Board of Trustees
North Carolina State University
Raleigh, North Carolina
November 21, 2014

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 21, 2014. Chair Benjamin P. Jenkins presided.

Members present: Benjamin P. Jenkins III, Chair
Thomas E. Cabaniss
Jimmy D. Clark
Gayle S. Lanier
Robert L. Mattocks II
Barbara H. Mulkey
Wendell H. Murphy
James W. Owens
Ronald W. Prestage
Randall C. Ramsey
John P. Sall
Susan P. Ward
Rusty Mau, ex officio

Chair Jenkins called the meeting to order at 9:30 a.m. He 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 appearance of conflict with respect to any matters coming before the board at this meeting. Trustees Cabaniss and Ramsey stated they had a conflict on a matter that would be presented to the Board in Closed Session. Chair Jenkins 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. Ramsey made the motion, seconded by Mr. Clark, to approve the open and closed session minutes of the September 19, 2014, meeting of the full board. The motion was approved.

CHAIR’S REPORT
Chair Jenkins began by congratulating Wendell and Linda Murphy who were awarded the Menscer Cup from the NC State Foundation Board in recognition of their service to the University. He then presented the Resolution of Exclusion of Certain Officers and Directors for approval. Ms. Mulkey made a motion for the approval of the Resolution and it was seconded by Ms. Ward. The motion passed.

Chair Jenkins reviewed the three areas of focus that were discussed at the September 19, 2014 meeting. The first area that he mentioned was a goal for continuing to make progress in our Capital Campaign efforts and he noted that that last year’s momentum is being maintained. The University received two major gifts and the Celebration of Philanthropy was a success.

He then reported that the second area of focus was the importance of raising the dollars needed to complete our Engineering Oval on Centennial Campus. He stated that there is a good deal of planning work taking place and there will be a big effort in working with the Legislature. Additionally, he noted that Chancellor Woodson, Vice Chancellor Brian Sischo and the employees in the College of
Engineering are doing a great job identifying and assembling donors to commit to a large part of the fundraising effort.

Chair Jenkins reported that the third focus area is about comparing our performance against the 2020 strategic plan - to see how we are doing and more importantly what needs to be done differently in the second half of the plan. He noted that here has been a huge amount of positive performance across the University.

CHANCELLOR’S REPORT-W. RANDOLPH WOODSON
Chancellor Woodson began by giving an update about the implementation plan for the next three years. He noted that through the Chancellor’s Faculty Excellence program, NC State now has 35 outstanding faculty hires to date. He has initiated a new call for proposals to identify four to six additional clusters and fund approximately 15-20 faculty lines. This two-step proposal process will give potential clusters more time to engage with colleges and departments as they develop proposals. Successful clusters will be announced by the end of the Spring 2015 semester.

Chancellor Woodson reported about the College of Engineering Program Enhancement Fee and the high impact interdisciplinary academic experiences for undergraduates. Some areas of note were: The first year Life Sciences Program and the first year Environmental Sciences Program.

He then noted that efforts to continuously enhance private support to the University and prepare for the launch of the Public Campaign are underway. He reported that annual giving is on the rise and the university’s endowment has grown 76% in four years and is forecasted to hit the $1 billion mark in the current fiscal year.

Next, Chancellor Woodson gave a student success report and a University Faculty Scholars update. He noted that the University is working to enhance student success with the use of integrated support services. He reported about the Advising Dashboard and the creation of Student Central. He then announced that 18 faculty have been selected for the third group of University Faculty Scholars. He reported that each individual will carry the title University Faculty Scholar for a five year period and receive a $10,000 annual supplement. He noted that funds for this initiative are from private gifts.

Chancellor Woodson listed some recent accolades:

- Jenkins MBA Program was ranked No. 54 by the Bloomberg Businessweek Best Business Schools in the United States.
- Jenkins MBA ranked No. 23 US News & World Graduate Schools. NC State went from No. 65 to No. 23.
- APLU awarded NC State the “Place” award, recognizing the role Centennial Campus played in the “reinvention of the very notion of what a research park should be.”
- The Chronicle of Philanthropy released their philanthropy 400 rankings, and NC State achieved its highest overall ranking to date: #171 among all groups giving.
- In November 2014, NC State issued its 850th US patent.

