

Board of Trustees
North Carolina State University
Raleigh, North Carolina

November 18, 2005

The North Carolina State University Board of Trustees met in an open meeting in the Alumni Conference Room, Alumni Memorial Building, on Friday, November 18, 2005 at 9:30 a.m. Chair Wendell Murphy presided.

Members Present:

- Wendell Murphy, Chair
- McQueen Campbell, III
- Derick Close
- Lawrence Davenport
- Suzanne Gordon
- Bob Jordan
- Bob Mattocks, II
- Burley Mitchell
- Richard Vaughn
- Steve Warren
- Cassius Williams
- Whil Piavis, ex officio

Chair Murphy called the meeting to order at 9:30 a.m.

ROLL CALL

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

MINUTES

Mr. Davenport made the motion, seconded by Mr. Close, to approve the open and closed session minutes of the September 16, 2005 meeting of the full Board; the motion carried.

CHAIR'S REPORT – WENDELL MURPHY

Chair Murphy reported on his activities since the last Board of Trustees meeting. A few of these activities were:

- Participated in meetings of the UNC-General Administration Tuition Task Force.
- Participated in the 2005 Homecoming activities and parade.
- Spoke at the October 28th Board of Visitors meeting.
- Participated in University dedications including ceremonies for the Dail Basketball Center and the Friday Institute.

Chair Murphy announced the change in April meeting date to April 27 and 28, 2006. He stated that it is necessary to change the date because Chancellor Oblinger will receive the Distinguished Achievement Award from Iowa State University on April 21 in Iowa.

CHANCELLOR'S REPORT – JAMES OBLINGER

Chancellor Oblinger called attention to just a few of the university's noteworthy achievements since the last board meeting. Among those he cited were:

- Former Lt. Gov. Bob Jordan III, Jack P. Jordan, Genie Jordan Ussery and Robert B. Jordan IV – the Jordan family – have given NC State University a \$1.5 million gift that will benefit the NC State College of Natural Resources.
- Triangle Business Journal compiled a list of the top 25 organizations in North Carolina in production of patents in 2004. NC State ranked third, just behind IBM and Ericsson and ahead of Cisco and Cree. NC State was the only university in the top five.
- For the first time in NC State's history, an open discussion on the university budget was held, with the discussion focusing on funding sources, expenditures and budget process.
- The ribbon was cut on the newly renovated Schaub Hall, celebrating the Food Science Department's return to its home. The latest technology and improved space will help the department continue to achieve.
- Effective October 1, 2005, NC State has implemented a new minimum salary for permanent SPA staff. The new minimum is established at \$10 per hour, or \$20,800 for full-time staff.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee – Chair McQueen Campbell

Chair Campbell reported that the Committee heard a presentation on Diversity Initiatives at NC State. The Committee also heard reports on financial aid at NC State and results compiled from exit interviews of separating employees.

Chair Campbell stated that the committee recommends for full board approval the following:

- 1) Revision to Policy 05.20.1 – Academic Tenure Policy. The proposed revision delegates to Deans the authority to appoint and reappoint tenure-track academic department heads. These were previously delegated to the Provost. Mr. Campbell made the motion, seconded by Mr. Vaughn, to approve the revision to Policy 05.20.1; the motion carried.
- 2) Revision to Policy 01.30.2 – Honorary Degrees, Awards and Distinctions. This policy prescribes the membership of the Faculty Committee on Honorary Degrees. The proposed change brings it into compliance with the recently revised Professors of Distinction regulation. Mr. Campbell made the motion, seconded by Mr. Mitchell, to approve the revision to Policy 01.30.2; the motion carried.
- 3) A Proposed Scholarship Student Provision Resolution (Appendix A) – this resolution acts on the law passed in the last legislative session to allow us to exempt out-of-state students on full scholarships from out-of-state tuition. Mr. Campbell made the motion, seconded by Mr. Williams, to approve the proposed scholarship student provision resolution; the motion carried.

Chair Campbell stated that the Provost provided an update on the following: 1) the name change of the Department of Adult and Community College Education to the Department of Adult and Higher Education, 2) the authorization to establish a B.S. Degree in Elementary Education, 3) the

work of the Tuition Advisory Committee, the University Budget Advisory Committee, the College of Natural Resources Dean Search, and the College of Engineering Dean Search. He also provided updates on the student retention initiative, visitors' center, peer selection, compact and strategic planning, and David Clark Labs.

