

Board of Trustees
NC State University
Raleigh, North Carolina

November 19, 2004

The North Carolina State University Board of Trustees met in regular session in the Alumni Conference Room in Alumni Building, North Carolina State University, at 9:25 a.m., Friday, November 19, 2004. Chair Peaches Blank presided.

MEMBERS PRESENT:

Peaches Gunter Blank
D. McQueen Campbell, III
Derick S. Close
Ann B. Goodnight
Suzanne Gordon
Robert B. Jordan, III
Bob L. Mattocks, II
Wendell H. Murphy
C. Richard Vaughn
Steve F. Warren
Cassius S. Williams
Tony Caravano, ex officio

Chair Blank called the meeting to order at 9:25 a.m.

ROLL CALL

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

MINUTES

Ms. Goodnight made the motion, seconded by Mr. Warren, to approve the September 17, 2004 minutes of the full Board; the September 17, 2004 Closed Session minutes of the full Board; the September 28, 2004 minutes of the full Board; and the September 28, 2004 Closed Session minutes of the full Board; the motion carried.

CHAIR'S REPORT - PEACHES GUNTER BLANK

Chair Blank summarized the many actions that Board members have been working on since the last meeting: 1) A short list of names for Chancellor was assembled and given to President Broad; 2) the transition to James L. Oblinger as Chancellor is already well underway; 3) the search for a new Provost has begun; 4) and the committees on marketing and the Chancellor's residence have been hard at work.

Chair Blank recognized Interim Chancellor Bob Barnhardt and his work on the behalf of the university while the search for a new chancellor was taking place. She said that his willingness to serve created a seamless transition.

Chair Blank gave Board members two handouts. One was an article that Ms. Goodnight had recommended, *Should Public Universities Behave Like Private Colleges?* from the November 15,

2004 edition of BusinessWeek. The other was a story from *60 Minutes* called *The Echo Boomers*. It focused on the young people of today – who they are, what they value and what characteristics set them apart from previous generations. Chair Blank said both of these articles would be interesting reading for the entire Board.

Chair Blank announced that 1) the Fall graduation will be held on December 15, 2004 at the RBC Center, 2) the installation ceremony for Provost Oblinger as Chancellor will be held April 20, 2005, and 3) the next Board meeting will be Thursday, February 17 and Friday, February 18, 2005.

CHANCELLOR'S REPORT – Robert Barnhardt

Interim Chancellor Barnhardt congratulated the Chancellor Search Committee for selecting Provost Oblinger to lead the university. He reported that the transition has been going extremely well.

Interim Chancellor Barnhardt told the Board members that he has enjoyed having the opportunity to sample events in the life the university. He asked Trustees to note the outline of achievements in the Chancellor's Report section of their notebooks. Interim Chancellor Barnhardt concluded by thanking the Board for their guidance and support.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee - Chair D. McQueen Campbell

Chair Campbell reported the Committee heard results on what was learned through Faculty Exit Interviews for the period July 1, 2003-June 30, 2004. Members also heard a review of the way various national publications and organizations rank universities and how NC State can improve its position.

Dean Kay Moore discussed the purpose, goals, progress and potential of the William and Ida Friday Institute.

The Committee approved a revision to the policy on the Holladay Medal for Excellence. The revision, which requires full Board approval, increases the number of nominees sent to the Board from five to ten. The number of awards will remain from zero to five and also reformats the policy into the preferred Policy, Rules and Regulations style (Appendix A). Mr. Campbell made the motion, seconded by Mr. Jordan, to approve the revisions to Board Policy 01.30.1; the motion carried.

Chair of the Faculty Dennis Daley gave an update of the Faculty Senate. The Faculty Senate passed a Resolution on Academic Freedom on October 5, 2004.

Chair Campbell reported Provost Oblinger shared the position description and nomination

committee for the Provost and Executive Vice Chancellor for Academic Affairs. Committee members also received an update on the College of Agriculture and Life Sciences Dean search.

