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, November 16, 2012. First Vice Chair Norris Tolson presided.

Members present: Jimmy D. Clark
Jack L. Cozort
Lawrence Davenport
Gayle S. Lanier
Robert L. Mattocks II
James W. Owens
Randall C. Ramsey
John P. Sall
E. Norris Tolson
Susan P. Ward
Andy Walsh, ex officio

First Vice Chair Tolson called the meeting to order at 9:20 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 conflicts with respect to any matters coming before the board at this meeting. There being none, Mr. Tolson called upon Assistant Secretary PJ Teal for roll call.

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

MINUTES
Mr. Tolson called for a motion to approve the open and closed session minutes of the September 21, 2012, meeting of the full board. Mr. Clark made the motion, seconded by Mr. Sall. The motion carried.

FIRST VICE CHAIR’S REPORT-E. NORRIS TOLSON
Mr. Tolson welcomed the Trustees and updated them on campus activities. Chancellor Woodson recently held his annual Fall Forum and delivered his State of the University address. His speech gave an impressive overview of all the work that has been accomplished throughout the past year. Mr. Tolson reported that December graduation will be held on Saturday, December 15, and Doc Hendley will be our speaker. Mr. Hendley is an alumnus, a 2009 CNN Hero and the President/Founder of the organization Wine to Water. Dr. James Woodward will receive an honorary degree.

Mr. Tolson announced that on January 24, the NC State Board of Trustees will have a morning meeting and will be joined by the UNC-Chapel Hill Board of Trustees for an afternoon session to
discuss collaborations. President Tom Ross and Board of Governors Chair Peter Hans will also be invited to the afternoon session. He also announced that the board will meet for two full days in April, beginning on Thursday, April 18. At that meeting, we will be conducting our self-assessment; our last assessment was done in April 2009. Once we have completed our assessment, Chancellor Woodson and Chair Mulkey will submit a summary report to President Ross and the Board of Governors.

CHANCERLOR'S REPORT—W. RANDOLPH WOODSON

Chancellor Woodson began his remarks by congratulating Barbara Mulkey on her induction into the Leadership Raleigh Hall of Fame. He also recognized Dr. Mary Watzin, our new dean of the College of Natural Resources. He announced that we have selected 24 faculty for our first group of University Faculty Scholars, a new annual program designed to recognize and reward our emerging academic leaders. Each individual will, for a five-year period, carry the title University Faculty Scholar and receive a $10,000 annual supplement which may be used for supplemental salary or programmatic support. Funds for this initiative are from private gifts.

Chancellor Woodson also congratulated Vice Chancellor Charlie Leffler for having the work of his division recognized with three Sir Walter Raleigh Awards and Vice Chancellor Marc Hoit for being recognized as Chief Information Officer of the Year in the Public Sector category by Triangle Business Journal. In addition, Staff Senate Chair Susan Colby has been elected chair-elect of the UNC Staff Assembly.

Chancellor Woodson praised our student leadership for being proactive in responding almost immediately to a recent incident at the Free Expression Tunnel. Additionally, students organized an election night event at the tunnel to celebrate our country and to foster positive discourse and expression. With support from the Alumni Association, our students recently pulled off the most successful week of Homecoming festivities in NC State’s history. As part of Service NC State, students will pack 125,000 meals later in November to be distributed by Stop Hunger Now. Students also partnered with Facilities to turn a frequently muddy patch of ground behind Lee residence hall into an attractive and sustainable rain garden. And Tate Rogers, a graduate student in Environmental Engineering, has developed a device to improve sanitation in developing countries. His idea to retrofit an auger to improve sewage management in a cost-effective way began as a class assignment and has landed him a $100,000 first-phase grant from the Bill and Melinda Gates Foundation to design, produce and test the technology.

Chancellor Woodson said that for the first time in 61 years, NC State is generating its own electricity with our new cogeneration plant. This facility is twice as efficient as regional power plants, reduces campus greenhouse gas emissions by eight percent and will save the university $4.6 million in the first year alone.