Chair Campbell reported that in Closed Session, the Committee approved the Annual Phased Retirement Report, the Annual Counter Offer Report, and approved conferral of emeritus status. The Committee also approved the Watauga Medal of Excellence nominations. He stated that the recommendations for awarding these honors will be considered by the full board in closed session at the conclusion of the meeting.

Audit, Finance and Planning Committee – Chair Richard Vaughn

Chair Vaughn reported that the Audit, Finance and Planning Committee heard reports on the following:

- The NC State Investment Fund through September 30, 2005. The Fund was approximately \$268 million with one year performance of 12.85% net of fees.
- The Board of Governors Task Force efforts on Best Financial Practices and Associated Entities.
- Tuition billing processes.
- Centennial Campus development activities.
- A Request to Establish a New Degree Program in Elementary Education.
- An overview on centers and institutes.

Chair Vaughn stated that the committee approved a proposed change to Policy 01.05.5, Audit, Finance and Planning Committee responsibilities. The change reflects the delegated authority from the Board of Governors to approve the establishment and continuation of centers and institutes. Mr. Vaughn made the motion, seconded by Mr. Close, to approve the proposed policy revision; the motion carried.

The committee also reviewed a request for approval to establish two new centers and one new institute. Since the committee was not yet authorized to approve the establishment of centers and institutes, Chair Vaughn made the motion for the establishment of the following:

- 1) Center for High Performance Simulation
- 2) William & Ida Friday Institute for Educational Innovation; and
- 3) Center for Turfgrass Environmental Research and Education

The motion was seconded by Mr. Campbell to approve the establishment of these two centers and one new institute; the motion carried.

Buildings and Property Committee – Chair Derick Close

Chair Close reported that the Buildings and Property Committee heard informational reports about the Centennial Campus and capital construction projects.

The Committee also reviewed one project, approved three site plans and three building plans, and approved project plans and specifications costing less than \$1 million.

Chair Close reported the Committee reviewed and approved four property matters and accepted a list of completed buildings and projects. Two of the property matters require Full Board approval. One property matter concerns a Land Exchange with the Endowment Fund on the Centennial Campus. Land to the State will be used for the Biomanufacturing Training and Education Center and other future university uses. Land to the Endowment will be used for future private development in support of the University's Master Plan for Centennial Campus (Appendix B). The other property matter is a Lease of Office Space in Research IV to Alternative Energy Corporation to facilitate interactions with the Colleges of Engineering and Textiles and the Industrial Extension Service (Appendix C). Mr. Close made the motion, seconded by Mr. Davenport to approve these two property matters; the motion carried.

Development Committee – Acting Chair Bob Mattocks

Acting chair Bob Mattocks reported that the Development Committee heard reports on:

- Fund-raising for the first quarter of fiscal year 2006. Total gifts and pledges were \$73.4 million. This amount exceeded the first-quarter goal of \$45.5 million.
- The progress of the *Achieve! Campaign for NC State*, which is now in its public phase. As of September 30, the campaign has raised nearly \$849 million or almost 85% of its \$1 billion goal.
- The progress of the university entities toward their working campaign goals and received updates on the progress of Billion-Dollar Campaigns at 23 universities.
- Fund-raising for the five current capital projects.
- The System-wide draft requirements for Associated Entities fundraising and how these requirements affect the NC State Foundation Agreement.

Mr. Mattocks stated that the Committee heard a presentation regarding shifting the emphasis of the public phase of the *Achieve!* Campaign toward building endowment.

In closed session, the Committee reviewed and approved four proposals to name University facilities. The full board will consider these proposals in closed session at the conclusion of the meeting.

Student and Campus Affairs Committee – Chair Suzanne Gordon

Chair Gordon reported that the Student and Campus Affairs Committee heard reports on the Staff Senate's recent activities and from the Student Body President on the students raising over \$75,000 for Hurricane Katrina relief. The Student Body President also reported student discontent over the increase in parking fees and the proposed increases in tuition and fees.

