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 22, 2013. 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
Alexander J. Parker, ex officio

Chair Jenkins called the meeting to order at 9:27 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. 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. Sall, to approve the open and closed session minutes of the September 20, 2013, meeting of the full board. The motion carried.

CHAIR’S REPORT
Chair Jenkins introduced the “Resolution for Exclusion of Certain Directors and Officers of NC State” (Appendix A). The resolution, with noted exclusions, helps the university administer existing projects and compete for future projects in a more efficient manner as it relates to the Department of Defense and all branches of the armed services. Mr. Sall made a motion to approve the resolution and Dr. Owens seconded. The motion carried.

Chair Jenkins commended the board on the large number of attendees for the UNC Trustee Workshop. Congratulations were extended to Bob and Carol Mattocks for receiving the 2013 Menscer Cup from the NC State Foundation and to Jim Owens for receiving the Order of Achievement Award from Lambda Chi Alpha.

Chair Jenkins gave an update on the Executive Committee that met on September 20, 2013 and again today. The need to monitor compensation trends in higher education was discussed by the
subcommittee, especially as it concerns senior leadership positions. Chair Jenkins reported that the chancellor is working with HR to develop an encompassing philosophy for all University employee groups including faculty, administrators, professionals and support staff. These combined efforts should ensure that our compensation remains competitive with our peers and strengthen our rate of retention of top talent.

Chair Jenkins stated that the search for the Vice Chancellor for Advancement is progressing and there are outstanding candidates for the position.

Chair Jenkins reminded the board that Chancellor Woodson is going into his fourth year at NC State and in the Spring the Board of Trustees will be charged with conducting a comprehensive, campus wide performance review of the chancellor as required by the Board of Governors.

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

Chancellor Woodson began by giving an update of the sale of the Hofmann Forest.

Chancellor Woodson reported that campus leadership is examining the impacts of the reduced appropriation and exploring cost-cutting and reallocation options as well as resource generators.

Chancellor Woodson stated that Centennial Campus continues to add new partnerships which give students and faculty learning and research opportunities. Chancellor Woodson continued by adding that the Hunt Library was host to a workshop by the National Institute of Standards and Technology, who are developing framework for reducing cyber-risk to critical infrastructure, along with industry, government and academia. Chancellor Woodson pointed out that the question of cyber security is one of the most critical to our increasingly digitized and highly networked nation and continued on to say that NC State is proud to have some of the best minds in the country working on these issues. While on the topic of Centennial Campus, Chancellor Woodson announced former dean of NC State’s College of Design, Claude McKinney, was posthumously inducted into the Raleigh Hall of Fame for his efforts around the development of Centennial Campus.

Chancellor Woodson announced that 20 faculty were selected for the second group of University Faculty Scholars, an annual program designed to recognize and reward emerging academic leaders. Each individual carries the title, University Faculty Scholar, for a five year period, receiving a $10,000 annual supplement from private gifts, which may be used for supplemental salary and benefits or programmatic support.

Chancellor Woodson reviewed the progress on the new Talley Student Union, giving an overview of Phase I, which includes dining options, lounges and meeting venues. When completed, the expanded Talley Student Union will help students achieve success that extends beyond the classroom.

Chancellor Woodson gave a report on the annual meeting of the APLU and explained that as the new chair of the board of directors, NC State has a great opportunity to have a greater voice in Washington, D.C. The APLU is one of the strongest voices for higher education to Congress. While in Washington, Chancellor Woodson had the opportunity to meet with Gene Sperling in the White House to discuss the challenges of maintaining affordable education.
Chancellor Woodson provided an outline of his upcoming advancement travels to Wilson, NC and Silicon Valley.

In conclusion, Chancellor Woodson explained the Dole Fruit Squishems, which are based on a concept developed by Aseptia, an NC State spin-off. The technology was invented and developed at NC State using microwave-based processing which results in a product with more of the original taste and nutritional qualities of the food.

**COMMITTEE REPORTS**

**Audit, Risk Management and Finance Committee—Chair James Owens**

Dr. Owens reported that there are areas of financial focus being reviewed by the Board of Governors, including financial transparency, general fund budget trends, public/private partnerships, efficiency efforts, and outsourcing and privatization.

A budget update was given, as well as an overview of the Strategic Resource Management Plan. The update included a more in-depth look at the impact of recurring reductions, as well as projected resources to achieve the strategic goals moving forward.

Dr. Owens said that the committee heard a report regarding the framework for our organizational compliance program. An update of the Compliance Officers Working Group was also presented. The mission of this working group is to assist the University Compliance Steering Committee in promoting a culture and understanding of and adherence to applicable federal, state and local laws and regulations, as well as university policies, rules and regulations.