Chancellor Woodson thanked Vice Chancellor Terri Lomax for her efforts in commercialization and he noted that she will be leaving NCSU to take a position at RTI. He reported that he has charged a search committee with finding a replacement and in the meantime, Dr. Mladen Vouk, Department Head and Professor of Computer Science, will be the interim Vice Chancellor.
COMMITTEE REPORTS

Audit, Risk Management and Finance Committee—Chair Jimmy Clark

Mr. Clark reported that the committee heard a quarterly update on Internal Audit. He stated that the committee received an update from Vice Chancellor Leffler on the State of North Carolina Economic Outlook for the current fiscal year, followed by the projected FY14-15 University budget. He noted that the average budget reduction over the past seven years has been $38.7M. The committee also was updated on budget planning for the next biennium, including capital requests, priority capital requests and funding for repairs and renovations.

Mr. Clark reported that a new area of focus that the Committee will monitor is Intercollegiate Athletics’ financial and budget reviews. He noted that the NC State Athletics Department is not a separate incorporated entity but operates as an auxiliary unit within the University, like other campus enterprises.

Mr. Clark reported that the committee discussed the strategic plan implementation for fiscal years 2015 - 2017. He noted that phase two of the strategic plan was released to campus in October 2013. He referred to the pre-materials that identify actions and initiatives, which goal is being achieved, the year that the action would be implemented and which unit within the university is responsible for each action.

The committee talked about the Compliance Officials Working Group and Steering Committee, which were organized to evaluate risk including showcase of the “Compliance and Ethics at NC State” website. The website is designed to be a tool for maintaining compliance, addressing concerns and offering support for other risk areas at the University.

Mr. Clark stated that the committee heard a report about Cybersecurity and received a PCI compliance update. They reviewed the IT strategic planning and enterprise risk areas which consist of data breach and technology disruption. He noted that the University’s cybersecurity strategy also needs to incorporate other security mandates at the state and federal level. The University has identified cybersecurity needs in areas such as PCI-DSS, which stands for Payment Card Industry Data Security System and NIST or National Institute of Standards and Technology.

Buildings and Property Committee—Chair Randy Ramsey

Mr. Ramsey presented three property matters that require full board approval as follows:

1. Disposition by Easement to the Board of Trustees for the Endowment Fund of North Carolina State University for both storm water control and retention and for cross access related to the development of the Centennial Biomedical Campus Flex Lab Building and for future Endowment Fund sites on the Centennial Biomedical Campus.
2. Disposition by Lease of Swannanoa 4-H Center in Buncombe County, NC for a term of 60 years to a camp operator that will be selected through a Request For Proposal process.
3. Acquisition by Lease of approximately 44,241 square feet of office and laboratory space in the Textiles Innovation Center on Centennial Campus from Keystone Development Corporation for the Non-Wovens Institute for a term of 10 years.

Mr. Ramsey made a motion for the approval of the three property matters. Ms. Lanier seconded the motion. The motion passed.

Mr. Ramsey reported that the committee approved one property matter that required committee approval only. It was acquisition by lease of approximately 9,400 square feet of office space for the Next Generation Power Electronics Manufacturing Innovation Institute / Power America in the
NC State Board of Trustees
November 21, 2014
Page 4

Venture Place on Centennial Campus. This lease was originally approved on April 24, 2014 for a term of 3 years. The Institute is now seeking a term of up to 10 years.

Mr. Ramsey then noted that the committee approved 10 designer selections and accepted 5 completed projects with a combined value of $9.9 million. The list includes acceptance of Talley Student Union northeast entrance, Tech Tower, and elevator #7 with a value of $3.6 million.

Next Mr. Ramsey reported that the committee reviewed the design plan and approved the site plan for the Conference Center and Hotel on Centennial Campus. The committee also approved 4 plans and specifications of formal projects costing less than $2 million. In addition the committee received updates about Centennial Campus projects, other capital projects, and projects in planning. After the meeting, the committee was given a tour of the Talley Student Union renovation project that is under construction.

University Advancement and External Affairs Committee-Chair Jim Owens
Dr. Owens reported that Vice Chancellor Brian Sisco provided a campaign update and reviewed revisions to the counting guidelines previously established. He noted that the committee found the revised guidelines to be acceptable.

He also reported that the committee heard an Alumni Association update. The Alumni Association has had an increase in memberships, marketing and communications activities and outreach and engagement opportunities. He also noted that the committee was provided an organizational model based on elements of their strategic plan and that he reported that the Alumni Association provided over $650,000 in financial assistance to 150 students including 75 Caldwell Fellows.

Dr. Owens reported that, in closed session, the Committee reviewed five candidates for the Watauga Medal award and voted to present two candidates to bring to the full board for its consideration and approval. The Committee also reviewed and recommended to the full board eight donor proposals and one honorary naming proposal to name specific university facilities and programs.

