

Board of Trustees
North Carolina State University
Raleigh, North Carolina

November 16, 2007

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, 2007. Chair McQueen Campbell presided.

Members present:

- McQueen Campbell, III, Chair
- Derick S. Close
- Lawrence Davenport
- Suzanne Gordon
- Bob Jordan
- Gayle S. Lanier
- Robert L. Mattocks, II
- Burley Mitchell
- Barbara H. Mulkey
- John P. Sall
- Steve F. Warren
- Cassius S. Williams
- Bobby Mills, ex officio

Chair Campbell called the meeting to order. 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. Mr. Sall recused himself from a vote that will take place in Closed Session because of a personal relationship with a person being discussed. Hearing no other conflicts, 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. Davenport made the motion, seconded by Mr. Mitchell, to approve the open and closed session minutes of the September 21, 2007, full Board meeting. The motion carried.

CHAIR'S REPORT-MCQUEEN CAMPBELL, III

Chair Campbell reported that the Board would vote on the Chancellor's recommendations for 2008-09 tuition and fees. He commended the Chancellor, the Tuition Review Committee, and the Fee Review Committee for their work. The recommended increase is much less than we could have requested.

Chair Campbell reported on some of the recent activities he has participated in as Chair. He has met with executive officers and spoke at a Faculty Senate meeting. These meetings confirmed what Chancellor Oblinger said in his State of NC State address- we need to tell our story. We can all be better advocates and build the support of legislators by telling our

story. While we will focus on serving the state, we should find ways to have a stronger presence beyond North Carolina. We should emphasize the Chancellor's five focus areas.

Chair Campbell stressed the importance of the faculty, staff, and student senates. He mentioned two budget-related items: the need for more research space on campus and the need for additional funding for technology transfer and entrepreneurial activities.

Chair Campbell announced that Mr. Billy Ray Hall would receive an honorary degree and serve as our Fall Commencement speaker. We will also award honorary degrees to Ms. Arlinda Locklear, Mr. A. Tab Williams, Jr., and Mr. Gianfranco Zaccai.

CHANCELLOR'S REPORT-JAMES OBLINGER

Chancellor Oblinger reported the following campus highlights since the September meeting of the Board:

- The College of Veterinary Medicine broke ground for the Randall B. Terry, Jr. Companion Animal Veterinary Medicine Center on Wednesday, November 14.
- He delivered the inaugural "State of NC State" address on September 27. In his address, he shared the university's new strategic plan and announced that 2008 would be the Year of Energy at NC State.
- Alumnus Rajendra Kumar Pachauri is chair of the United Nations agency that shared the 2007 Nobel Peace Prize with former Vice President Al Gore. Dr. Pachauri obtained a master's degree in industrial engineering in 1972 and a dual doctorate in industrial engineering and economics. He also served at NC State as an assistant professor and visiting faculty member in the Department of Economics.
- US Secretary of Energy Samuel Bodman visited campus on Tuesday, October 23. He toured the NCSU PULSTAR Nuclear Reactor and held a campus seminar on US energy policies and programs. Chancellor Oblinger facilitated a roundtable discussion on energy sustainability with Secretary Bodman and key representatives from government, academia and industry.
- Award-winning broadcast journalist Charlie Rose moderated a panel discussion on Tuesday, October 16 as part of our Millennium Seminar Series. The discussion explored the vision of projects incorporating sustainable design practices.
- The UNC Tomorrow Listening Forums are complete. President Bowles is now holding regional listening forums for all UNC system faculty. The faculty forum for the Triangle region was held on Friday, November 2, at the Friday Center at UNC Chapel Hill.
- NC State will install an early warning system for campus emergencies. Our goal for completion is January. This system is capable of siren and voice alerts across campus. The UNC Campus Safety Task Force has been released. The campus text-message system is up and running; faculty, staff and students can now sign up on our website to receive text messages in the event of a campus emergency.