Provost Oblinger provided an update on the Faculty Advisory Budget Committee.

Committee members were notified that the name for the Department of Forestry is being changed to the Department of Forestry and Environmental Resources, and that a notice of intent to plan a new BS degree in Turfgrass Science will be submitted to the Office of the President.

Three deans are undergoing five-year reviews this academic year: Dean Blanton Godfrey, College of Textiles; Dean Kay Moore, College of Education; and Dean Dan Solomon, College of Physical and Mathematical Sciences.

Chair Campbell reported that, in Closed Session, the committee approved personnel actions, including the conferral of emeritus status, nominations of the Watauga Medal of Excellence and nominations to receive the honorary degree. The recommendations for awarding these honors will be considered by the full Board in closed session at the conclusion of the meeting.

Buildings and Property Committee - Chair Steve Warren

Chair Warren reported that the Committee reviewed and approved eight property matters, five designer selections, and accepted a list of completed buildings and projects. Six property matters require full Board approval. The property matters are the purchase of approximately 50 acres from Woods Heirs' north of Hillsborough, North Carolina, to support programs in the College of Agriculture and Life Sciences (Appendix B); the purchase of approximately 21 acres from Brown Heirs in Rockingham County to support College of Agriculture and Life Sciences programs at Upper Piedmont Research Station (Appendix C); the purchase of approximately 0.53 acre parcel in Morehead City for use at the Center for Marine, Sciences and Technology (CMAST) as site for future student housing (Appendix D); the sale of approximately 345-acre Hope Valley Forest in northern Chatham County assigned to College of Natural Resources (Appendix E); lease of office space to United States Department of Agriculture in Corporate Research Building I, Centennial Campus (Appendix F); and lease of student housing and organization space to Delta Zeta National Corporation (Appendix G).

Chair Warren made the motion, seconded by Mr. Murphy, to approve the property matters; the motion carried.

The Committee also reviewed the deficiencies of the Chancellor's residence. A special committee appointed by the Board Chair has considered renovation options but is recommending that the university pursue replacing the Chancellor's residence at a location on Centennial Campus near the Park Alumni Center and that a fund raising campaign be initiated to cover the cost of the facility utilizing private funds. The committee further recommended that Board of Trustees direct that the university staff proceed to:

- 1) Confirm the suitability of the proposed site
- 2) Develop a schedule for design and construction of a new residence
- 3) Confirm a budget for the planned residence
- 4) Develop a long range plan for the use of the existing residence

Chair Warren made the motion, seconded by Mr. Murphy, to approve the recommendations of the Chancellor's residence special committee; the motion carried.

Chair Warren reported that the Committee reviewed five building plans. It approved one site plan and three project plans and specifications costing less than \$1 million. The Committee also heard informational reports about the Bond Program, construction projects and the Hoss Haley Sculptural Sphere for McKinney Plaza on Centennial Campus.

Development Committee - Chair Ann Goodnight

Chair Goodnight reported that the Committee heard three alternatives for improving the Chancellor's residence: 1) renovating the existing structure, 2) demolishing and building a new structure on the existing site, or 3) constructing a new structure on Centennial Campus adjacent to the Park Alumni Center and overlooking Lake Raleigh. The committee recommended further study of new construction on the proposed Centennial Campus site.

The Committee heard reports regarding fund raising for the first quarter of fiscal year 2005. Total gifts and pledges were \$46.2 million. This amount exceeded the first quarter goal of \$39.5 million and is well on pace to meet this year's goal of \$158 million.

The Committee received updates on the progress of the comprehensive campaign, and on fund raising for the six current capital projects, one of which has been completed.

In Closed Session, the Committee reviewed and approved one proposal to name a University facility. This proposal will be considered by the full Board in closed session at the conclusion of the meeting.