University Affairs Committee-Chair Susan Ward
Ms. Ward reported that Provost Arden shared the new 3-year (FY 2015 to FY 2017) implementation plan for NC State’s Strategic Plan. This new 3-year implementation plan is organized under three overarching actions, 1) Cultivate Excellence and Continue Investing in Areas of Emphasis, 2) Enhance Student, Faculty and Staff Success, and 3) Improve Institutional Effectiveness While Growing and Realigning Resources. It includes 19 high-level initiatives with over 80 supporting actions.

Ms. Ward reported that the committee reviewed the Annual Report to the Board of Governors on Intercollegiate Athletics. The report highlights student-athlete exceptions to the minimum course requirements set by the Board of Governors; student-athlete profiles for admitted student athletes including SAT/ACT scores and high school grade point averages; information about the majors chosen by student-athletes; and academic progression information for student-athletes. The report is required by UNC Policy.

Ms. Ward reported that Chancellor Woodson gave the committee an overview of the process undertaken and recommendations presented by the Tuition Review Advisory and Fee Review Committees for the biennial 2015-2016 and 2016-2017 as mandated by UNC- GA. She noted that Chancellor Woodson stated his support for all recommendations which include the following:

- A 3% tuition increase for undergraduate residents, graduate residents and graduate nonresidents and a 6% tuition increase for undergraduate nonresidents for the 2015-2016 and
2016-2017 academic years. She noted that about 82% of the tuition increase will be used to improve quality and accessibility of the NC State educational experience. Approximately 8% will provide funding for faculty promotional increases and just over 10% will provide funding to the Graduate Student Support Plan.

- Premium tuition increases for the Master of Accounting and the Master of Science in Analytics programs.
- With respect to fee increases, this year’s fee review process included the change mandated by UNC-GA from a one-year to a two-year review and the 5% cap on Student Activity Fees. She noted that the Chancellor supported the Fee Review Committee’s recommendation to increase fees subject to the 5% cap by $61.46 (3.91%) for all students in the 2015-2016 academic year and by $57.08 (3.50%) for the 2016-2017 year.
- Expansion of two currently existing program fees. The Professional Golf Management fee pays for golf play and practice privileges at several area golf courses in accordance with the standards for accreditation of the program by the Professional Golfers Association (PGA) of America. Without this increase our students may have limited access to golf courses and practice facilities which will adversely affect their ability to graduate. The fee is being increased by $50 in both 2015-16 and 2016-17 resulting in a proposed fee of $650 per year in 2015-16 and $700 per year in 2016-17.
- Expanding and enhancing the current $90 per year Engineering Computer Fee to a College of Engineering Program Enhancement Fee beginning in fall 2015. The fee is designed to significantly expand the educational opportunities for our engineering students to help them remain among the best prepared and most competitive engineering graduates in the country. The fee would be charged for all students majoring in engineering-related programs. The increase would be realized over three years with the first year set at $500 per year for fall 2015, then $1,000 per year in 2016, and the full $1,500 in fall 2017. The final $500 increase for fall 2017 will be requested in the following biennium.

Ms. Ward made a motion for the approval of:

- the 2015-2016 and 2016-2017 Campus Initiated Tuition Increases as outlined in Chancellor Woodson’s recommendations and the proposed uses of the increases as heard during the Committee meeting.

The motion was seconded by Ms. Mulkey. The motion passed.

Ms. Ward then made a motion for the approval of:

- the increases to student fees for the 2015-2016 and 2016-2017 years as outlined in Chancellor Woodson’s recommendations.

The motion was seconded by Mr. Ramsey. The motion passed.

Ms. Ward recommended the Authorization to Plan New Degree Program requests for the following four degrees:

- **Ph.D. in Geospatial Analytics** - This proposed degree program is the logical extension of the Chancellor’s Faculty Excellence Program (CFEP) cluster in Geospatial Analytics. Demand for the proposed Ph.D. degree is evidenced by the very high levels of student enrollment and graduation in our existing professional science master’s degree (44 graduates and 126 enrolled) and graduate certificate programs (147 completed and 146 enrolled).
- **Master of Statistics (Distance Education)** – The Department of Statistics is proposing to establish an online version of the existing Master of Statistics program to meet the increased
demand for the graduate programs at the Masters level in the Department of Statistics. The demand has been driven in large part by the need for better-trained data scientists in the workplace.