- CHASS faculty recently produced a 4th – 8th grade social studies textbook series, “North Carolina Journeys.” The new edition is an updated version of the original text written in the 1990’s. The updated series is now available to schools across the country.
- Lord Corporation is establishing an endowed professorship in the Department of Chemistry. The first C.D. Spangler Endowed Professorship will be in the Department of Chemistry and is being named for former Governor Bob Scott.
- The North Carolina Award committee awarded the inaugural “Spirit of North Carolina Award” to Coach Kay Yow. Chancellor Oblinger was honored to present this award to Coach Yow on Monday, October 15. The State of North Carolina wants to continue her legacy by naming this award, “The Kay Yow Spirit of North Carolina Award.”
- NC State’s Centennial Campus was named the Outstanding Research/Science Park of the Year by the Association of University Research Parks (AURP) on October 26. This award recognizes parks that excel in bringing technology from the laboratory to economically viable business activities, promoting the growth of businesses, jobs, and public revenue.
- Two NC State students recently won prestigious national scholarships. Donny Katz won a Fulbright Scholarship and will study transportation systems in Bangladesh. Brian Clark won a Marshall Scholarship and will study applied mathematics and physics at the University of Cambridge for two years. In addition, Jen Boyd, a Caldwell Fellow and member of NC State’s women’s distance running team, was a finalist for the coveted Rhodes Scholarship.
- On November 13, Chancellor Oblinger traveled to Chapel Hill with some of our Trustees to award Walter Davis’ honorary degree. Senator Marc Basnight and UNC President Erskine Bowles also attended the ceremony and reception at Mr. Davis’ home.

Chancellor Oblinger ended his report by showing the DVD that was shown at the UNC Tomorrow Listening Forums. The DVD was produced at NC State by our graduates. He stated that NC State has always addressed and will continue to address almost all of the concerns shown in the DVD.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee-Chair Cassius Williams

Chair Williams stated that the committee was provided a summary of the Faculty Survey conducted in Fall 2006 as well as the faculty exit interviews conducted this past year. Faculty Chair Jim Martin gave a report of Faculty Senate activities.

Provost Nielsen updated the committee on activities since the September Board of Trustees meeting. These activities include the establishment of a new Master of Science degree in Global Innovation Management; the B.S. in Agronomy degree has been changed to a B.S. in Plant and Soil Sciences; and the name of the B.S. degree in Business Management has been

changed to a B.S. in Business Administration. Provost Nielsen reported that we met our Fall 2007 enrollment projection, and he gave a report on graduation rates.

The committee approved personnel actions, including approval of two conferrals of tenure, one appointment to a Board of Governors Endowed Professorship and one salary increase. Chair Williams reported that the committee approved recommendations for the awarding of Honorary Degrees and Watauga Medals that will be considered by the full Board in closed session at the conclusion of this meeting.

The committee received the annual Counter-Offer Report and the Phased-Retirement Report. Since July 1, 2002, NC State has had 73 successful and 30 unsuccessful counter offers for tenure and tenure-track faculty. The Phased-Retirement Program has had a total of 93 participants since 2001.

Audit, Finance and Planning Committee-Chair Lawrence Davenport

Chair Davenport reported that the committee authorized the establishment of the NCSU Center for Plant Breeding and Applied Plant Genomics and the establishment of the General H. Hugh Shelton Leadership Center.

Chair Davenport stated that a proposed revision to Policy 01.20.2 Delegation of Authority was presented authorizing the Vice Chancellor for Finance and Business or designee to purchase, sell, transfer or sign trust fund assets and securities; register trademarks; enter into agreements regarding licensing; approve Internal Revenue Service Reimbursement Resolutions; and approve defined business transactions. The committee approved the resolution that will require full Board approval. Mr. Davenport made the motion, seconded by Ms. Gordon, to approve the revisions to Policy 01.20.2; the motion carried.