Chancellor Woodson closed his remarks by reporting on some of his recent engagement activities. He traveled to Asia in October and hosted an alumni event there. He participated in a White House panel sponsored by the US Department of Commerce entitled “The Innovative and Entrepreneurial University: Higher Education, Innovation and Entrepreneurship in Focus.” He also attended the Time Magazine Summit on Higher Education co-sponsored by the Carnegie
Corporation and the Bill and Melinda Gates Foundation. Chancellor Woodson was part of NPR’s Marketplace Live broadcast which focused on business and the economy. The show is broadcast by more than 500 public radio stations across the US and heard by more than nine million weekly listeners. He was asked to speak on the value of a college education in today’s economy. Other speaking engagements include a keynote address for the BASF Chemical Company, the annual conference of the Society of College and University Planners, and an upcoming event at SAS in December.

COMMITTEE REPORTS
Audit, Finance and Planning Committee-Chair Jim Owens
Dr. Owens reported that Chancellor Woodson gave the committee an overview of the recommendations presented by the Tuition Review Advisory and the Fee Review Committees. The Chancellor recommended an in-state tuition increase of only $290 for both undergraduate and graduate students and $580 for out-of-state undergraduate and graduate students. He also recommended premium tuition for the graduate certificate in biosciences management in the Poole College of Management and the master’s degree program in financial mathematics in the College of Physical and Mathematical Sciences as well as a premium increase in the College of Design. Chancellor Woodson also said that about 62% of the tuition increase will improve quality and accessibility by adding seats and sections, about 25% will support need-based financial aid, about 8.6% will provide funding to the graduate student support plan and about 4.2% will support promotional increases for faculty. The Chancellor also recommended increasing fees by $128.60 for all students in the 2013-2014 academic year. The fee increase would support multiple campus programs including indebtedness fees for the new Talley Student Center and the improvements to the Carmichael Gym complex. The committee discussed the recommendations on tuition and fees and voted to recommend approval of the Chancellor’s recommendation to the full board. Dr. Owens made the motion, seconded by Ms. Lanier, to approve the 2013-2014 campus-initiated tuition increases as outlined in Chancellor Woodson’s recommendations and the proposed uses of the increases. The motion carried. Dr. Owens made the motion, seconded by Mr. Walsh, to approve the continuations and changes to student fees as outlined in Chancellor Woodson’s recommendations. The motion carried.

Dr. Owens stated that the committee received the Endowment Fund annual report and the quarterly performance report for the NC State Investment Fund. The committee also heard an update on Centennial Campus activities. They were given a report on recent technology transfer and commercialization activities that included a peer comparison, new initiatives and results for fiscal year 2012. The committee also heard the results of an external assessment of the Office of Internal Audit that reported no significant comments or recommendations as well as a report on recent internal audit activities.

Buildings and Property Committee-Chair Gayle Lanier
Ms. Lanier stated that the committee reviewed and approved five property matters, and two of the matters require full board approval. They are:

- Land exchange of approximately 32 acres in Mills River, Henderson County, NC and part of the Mountain Horticultural Crops Research and Extension Center for acreage of
equal value immediately contiguous to the research station with Sierra Nevada Brewing Company or one of its subsidiaries. The acreage to be acquired in the exchange will be determined by the appraisals of both properties to be equal in value and may include granting additional easements to NC State University. The proposed exchange benefits CALS by increasing utility acreage and reducing floodplain impacts over the previous land while benefiting the development of a brewery and distribution center.

- Disposition by lease of approximately 2200 usable square feet to Mann+Hummel in Research Building II, Suite 1600, at first year rate of approximately $19.27 per usable square feet base rent with annual escalation and approximately $10.02 per usable square feet additional rent the first year. Additional rent will be adjusted annually in arrears.

Ms. Lanier made the motion, seconded by Mr. Clark, to approve these two property matters. The motion carried. The three other property matters that required committee approval only are:

- Disposition by lease of approximately 769 usable square feet to Gridbridge, Inc. in Research Building II, Suite 200, for a term of three years. The all-inclusive rent for the second year of approximately $15,000 and third year of approximately $21,600 options of the lease will require committee approval due to annual rates above the Chancellor's delegated authority. The first-year lease at approximately $13,200 rent will be executed by the Chancellor.