The committee was given a brief overview of the recent results of a compliance review conducted by the U.S. Department of Labor’s Office of Federal Contract Compliance Programs. This review was conducted over approximately two years and concluded that NC State is in compliance with federal regulations.

The committee reviewed a draft of NC State’s investment policy statement for institution trust and special funds. They also gave endorsement for the request to seek delegated authority from UNC-GA to the chancellor for the investment of Institutional Trust Funds.

Dr. Owens stated that a quarterly update was given on internal audit activities. The committee went into closed session to hear a final report on a sensitive matter on IT security.

**Buildings and Property Committee—Chair Gayle Lanier**

Ms. Lanier reported that one property matter, which was Disposition by Lease of approximately 2.6 acres to CBC Flex lab LLC (Capital Associates), a private entity, for the development of a for-lease laboratory and office building on Centennial Biomedical Campus. This property matter requires full board approval. Ms. Lanier moved for approval. Ms. Mulkey seconded and the motion carried.

The committee approved seven designer selections.
Ms. Lanier said that the committee accepted six completed projects with a combined value of $11.7 million. The list included acceptance of Talley Student Center Addition and Renovation Phase 1 at a cost of $7.7 million. This phase includes the first floor kitchen, kitchen support offices, loading dock, second floor food venues, support offices, food preparation and pavilion areas.

The committee approved the site plan for the Athletic Indoor Practice Facility and reviewed the design plan for the facility. Ms. Lanier reported that Mr. Ramsey recused himself from discussions and action on this item.

Additionally, the committee approved three plans and specifications of formal projects, each costing less than $2 million.

Ms. Lanier stated that updates on capital projects and projects in planning were received, as well as an update on the 2013 Physical Master Plan.

Vice Chancellor Terri Lomax described a newly created vision for Centennial Campus that will guide development of the campus for the next 20 years. Entitled “VISION 2034,” the study identified bold initiatives that will guide the growth and brand of Centennial Campus and NC State as an innovation destination for collaboration between academia, industry and government.

**University Advancement and External Affairs Committee-Chair Jimmy Clark**

Mr. Clark reported that an update was provided on fundraising through October 31, 2013. New gifts and commitments are 28% toward $132.9 million annual goal. Annual Giving has raised $549,000 toward its $2.1 million goal.

The committee considered and approved campaign fund raising plans for an annex to Schaub Hall and the dairy facilities on Lake Wheeler Road. The committee also approved fund raising plans for the Indoor Practice Facility for use by all field teams.

The committee was provided an update from the Alumni Association, which reported that memberships have increased along with communications activities and outreach and engagement opportunities.

Mr. Clark reported that, in closed session, the committee reviewed and approved five proposals to name specific university facilities and programs. The committee also reviewed candidates for the Honorary Watauga Medal award and voted on two to bring to the full board for its consideration and approval.

**University Affairs Committee-Chair Susan Ward**

Ms. Ward began her report explaining that preparations have been reviewed for the university’s ten year accreditation review by the Southern Association of Colleges and Schools (SACS).

An overview of the academic planning and review process was presented. The presentation included an update on the UNC-GA revised academic planning process, NC State’s process and guiding principles to inform the development and prioritization of new degree programs, NC State’s academic program planning prioritization process, the metrics used when reviewing the
productivity and effectiveness of the university’s degree programs and the progress made to date on this initiative.

The committee discussed recommendations on tuition and fees which included: A $1,800 (9.2%) tuition increase for both out-of-state undergraduate and graduate students and a $450 (6.3%) increase for in-state graduate students. Note: There is no tuition increase being recommended this year for in-state undergraduate students. Chancellor Woodson stated that about 53% of the tuition increase will be used to improve quality and accessibility of the NC State educational experience. About 23% will provide funding to the graduate student support plan. About 20% will support need-based financial aid and about 4% will provide funding for faculty promotional increases. It was also recommended that there be premium tuition for three graduate degree programs in the Poole College of Management, as well as for the Graduate Certificate in Technology Entrepreneurship and Commercialization. Premium tuition was also recommended for several graduate degree programs in the College of Engineering. Chancellor Woodson recommended increasing fees by $90.27 for all students in the 2014-15 academic year. The committee voted to recommend approval of the chancellor’s recommendations. Ms. Ward made a motion to approve the 2014-15 campus initiated tuition increases as outlined in Chancellor Woodson’s recommendation (Appendix B) and the proposed uses of the increases as heard during the committee meeting. Ms. Mulkey seconded and the motion carried.

Ms. Ward made a second motion for the approval of the continuations and increases to student fees as outlined in Chancellor Woodson’s recommendation (Appendix B). Ms. Lanier seconded and the motion carried.