- **B.S. in Biomedical and Health Sciences Engineering (Joint Degree Program)** - The Joint Department of Biomedical Engineering at UNC-Chapel Hill and NC State are proposing this new joint degree program. The Joint Department operates as a single unit spanning these two universities and involves three colleges/schools. Faculty and staff in the department are not distinguished as UNC or NC State faculty but rather as Biomedical and Health Sciences Engineering (JBME) faculty. In the JBME program students will learn to apply engineering principles to solve medical and biological problems in the fields of medical imaging, informatics, prosthetics, medical devices, tissue engineering and genomics, etc. The proposed joint degree program will seek to be accredited by ABET (the Accreditation Board for Engineering and Technology) in 2016 or shortly thereafter.

- **B.A. in Biological Sciences** - The B.A. in Biological Sciences is designed to provide an alternative path to degree to NC State students. The B.A. would serve as a companion degree to the B.S. in Biological Sciences, which has a current enrollment of over 1500 students. The proposed B.A. will require approximately the same number of credit hours in biology but will require less coursework in chemistry, physics, and calculus than does the B.S. in Biological Sciences. Many NC State students pursue healthcare career paths that do not require all the chemistry, physics, and math that is part of the B.S. in Biological Sciences – these students can select courses within the proposed B.A. that will better match their interests and their career-related needs. The B.A. degree program is proposed to begin in Fall 2015. The home college for this degree program would be the College of Sciences.

Ms. Ward made a motion for the approval of the Authorization to Plan these four new degree programs. The motion was seconded by Dr. Prestage. The motion passed.

Vice Chancellor Goldgeier introduced the proposed new policy on Political Activities. This policy supplements and is adopted in accordance with UNC Policy Manual 300.5.1, Political Activities of Employees, which was revised in April 2014 and required each campus Board of Trustees to adopt a policy. The policy covers permissible and impermissible activities of university employees engaged in political activities and/or seeking political candidacy. Once adopted by the Board, the policy will be effective upon approval of the UNC President.

Ms. Ward made a motion to approve the proposed new Policy POL 05.00.04: Political Activities. Ms. Mulkey seconded the motion. The motion passed.

Ms. Ward stated that the committee reviewed the proposed revisions to Policy 05.20.02, Emeritus/Emerita Status for Faculty and Senior Administrators, which clarify the responsibilities and privileges for faculty and senior administrators given this honorific title.

She made a motion for the approval of the revisions to Policy 05.20.02 – Emeritus/Emerita Status for Faculty and Senior Administrators. Mr. Cabaniss seconded the motion. The motion passed.

Ms. Ward reported that the Committee approved the request to establish the Center for Educational Informatics and to continue the Small Business and Technology Development Center.

Ms. Ward reported that Chancellor Woodson shared with the committee that Vivian Howard, NC State alumna, chef and co-owner of the Chef & The Farmer restaurant in downtown Kinston, NC will give the December commencement address. Vivian is star of the PBS show, “A Chef’s Life” which won a Peabody award earlier this year.
The Committee heard updates from both the Faculty and Staff Senates. Chair of the Faculty David Zonderman stated that the Faculty Senate selected four issues as its top priorities for discussion this year: Allocation of Academic Funds, Growing Doctoral Programs (Graduate Student Support Plan), Student (Undergraduate) Retention and Success, and the Revision of Post-Tenure Review Policies. Discussions and efforts on all these issues have begun and Chair Zonderman has encouraged all faculty to become engaged in the conversations.

Chair of the Staff Senate Robert Davis reported that the NC State Staff Senate has been busy this year sponsoring and participating in service opportunities in Wake County and across the state. They also continue to promote education through such events as webinars, campus Town Hall initiatives and hosting speakers in the Staff Senate chambers. They continue to make a difference by embodying the “Think and Do” model.

Ms. Ward reported that during the Provost’s update the committee was notified of a new undergraduate certificate in Renewable Energy Assessment offered by the College of Natural Resources. She noted that they were also informed that the General Hugh Shelton Leadership Center Distinguished Professorship has been awarded to Dr. Bradley Kirkman, Professor of Management, Head of the Management, Innovation, and Entrepreneurship Department and a prolific scholar in the field of leadership. Provost Arden also discussed faculty retentions at NC State during Fiscal Year 2013-14. During this time, NC State addressed 76 retention efforts. This number includes counter offers and pre-emptive retentions. Fifty-three (53) of these 76 retention efforts were successful for a 70% success rate and 23 were unsuccessful for a 30% unsuccessful rate.