Finance and Planning Committee - Chair Richard Vaughn

Chair Vaughn stated the committee heard informational reports on:

- § the performance of NC State Investment Fund through September 30, 2004. The Fund's performance for one year was 12.8% net of fees.
- § An overview of debt management and planning. The University plans an estimated \$85 million bond issuance in early 2005.
- § Centennial Campus development activities
- § Strategies to improve student demographics and
- § Intent to plan a new baccalaureate program in Turfgrass Science.

The Committee also reviewed proposed changes to the Finance and Planning Committee

responsibilities (Appendix H). Chair Vaughn made the motion that the Board adopt the proposed changes that:

- a) modify the committee name to “Audit, Finance and Planning Committee” and
- b) clarify communication with the University’s Internal Auditor.

Ms. Gordon seconded the motion; the motion carried.

Student and Campus Affairs Committee - Chair Derick Close

Chair Close reported that the Committee was asked to reaffirm its previous campus-initiated tuition proposal approved by the Board of Trustees in November 2003, to recommend continuation of existing fees, to approve five proposed student fee increases for 2005-2006, and to approve the undergraduate application fee. Chair Close presented a motion on each of these:

- 1) that the Board reaffirm its previous campus-initiated tuition increase request of \$300 per year for each of the next two years (2005-2006, 2006-2007), with priority consideration given for the following three categories: financial aid, graduate student support plan, and academic excellence, but not limited to those three categories (Appendix I).

Mr. Vaughn seconded the motion; Mr. Caravano opposed the motion; the motion carried.

- 2) that the Board approve endorsement of all existing fees that proposed no increases and approve the following fee increases (Appendix J):
 - a. \$8.00 per year for Recreational Sports
 - b. \$7.00 per year for Student Center Operations
 - c. \$10.00 per year for Student Health Services
 - d. \$30.00 per year for Thompson Building Indebtedness
 - e. \$8.00 per year for Transit Operations

Mr. Vaughn seconded the motion; the motion carried.

- 3) that the Board approve a \$5 increase in the undergraduate applications fee (Appendix K). Ms. Gordon seconded the motion; the motion carried.

Chair Close concluded his report by saying the Committee heard an update from Vice Chancellor Tom Stafford on student life at NC State, including allegations of recent hazing incidents at three fraternities, new tailgating restrictions at football games, and the recent death of an NC State student.

Board of Visitors Report – Jack Cozort, Vice Chair

Mr. Cozort reported that the Board of Visitors has five new members. At the last BOV meeting, members received a report from Vice Chancellor for Advancement Terry Wood. They also heard an update on the Achieve Campaign from Associate Vice Chancellor for Public Affairs Debbie Griffith, as well as a legislative update from Assistant to the Chancellor for External Affairs Andy

Willis.

Mr. Cozort reported on the work the BOV is doing to develop an advocacy and friends network for NC State. BOV members also heard a report from Chancellor-designate Oblinger at their last meeting. Mr. Cozort said the Board was inspired by his comments and is looking forward to working with him in the future.

Student Government Report – Tony Caravano, Study Body President

Mr. Caravano reported that there is more activity on campus than there has been in the past. He thanked the Alumni Association for helping to make Homecoming a success. He said Student Government is working with Raleigh city leaders to make them more aware of what students are doing, both on and off campus.

Mr. Caravano reported that Student Government is trying to help increase activity and life on Hillsborough Street, and NC State has two Mitchell Scholar finalists. He thanked Interim Chancellor Barnhardt for his service to the university, and he discussed the racial climate on campus – saying there have been instances recently where the minority population on campus has taken issue with the distribution of funds.

With no further business for Open Session, Chair Blank called for the motion to go into Closed Session. Mr. Murphy made the motion, seconded by Ms. Goodnight, to go into Closed Session to prevent the premature disclosure of an honorary award or scholarship, according to North Carolina General Statute Section 143-318.11 (a)(2) and to consider a naming proposal for full Board approval.

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

Respectfully submitted,

Assistant Secretary

Secretary

Approved:

Chair of the Board