The committee recommended the authorization to plan new degree program requests in Forensic Science at both the Ph.D. and Masters’ of Science levels. Both degree programs are outcomes of efforts to create a Forensic Science Institute and the faculty excellence cluster area in Forensic Sciences. The programs will help establish NC State as a leader in graduate education and research in the forensic sciences. Ms. Ward made a motion for approval of the authorization to plan a new Ph.D. and Masters’ of Science program in Forensic Science. Dr. Prestage seconded the motion. The motion carried.

Also recommended was the approval of the request to discontinue the Master, Master of Science and Ph.D. in Immunology. An Immunology concentration within the existing Comparative Biomedical Sciences program in the College of Veterinary Medicine would be instituted and students currently enrolled would have the option of completing the existing degree program or switching to the new concentration. At this time, Ms. Ward moved for approval to discontinue the graduate degree programs in Immunology. The motion was seconded by Dr. Prestage and it carried.

Faculty Chair, David Zonderman, gave the committee an update on Faculty Senate Activities, noting that the Senate is focusing on four areas this academic year. They are: the university’s strategic plan and budget, enrollment planning, student academic success and distance education.

Ryan Hancock, Chair of the Staff Senate, gave updates and noted that NC State has taken a leadership role in the UNC Staff Assembly. Past NC State Chair, Susan Colby, is now serving as Chair of the Staff Assembly; Ryan Hancock is serving as Chair of the Human Resources,
Diversity and Benefits Committee and Chair-Elect, Robert Davis, is Chair of the Budget and Planning Committee.

Ms. Barbara Carroll, Associate Vice Chancellor for Human Resources, summarized the annual report to the Board of Governors on personnel actions covered by the university’s management flexibility agreement.

Provost Warwick Arden updated the committee, informing them of comprehensive leadership and program reviews that will be occurring this academic year in the College of Humanities and Social Sciences and the Poole College of Management. The provost reported that faculty retention has had a 73% success rate. The strategic budget process was reviewed, discussing the most strategic, effective and efficient use of the university’s resources.

In closed session, the committee approved a head coach employment agreement, a non-salary compensation request and conferral of tenure to two new faculty hires. Recommended for approval by the Board of Governors were four salary increases greater than 15% and $10,000 from each employee’s previous June 30th salary. An honorary degree nomination was endorsed and will be considered by the full board in closed session.

**Board of Visitors Report-Chair Charles Flink**

Chair Flink provided an update from the Board of Visitor’s fall meeting, reporting that there are three new members on the Board of Visitors: Mr. David Davenport, Dr. Ray Huml and Mr. Jon Rutty. There were updates from the chancellor, Board of Trustees, Capital Projects Program, football program, and NC State’s Brand Platform.

**Student Body President Report- Alex Parker**

Mr. Parker began his report with details from the “Primetime with the Pack” event, which was formerly a campout at Reynolds Coliseum for students to receive tickets to the NC State vs. UNC-Chapel Hill basketball game. Since last year, the event takes place in the PNC Arena with many planned activities for students, including live bands, free food and a chance to play basketball on the court in the PNC Arena. Over 2,500 students participated.

Mr. Parker stated that 6,000 copies of the third edition of The Brick, a book of history and traditions at NC State, were distributed to new and transfer students. Also distributed, for the fourth year running, were NC State decks of cards that have 54 things to do at NC State.

To enhance school spirit, Student Government gives out prizes to those wearing red and a spirit citation to those who are not wearing red. Mr. Parker reports that the effort is being expanded to Centennial Campus and the Vet School Campus this year.

In an effort to build class identity, Student Government is working on creating a first year and senior year walk. First year students who attend Convocation would be allowed to walk on the field at Carter Finley Stadium to celebrate their decision to join the Pack during the first home game of the year. Seniors will be able to walk on the Carter Finley field after they give their portion of the Senior Class gift during the last home football game of the year.

Mr. Parker briefly reviewed Dining additions to campus, including venues on Centennial Campus and the new Talley Student Union.
Communications projects were discussed by Mr. Parker which will include a one stop shop webpage for students. The webpage will include quick links, a centralized calendar for student organizations, student relevant news stories and host blogs from the Student Body President and the Vice Chancellor and Dean of Academic and Student Affairs. A new online platform for voicing student concerns is being introduced and is called Buzzocracy. The website allows students to post anonymously about issues they see on campus, requires them to submit a solution and allows Student Government to interact with that student and administrators. Other students can go online and support an issue, giving Student Government the ability to use quantifiable data to help administrators see the support for programs.

With no further business in open session, Ms. Ward made the motion, seconded by Mr. Clark, at 10:45 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 carried.

With no further business in open session, Chair Jenkins adjourned the meeting at 11:10 a.m.

Respectfully submitted,

Assistant Secretary

Secretary

Approved:

Chair of the Board