In closed session, the committee approved a non-salary compensation request and conferral of tenure to two new faculty hires. Ms. Ward reported that they recommended for approval by the Board of Governors three salary increases that are greater than 15% and $10,000 from each employee’s previous June 30th salary. She also noted that they endorsed 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**

Chair Flink provided an update from the Board of Visitor’s. He reported that there are six new members:

- Paul Boney (Design) – Principal & Senior Vice President at LS3P Design Firm in Washington, NC
- Katyna Boroto-Esoda (CALS) – Director of Pre-clinical Development at Scynexis in RTP
- Barry Leonard (Textiles) – President and CEO of Welspun USA
- Paul Ridgeway (CHASS) – Resident Superior Court Judge of the 10th Judicial District in Wake County
- Machelle Sanders (CALS) – Vice President, Manufacturing and General Manager at Biogen Idec in Research Triangle Park, NC
- Chuck Sykes (Engineering) – CEO at SYKES in Tampa, Florida

Chair Flink also summarized highlights from the September 26, 2014 meeting.

**Student Body President Report- Rusty Mau**

Mr. Mau began by reporting that in conjunction with the White House, National Campus Leadership Council, and the student body presidents from across the county, NC State Student Government is involved with the It’s On Us campaign to prevent sexual assault and raise awareness on college campuses. He reported that the campaign launched in September, they released a PSA in October, and will host a campus conversation series in the coming weeks. He noted that students, faculty and staff will be encouraged to take a pledge to be part of the solution to end sexual assault on campus.
Student Government partnered with NCPIRG to conduct nonpartisan voter registration efforts throughout the 2014 election cycle. The efforts utilized an online voter registration tool simplifying the process for students to register to vote. Additionally, SG is scheduling meetings with local, state, and federal officials to advocate for students, higher education, and the campus community. SG partnered with Senior Class President Molly Basdeo and the Senior Class Council to establish a student task force that assists Live it up on Hillsborough Street in policy decisions and student feedback.

Mr. Mau then gave an update on his message to students followed by Student Life and Campus Events. He highlighted the following events:

- **Diversity Education Week**
  In its 5th year, NC State's Annual Diversity Education Week (Think and D.E.W.) was held October 19 - 25. A joint initiative of the Office for Institutional Equity and Diversity and the UABDiversity Activities Board, the week was started by students in the spring of 2011 to promote awareness and understanding of our nation and world's diverse cultures and foster intercultural understanding through a collection of engaging opportunities including lectures, workshops, panel and group discussions, information sessions, film, food, music, dance and more.

- **Shack-A-Thon**
  NC State student organizations sponsored shacks during Habitat for Humanity's annual Shack-A-Thon. Participating groups constructed a 10' by 10' shack and lived in the shack for an entire week. Inclement weather caused a temporary halt in operations, but this did not hinder the event's success, as it raised over $40,000 for Habitat for Humanity. Shacks included an ROTC encampment and a College of Natural Resources log cabin.

- **Throwback with the Pack and Campout**
  On October 17th, Student Government and the Wolfpack Men's Basketball team hosted Throwback with the Pack and Campout at historic Reynolds Coliseum. In the final year before the Reynolds renovation, students and fans relived the memories of “The House that Case Built.” Students camped out to receive a basketball loyalty point incentive, which helps them obtain tickets to Wolfpack Men's Basketball games.

- **Wear Red Fridays**
  Student Government is conducting weekly Wear Red Fridays that encourage the NC State community to wear red.

Mr. Mau then reviewed Student Government Initiatives:

- **Student Ticket Policy Football and Basketball**
  Student Government worked with the Student Ticketing Advisory Committee to make significant changes to student ticket policies.

- **Tailgate Policy**
  Alongside the Student Ticket Advisory Committee and the Interfraternity Council, Student Government established policies to create a more safe tailgate environment for students.

- **Wolfpack Pick Up**
  Student Government, in partnership with the Division of Academic and Student Affairs, officially launched Wolfpack Pick Up, a mobility impairment transportation service.

With no further business in open session, Chair Jenkins made the motion, seconded by Ms. Lanier, at 10:30 a.m. to go into closed session to prevent the premature disclosure of an honorary award and to consider the qualifications, competence, performance, conditions of appointment of a public office or
employee or prospective public officer or employee according to NC General Statute 143-318.11(a)(2) and (6). The motion passed.

With no further business in open session, Chair Jenkins adjourned the meeting at 11:15 a.m.

Respectfully submitted,

[Signature]
Assistant Secretary

[Signature]
Secretary

Approved:

[Signature]
Chair of the Board