- Disposition by lease of approximately 1,000 usable square feet to Hanesbrands, Inc. in Partners I, Suite 2100, for a term up to five years including renewal options. Initial rate of approximately $19.27 per usable square feet base rent with annual escalation and approximately $10.02 per usable square feet of additional rent adjusting annually at actual expense.

- Demolition of two modular offices at 3220 Ligon Street (West Research Annex) of building numbers 165C and 165D. Each structure is approximately 500 gross square feet. Both were constructed in 1981 and are in poor condition.

Ms. Lanier reported that the committee approved six designer selections and accepted three completed projects with a combined value of $114.6 million. The committee reviewed and approved the design plan for North Shore Residential, Phase I on Centennial Campus. They postponed review of the design plan for the Gregg Museum of Art and Design relocation pending review and approval by the campus design review panel. They also received reports on the status of Centennial Campus projects and projects in planning and were updated on the physical master plan that was begun this year.

University Advancement Committee-Jimmy Clark

Mr. Clark reported that the committee was updated on capital projects and fund raising through October 31, 2012. New gifts and commitments are up 36% year-to-date, totaling $34.5 million. The university is currently on track to achieve our $120.3 million annual goal. Annual Giving has raised $546,000, 55% more than last year at this time, and is well on its way to surpass the $2 million goal.
Mr. Clark said the committee approved a campaign plan for the Memorial Bell Tower with naming opportunities totaling $4.1 million. The lead gift of $2 million would name the bell tower plaza. The committee also heard results of the campaign feasibility study conducted by Bentz Whaley Flessner. The firm recommended NC State plan and conduct a phased, comprehensive campaign with a goal of $1.5 billion in gift commitments over eight years in support of its strategic priorities and initiatives. Their study suggests that the university can be ready to launch the pre-public phase on July 1, 2013, and should be ready to publicly announce the campaign in fall 2016. Other recommendations were made regarding volunteer leadership, a case statement, staffing and training.

Mr. Clark said that in closed session, the committee reviewed five candidates for the Watauga Medal and voted to bring three names to the full board for consideration and approval. The committee also reviewed and approved 11 proposals to name specific university facilities and programs. A motion will be made at the end of this meeting to go into closed session to consider nominations and naming opportunities.

**University Affairs Committee-Susan Ward**

Ms. Ward stated that the committee recommended approval of three distance education degree programs from the College of Education for which on-campus programs already exist. They are Master of Education in Technology Education (delivery mode: internet), Master of Education and Master of Science in Elementary Education (proposed delivery site: West Johnston High School), and Master of Education and Master of Science in Curriculum and Instruction with a concentration in new literacies and global learning (delivery mode: 50% on-line and 50% face-to-face). By creating distance education versions of these degrees, access will be extended to working educators, particularly those in rural locations. Ms. Ward made the motion, seconded by Mr. Mattocks, to approve these three programs. The motion carried.

Ms. Ward said that the committee was updated on Faculty Senate activities which included the October General Faculty meeting that focused on faculty well-being and the September UNC Faculty Assembly meeting with President Ross and Board of Governors chair Peter Hans to discuss the system-wide strategic planning process. Professor Trudy Mackay will be NC State’s faculty representative in this important initiative.

The committee also heard a report on Staff Senate activities. The Staff Senate is collaborating with many university organizations to offer low-to-no cost educational opportunities and service activities. Chair Susan Colby was elected chair-elect of the UNC Staff Assembly. Her term as Staff Assembly chair will begin in October 2013.