The Committee then considered Chancellor Oblinger's recommendations on tuition and fees. The Committee discussed and voted to recommend approval by the full board the Chancellor's recommendations to approve a Campus Initiated Tuition Increase of \$325 per year for all students, to approve continuation of existing fees, to approve the elimination of two fees, the reduction of one fee, and to approve six proposed student fee increases, and to approve a tuition increase of \$1,000 per student per year in the School of Architecture Professional Programs and the Department of Graphic Design Graduate Programs. Chair Gordon stated that she would present a motion on each of these.

Chair Gordon made the motion to approve a Campus Initiated Tuition Increase of \$325 per year for all students for 2006-2007, with 45% of the revenue allocated to financial aid, 10% to the graduate student plan, and 45% to educational improvements.

Mr. Piavis noted that students think a \$325 increase is too much and requested that the Board consider a lower amount. Mr. Mattocks encouraged trustees to continue to support scholarships. Chair Murphy noted that NC State's tuition is the lowest of our peers.

After further discussion, Mr. Davenport seconded the motion to approve a Campus Initiated Tuition Increase of \$325 per year for 2006-2007; the motion carried with Mr. Piavis voting against.

Chair Gordon then made a motion, seconded by Mr. Warren to approve all existing fees that proposed no increases, approve the elimination of the Student Handbook fee and the Student Self Service Registration fee, approve the reduction of the Publication fee from \$16.50 to \$15.00, and approve the following student fee increases:

- Athletics (operations): \$25.00/year
- Athletics (indebtedness): \$15.00/year
- Recreational Sports: \$7.00/year
- Student Center Operations: \$21.60/year
- Student Health Services: \$13.00/year
- Transportation: \$16.00/year

The motion carried.

Chair Gordon made a motion, seconded by Mr. Davenport to approve the student fee increase of \$1,000 per student per year in the School of Architecture Professional Programs and the Department of Graphic Design Graduate Programs for 2006-2007; the motion carried.

BOARD OF VISITORS REPORT

In Chair Curtis's absence, Assistant to the Chancellor Andy Willis reported that the Board of Visitors met on Friday, October 28, 2005, and heard reports from various groups on campus – student, faculty and administration. Chair Wendell Murphy, Provost Larry Nielsen and First Lady Mary Easley were among the speakers who made presentations to the group. Amanda Lilley, Chair of the NC State Homecoming Committee, also detailed the numerous events that had been planned all week and weekend long. The next Board of Visitors Meeting is scheduled for March 24, 2006.

CHAIR OF THE FACULTY REPORT – NINA S. ALLEN

Chair Allen reported on the various activities of the Faculty Senate. Among those she mentioned were:

- Either the Provost or the Chancellor have attended and presented remarks at all Faculty Senate and Executive Committee meetings.
- Discussions were held regarding the meager salary increases received this year as well as the lack of sufficient health care and fringe benefits as compared to peer institutions.

- Already NC State has lost key faculty members as well as staff. The Senate recognizes that the administration is doing their best to remedy the situation.
- One possible benefit under consideration is affordable Day Care for Faculty and Staff. The Provost reported that the first estimate to build a Day Care facility on campus was too high, and we will soon receive a report on other possible ways of meeting some of the Day Care needs.
 - The Faculty Senate had recommended that an Ombuds Office be started. The Provost organized a committee that includes faculty to study the matter.
 - Five faculty members serve on the Faculty Budget Advisory Committee among others, which is still defining its role in the budget process.
 - The Senate reviewed and approved Regulation 05.20.4 regarding the mandated Post Tenure Review.
 - The Senate has formed a committee with Vice Chancellor John Gilligan and Graduate Dean Robert Sowell to discuss the new policy requesting that faculty pay from their grants 25% of the out-of-state graduate student tuition on top of paying the tuition and health benefits of the in-state graduates.
 - The Faculty Senate has worked with students and other organization to raise funds for victims of Katrina. The Faculty has taken on the new students from the New Orleans area in their classes.

With no further business for Open Session, Chair Murphy called for the motion to go into Closed Session according to NCGS 143-318.11(a)(2) and NCGS 143-318.11(a)(3). Mr. Warren made the motion, seconded by Mr. Mattocks to go into Closed Session to prevent the premature disclosure of an honorary award of scholarship and to consult with our attorney to protect the attorney-client privilege.

At 10:55 a.m., the Board came out of Closed Session. With no further business, Chair Murphy adjourned the meeting at 10:57 a.m.

Respectfully submitted,

Assistant Secretary

Secretary

Approved:

Chair of Board