State as one of the top 50 best values among national universities. It is only one of nine public universities on the list. He asked Associate Vice Chancellor for Public Affairs Debbie Griffith to make sure the good news gets out to the rest of the nation.

## **Committee Reports**

### **Endowment Fund – Chair Peaches Gunter Blank**

Chair Blank explained that during the committee's meeting on Thursday, September 16, 2004, members heard reports from the various money managers. The Endowment Fund's one-year net return for the fiscal-year ending June 30, 2004 was 14.51% with assets totaling \$109,553,784.00.

The board approved the following actions:

- Acceptance of gifts totaling \$1,673,214.68
- A change in the spending policy to increase the averaging period from a rolling 12-quarter to a rolling 20-quarter averaging period.
- An exception to the spending rule for two professorships.
- The 2005-2006 Spending Budget.
- The 2003-2004 Financial Report was accepted.

### **Academic Affairs and Personnel Committee – Chair McQueen Campbell, III**

Chair Campbell reported that committee members received an update on the Women in Science and Engineering (WISE) Program: The 1<sup>st</sup> Year. Last year, the Program had 56 participants and this year, 164 women are participating. Those participants are from the colleges of Agriculture and Life Sciences, Engineering, Natural Resources, and Physical and Mathematical Sciences.

The committee also heard from Dr. Lavon Page, who gave an overview on the background and current status of the Learning in a Technology Rich Environment (LITRE) Program. LITRE is the part of the SACS accreditation process that constitutes our Quality Enhancement Program. Solicitation for grant proposals impacting student learning has been distributed and competitive proposals should be funded in December.

Dr. Amy Caison provided a report on Fall 2004 enrollment and characteristics of the current student body. Current enrollment is about the same as last year, with approximately 30,000 students enrolled, including distance education.

The former Interim Associate Vice Chancellor for Human Resources, Kathy Hart, explained the impact of Management Flexibility as it relates to the university's ability to appoint personnel and fix compensation.

Dr. Warwick Arden, the new Dean of the College of Veterinary Medicine, was introduced. Dr. John Ambrose also was introduced as Interim Vice Provost for Undergraduate Affairs.

The committee heard an update from Dean Nino Masnari on the search for Dean of the College of Agriculture and Life Sciences. Provost Oblinger also gave a progress report on the newly formed Faculty Advisory Budget Committee.

Chair Campbell reported that the EPA salary increases have been loaded into the new computer program, Web-based EPA Salary Legislative Increase System (WESLI) and the increases will be in the September paychecks retroactive to July 1.

The Provost notified the committee that the name of the Department of Chemical Engineering is being changed to the Department of Chemical and Biomolecular Engineering.

Three deans are undergoing 5-year reviews this academic year: Dean Blanton Godfrey, College of Textiles; Dean Kay Moore, College of Education; and Dean Dan Solomon, College of Physical and Mathematical Sciences. These reviews will be completed late spring, 2005.

Chair Campbell reported that in Closed Session, the Committee approved personnel actions, including the conferral of emeritus status.

**Buildings and Property Committee – Chair Steve Warren**

Chair Warren reported that committee members reviewed and approved five property matters and two designer selections. They also accepted a list of completed buildings and projects (Appendix B). Two of the property matters required Full Board approval. The first was the easement to NC Department of Transportation for the paving of Reedy Creek Road and the construction of a greenway trail (Appendix C). The other was the purchase of Western Manor Apartments, 2300 Avent Ferry Road, Raleigh, NC, for student housing (Appendix D). Chair Warren made the motion, seconded by Mr. Murphy, to approve those two property matters; the motion carried.

Chair Warren reported that the committee reviewed the deficiencies of the chancellor's residence and discussed the need for further evaluation of improvements. The committee supports a motion that was to be made by the Development Committee.

Chair Warren said the committee approved one building plan and one site plan. Members also heard informational reports on the status of Bond Program and Centennial Campus projects and other land transactions.

**Development Committee – Chair Ann Goodnight**

Chair Goodnight reported that committee members conducted an annual review of their responsibilities. The committee also heard reports regarding fund-raising for fiscal year 2004. Total gifts and pledges were \$201.5 million. This amount exceeded the fiscal year goal of \$166 million, due, in large part, to two large, nonrecurring gifts. The fiscal year 2004 fund-raising total exceeded the fiscal year 2003 total by nearly \$50 million.

The committee was briefed on the progress of the comprehensive campaign, which continues in its quiet phase. The committee reviewed and approved fund-raising goals for fiscal year 2005, which total \$158 million. The committee received updates on fund-raising for current capital projects and recommended further study on a new capital project.

The Dean of the College of Engineering made a presentation about fund-raising opportunities within the new Engineering complex on Centennial Campus.

The committee considered improvements to the chancellor's residence and concurred that a more extensive upgrade should be undertaken with private funds. Chair Goodnight made a motion, seconded by Mr. Warren, for the Full Board to endorse further investigation of the options available for improvements to the chancellor's residence; the motion carried.

Chair Goodnight reported that in Closed Session, the committee reviewed and approved five proposals to name university facilities. She said that a motion would be made at the end of the meeting to go into Closed Session to consider those proposals.