The committee heard a report on the NC State Investment Fund. Through September 30, 2007, the \$364 million fund had a net one-year performance of 14%. Informational reports were also presented on Internal Audit activities, the establishment of a Master's Degree in Global Innovation Management, and the UNC Operational Assessment. Updates were given on the Enterprise Systems and the Chief Informational Officer search and transition.

Buildings and Property Committee-Chair Derick Close

Chair Close reported that the committee reviewed and approved six property matters, two designer selections, and a list of four completed buildings and projects. The following four property matters require full Board approval:

- Acquisition by state reallocation of approximately 64 acres from the NC Department of Administration to NC State University for the continued use by the Reedy Creek Equine Center
- Disposition of easement for egress to Pullen Memorial Baptist Church to accommodate a change in parking resulting from a proposed church expansion.

- Disposition by lease of 30 acres of undeveloped land on Centennial Campus to the NC State University Partnership Corporation to facilitate future development and private investment on the campus
- Disposition by demolition of three structures located at 2301, 2305 and 2701 on Greek Court to make way for the first phase of the new Greek Village project

Chair Close made the motion, seconded by Mr. Davenport, to approve these four property matters. The motion carried.

Chair Close stated that the committee approved one site plan, two design plans, and one project plan that cost less than \$1 million. The committee received a report on the status of capital projects throughout campus including an update on construction of The Point and heard a report on the recent UNC Facilities Team Leadership Meeting. The committee was given copies of the 2007 Physical Master Plan update “A Campus of Neighborhood and Paths” and toured three active construction projects on North Campus.

Chair Close called on University Architect Michael Harwood to give an update on the 2007 Master Plan. Mr. Harwood explained the process of how the Master Plan was put together. He also pointed out that the document was produced in-house.

Development Committee-Chair Bob Jordan

Chair Jordan reported that the committee participated in a discussion led by Vice Chancellor Kessler on post-campaign planning. The discussion focused on the opportunities emerging from the Achieve! Campaign to increase fundraising revenue with special emphasis on endowment giving by individuals. This is the first of a series of discussions that will allow the Development Committee to provide advice and counsel to the Vice Chancellor and his team.

Chair Jordan stated that in Closed Session the committee reviewed and approved 12 proposals to name specific university facilities. A motion will be made at the end of this meeting to go into Closed Session to consider these proposals.

Student and Campus Affairs Committee-Chair Suzanne Gordon

Chair Gordon reported that Chancellor Oblinger gave the committee an overview of the process undertaken on campus to arrive at his tuition and fees recommendations to the Board of Trustees. Chancellor Oblinger described the tuition proposals in detail, and Vice Chancellor Tom Stafford provided information on the fee proposals. The Chancellor’s recommendations are as follows:

- Recommend approval of a campus-initiated tuition increase of \$100 per year for undergraduate, resident students effective 2008-09 and \$200 per year for undergraduate, non-resident students for 2008-09, with 42.1% of the revenue allocated to financial aid, 25.0% to faculty salaries, 17.6% to the Pack Promise, and 15.3% to improve the quality and accessibility of the NC State educational experience

- Recommend approval of a \$1,000 per year tuition supplement effective 2008-09 for the following three professional master's programs in the College of Design: Landscape Architecture, Industrial Design, and Art and Design
- Recommend approval of a \$1,500 per year tuition supplement increase to \$8,000 per year effective 2008-09 for full-time students in the MBA program and a \$1,500 per year tuition supplement increase to \$6,750 for the MAC program, both in the College of Management; and that the Board approve including the College of Management's new Global Innovation Management program within the same tuition supplement as the MBA (\$8,000 per year).
- Recommend approval of all existing fees that proposed no increases; approval of the elimination of the Student Health Service indebtedness fee of \$28.00; and approval of the following student fee increases subject to the 6.5% cap:
 - Student Legal Services: \$1.00/year
 - Student Center Operations: \$10.70/year
 - Recreational Sports: \$21.00/year
 - Intercollegiate Athletics (Operations): \$7.50/year
 - Student Health Services (Operations): \$12.00/year
 - Educational and Technology: \$17.00/year
- And approval of the following student fee increases exempt from the 6.5% cap:
 - Transit Operations: \$16.00/year
 - Student Health Services Expansion: \$35.00/year