Ms. Ward reported that the committee was updated on the University Faculty Scholars Program. The inaugural class of 24 scholars has been selected and represents all ten colleges. The scholars will, for a five-year period, carry the title of University Faculty Scholar and receive a $10,000 annual supplement which may be used for salary or programmatic support. The committee was also notified of the progress being made regarding the Chancellor’s Faculty Excellence Program; searches are currently underway for hiring faculty in 12 cluster areas with most hires to be on campus by fall 2013.
Ms. Ward stated that the implementation of the College of Sciences (COS) remains on schedule for July 1, 2013. The committee was updated on which academic programs will be transitioning to the new college and how many FTEs will be transferred from the College of Agriculture and Life Sciences to COS. The committee was also notified that a comprehensive leadership and program review of the Office for Institutional Equity and Diversity is scheduled to take place this academic year.

In closed session, the committee approved the conferral of tenure to four new faculty hires and two appointments to distinguished professorships supported by the Distinguished Professorship Endowment Trust Fund. They also approved the new employment agreement for the Director of Athletics and a salary increase request for a SAAO Tier I employee. They recommended for approval by the UNC Board of Governors four salary increases that are greater than 15% and $10,000 from each employee’s previous June 30 salary. They were notified of successful retention offers made from the UNC General Administration Faculty Recruiting and Retention Fund. The committee endorsed two honorary degree nominations which will be considered by the full board in closed session at the conclusion of this meeting.

**Board of Visitors Report-Chair Charles Flink**
Mr. Flink reported on the October 5 meeting of the Board of Visitors. He stated that Chancellor Woodson gave a presentation on the value of research universities. The board also received reports on university rankings and NC State’s enrollment management. Head men’s basketball coach Mark Gottfried discussed the upcoming season and the expectations and goals for the team. Following the meeting, Chancellor Woodson hosted the board for lunch at the Point.

**Student Body President Report-Andy Walsh**
Mr. Walsh reported on Student Government initiatives and projects during the fall semester. They have focused on creating signature student events, representing the student voice and gathering student feedback across campus. Initiatives included the first ever basketball campout at the PNC Arena. Over 1,200 students camped out inside the PNC Arena following the “Prime Time with the Pack” event. Student Government also played an important role in revamping Homecoming. There were 12 new Homecoming week events this year and an exciting Pack Howl Homecoming concert.

Mr. Walsh stated that Student Government is also focusing on completing the second phase of the Coaches’ Corner with statues of coaches Everett Case, Norm Sloan, and Jim Valvano. Student Government also hosted the first Arts on the Brickyard event. The goal of the event was to spread the word about the many arts opportunities available to students. Over 16,000 people voted early at Talley Student Center, and an event to celebrate our democratic process was held at the Free Expression Tunnel on election night.

Mr. Walsh thanked Chancellor Woodson and Provost Arden for their support during the tuition and fees process. Mr. Walsh and Provost Arden co-chaired the Tuition Review Advisory Committee, and Student Senate President Regan Gatlin and Vice Chancellor Mike Mullen co-chaired the Fee Advisory Committee. Another subject that has been of interest to our students is the drop/add policies, and students have voiced their opinions on proposed changes in our
policies. The 2013 Bowers Medal of Arts will be awarded to the students of NC State. The Friends of ARTS NC State Board of Directors awards this to individuals and groups who have provided significant support to ARTS NC State. Mr. Walsh reported that he gave the first “State of the Students” remarks prior to introducing Chancellor Woodson at the annual “State of NC State” address.

At 10:15 a.m., with no further business in open session, Ms. Lanier made the motion, seconded by Mr. Sall, to go into closed session according the North Carolina General Statute 143-318.11 (a)(2)(3)(5) to prevent the premature disclosure of an honorary award, to consult with our attorneys to preserve attorney-client privilege, and to establish or to instruct the public body’s staff or negotiating agents concerning the position to be taken by or on behalf of NC State in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange or lease. The motion carried.

At 10:45 a.m., the board came out of closed session. With no further business to conduct, Mr. Sall made the motion, seconded by Ms. Lanier, to adjourn. The motion carried. Vice-Chair Tolson adjourned the meeting at 10:50 a.m.

Respectfully submitted,

[Signatures]

Assistant Secretary

Secretary

Approved:

[Signature]

Chair of the Board