**Finance and Planning Committee – Chair Richard Vaughn**

Chair Vaughn reported that a resolution was presented to the committee to authorize NC State University to add the self-liquidating projects in the 2004 legislative bill to the current bridge financing program. The committee approved the resolution, and it requires full board approval. Chair Vaughn made the motion, seconded by Mr. Caravano, for the board to approve the resolution to enable issuance of special obligation bonds for the specific projects; the motion carried (Appendix E).

The committee also heard reports on:

- The annual review of its responsibilities.
- Financial matters such as the performance of the NC State Investment Fund through June 30, 2004; update on the Faculty Advisory Budget Committee; the State Audit Process; Centennial Campus Five-Year Plan, a comprehensive five-year debt plan; the international taxation initiative; and upgrades to the Financials and Human Resource System.
- Centennial Campus development activities.
- The midyear Internal Audit update describing closed and follow-up audits since July 1, 2004.
- 2004 Fall Enrollment
- 2004 Legislative Session
- 2004-05 Appropriated Budget

**Student and Campus Affairs Committee – Chair Derick S. Close**

Chair Close reported that Vice Chancellor Stafford reviewed the responsibilities of the Student and Campus Affairs Committee and then discussed the current status of campus initiated tuition increases at NC State. That action item was placed on the agenda for the Committee after university administrators had received signals from the Office of the President that consideration of reaffirmation of the Trustees' decision last year was appropriate. However, Jeff Davies, vice president for finance for the UNC Office of the President, informed the chancellors that while it is appropriate to take such action, each campus should wait until the Board of Governors decides if they are going to accept campus initiated tuition increases for the following three years. Chair Close said he would keep the board posted on any future developments.

Chair Close said Vice Chancellor Stafford gave the committee a report on the tragic events at the opening football game and outlined the university's response.

Chair Close reported that the committee heard a report from Student Body President Tony Caravano describing Student Government's recent activities. Highlights included filling positions on university standing committees, increasing the number of traditions, partnering with Hillsborough Street businesses, providing transportation for students to football games, tailgating and students escorting Ohio State fans this weekend as they walk from their parking area through the NC State tailgating area to their seats.

Chair Close said the committee then went on a tour of Wolf Village, University Housing's new apartment-style living for upper division and graduate students, and the newly renovated Sorority Duplex.

**Chair of the Faculty Report – Dr. Dennis Daley**

Chair Daley cited Dean Solomon's presentation before the Full Board meeting and offered it as an example for integrating teaching and research at all levels. He said the faculty is maintaining its momentum despite the financial cutbacks of the past few years. He noted that as resources come available in the future, they must be used wisely in order to help turn the wealth of ideas put forward by the faculty and staff into reality.

Chair Daley said that until those resources become available, it is crucial to carefully watch turnover and recruitment. The university's growing reputation and visibility are helping to provide outstanding faculty and staff with professional opportunities elsewhere. In turn though, Chair Daley observed that there are other universities in worse shape and NC State can take advantage of its growing reputation by recruiting faculty from them.

Chair Daley said he has charged the Faculty Senate with looking into and developing a series of issues. Some are long-term concerns and others address existing problems that can, and should, be corrected quickly.

- Faculty Senate Committee Issues
  - 1) Admissions – The changing nature of NC State's student applicant pool necessitates that the university fine-tune and focus on what additional criterion should be used in selecting those who are to be admitted to NC State.
  - 2) Diversity – NC State is doing okay in this area, but it could be doing better. The university needs to look at how to break down NC State as a "big" place and make things more inclusive.
  - 3) Chair Daley also said there is reason to be concerned about non-tenured (special) faculty. He said more needs to be done to integrate them into the faculty and make sure they are accepted at the faculty table.
- Personnel Policy Committee Issues

**Chair of the Staff Senate Report – Ms. Laura Massengill**

Chair Massengill introduced Chair-Elect Melissa Watkins. Chair Massengill reported that the Staff Senate met on June 23 at an orientation meeting for new senators. The objectives at the meeting included:

- To orient the new senators as to their role.
- Meet other senators.
- Discuss steps in gathering topics and goals for the upcoming retreat

Chair Massengill reported that the senators were given communication guidelines to solicit goals or areas of focus for the upcoming year. The feedback from constituents will be used to set goals for the 2004-2005 year.

Chair Massengill also reported that a retreat was held on July 14. Incoming new senators and old senators attended.

**Items of Interest to Members of the Board**

Mr. Robb cited a recent US News and World Report ranking that listed NC State as the 87th top university in the nation. Mr. Robb warned that while there are many positive things happening

here, the university is not being perceived by the rest of the nation as great. He said that NC State is not moving up and not moving down – it is simply holding its position in the rankings. He said that a ranking of 87<sup>th</sup> simply doesn't distinguish NC State in the eyes of the rest of the nation.

Chair Blank appointed two ad hoc committees: 1) Marketing: Mr. Mattocks, Mr. Caravano, Ms. Gordon, Mr. Robb, Mr. Warren, and Dean Ira Weiss, College of Management, will be asked to serve on this committee.

2) Chancellor's Residence Committee: Mr. Murphy, Mr. Close, Ms. Goodnight, and Dean Marvin Malecha, College of Design, will be asked to serve on this committee.

With no further items to come before the Board of Trustees, Mr. Murphy made a motion, seconded by Mr. Warren, to go into Closed Session.

The Board went into Closed Session at 10:45 a.m. and returned to Open Session at 10:51 a.m.

With no further business to come before the Board, Chair Blank adjourned the meeting at 10:56 a.m.