Chair Gordon reported that by a vote of 3-1, with Trustee Mills in opposition, the committee accepted all of the Chancellor's recommendations. Chair Gordon made the motion, seconded by Mr. Warren, to approve the Chancellor's recommendations on tuition and fees for 2008-09. The motion carried, with Mr. Mills voting against the motion.

Chair Gordon stated that the committee heard a presentation from Associate Director of Athletics Charlie Rozanski on the proposed revision to the Board Policy on "Drug Education, Screening and Counseling Program for Intercollegiate Athletics." Chair Gordon made the motion, seconded by Mr. Mills, to approve the proposed revised Policy 09.00.2 . The motion carried.

Chair Gordon said that Gail Willis, Staff Senate chair, reported on Staff Senate activities including the Budget Forum that was co-sponsored with the Faculty Senate, the Open Forum featuring campus speakers and legislators, and letters of appreciation sent from Chancellor Oblinger to all Staff Senators.

The committee toured the Carmichael Recreation Center that will open on December 3, 2007.

Board of Visitors Report-Kevin Howell, Assistant to the Chancellor

In the absence of Jack Cozort, Chair of the Board of Visitors, Kevin Howell reported on the September 28, 2007, meeting of the Board of Visitors. A legislative update was given by Senator A.B. Swindell, senior chair of the Appropriations-Education/Higher Education Committee. Sidney Lowe, head men's basketball coach, was the lunch speaker.

Mr. Howell informed the Trustees that Chancellor Oblinger has appointed two new members of the Board of Visitors- Mr. Dell Murphy and Mr. Tommy Bunn. The next meeting of the Board of Visitors will be Friday, March 28, 2008.

Student Body President Report- Bobby Mills

Student Body President Mills reported that, as chair of the Student Subcommittee on the Energy Council, he has been focusing on energy-related campus activities for students. The Water Conservation on the Quad began on November 1 and runs through fall semester. NC State has challenged UNC Chapel Hill to a water conservation contest; the contest begins on the date of our football game with UNC Chapel Hill and ends on the date of our basketball game. The winner will be determined by the percentage of savings from last year's water consumption.

Mr. Mills has been very involved with the Campus Safety Committee. The committee is working on text messaging and sirens on campus in the event of an emergency.

Mr. Mills reported that Student Government is working with Athletics to resolve questions and concerns about the student section at football games. Students are arriving at the gates late, and it is taking too long to get through the gates. He said that Homecoming was very successful. Events were held throughout Homecoming Week such as "Wear Red, Get Fed," "Take Back the Night," and the canned food drive.

Mr. Mills said that the Halloween event on Hillsborough Street was very well attended. Student Government and the area merchants worked together to promote this event. Their goal for next year is to close Hillsborough Street on Halloween night and make this an annual event.

Items of Interest to Members of the Board

Trustee Gordon commended the students for the success of this year's Halloween event on Hillsborough Street. She said it is good to keep students on campus as opposed to driving to Chapel Hill for Halloween.

With no further business in Open Session, Chair Campbell called for the motion to go into Closed Session according to NCGS 143-318.11 (A)(2). Mr. Williams made the motion, seconded by Mr. Close, to go into Closed Session to prevent the premature disclosure of an honorary award or scholarship.

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At 10:20 a.m., the Board came out of Closed Session. With no further business to conduct, Chair Campbell adjourned the meeting at 10:22 a.m.

Respectfully submitted,

Assistant Secretary

Secretary

Approved:

Chair of Board