

Board of Trustees  
NC State University  
Raleigh, North Carolina

November 21, 2003

The North Carolina State University Board of Trustees met in regular session in Room 1132, Jordan Hall, College of Natural Resources, North Carolina State University, at 9:00 a.m., Friday, November 21, 2003. Chair Peaches Gunter Blank presided.

**MEMBERS PRESENT:**

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

Chair Blank called the meeting to order at 9:15 a.m.

**ROLL CALL**

Assistant Secretary Clare Kristofco called roll and certified that a quorum was present.

**MINUTES**

Ms. Goodnight made the motion, seconded by Mr. Murphy, to approve the September 17 and 18, 2003 Board of Trustees Retreat minutes; the motion carried.

Ms. Goodnight made the motion, seconded by Ms. Gordon, to approve the July 14,

2003 full Board minutes; the motion carried.

Mr. Caravano made the motion, seconded by Ms. Gordon, to approve the September 19, 2003 Closed Session minutes of the full Board; the motion carried.

#### **CHAIR'S REPORT - PEACHES G. BLANK**

Chair Blank announced that at the Board of Governors' Conference on Trusteeship, held in Boone, NC, on October 8-9, eight NC State Trustees attended. NC State had more Trustees in attendance than any other UNC school. She expressed her appreciation to those whose schedules allowed them to participate.

Chair Blank informed the Board, the Executive Officers and others in attendance that Jenny Chang, former Student Body President and Truman Scholar, is battling breast cancer. She asked all to keep Jenny in their thoughts as she takes on this latest round of chemotherapy.

Chair Blank announced that Fall Commencement ceremonies will be December 16-17. A commencement dinner will be held for honored guests at Prestonwood Country Club, December 16, at 7:00 p.m. The commencement ceremonies will begin December 17 at 8:30 a.m., with a luncheon scheduled for 11:00 a.m. She thanked the Trustees who will be able to attend.

#### **CHANCELLOR'S REPORT - MARYE ANNE FOX**

Chancellor Fox announced that in late October, Dr. Jim Riviere, Burroughs Wellcome Fund Distinguished Professor of Pharmacology and Director of the Center for Chemical Toxicology Research and Pharmacokinetics, was elected to the Institute of Medicine of the National Academies. Dr. Riviere is the first NC State faculty member elected to the Institute. He had received the UNC Board of Governors' prestigious O. Max Gardner Award in 1999.

Recently, there were two groundbreaking ceremonies for Higher Education Bond project buildings, the Chancellor said. On October 16, NC State celebrated with a groundbreaking for the renovation and expansion of the David Clark Laboratories that will be home to eight new teaching laboratories, 25 state-of-the-art research laboratories and additional classroom space for the Department of Zoology. On October 24, the University broke ground for the new \$35 million Engineering Building II that will house the Department of Computer Science and the Department of Electrical and Computer Engineering.

Chancellor Fox noted that every day she hears about students who are making a difference at NC State. The University continues to attract the brightest students who are committed to making the world better. Each month, the Chancellor's calendar includes one-on-one appointments with NC State students who want an opportunity to talk about projects or issues that have sparked their interest and creativity. "The appointments have continued to be one of the highlights of my service as chancellor,"

Chancellor Fox said.

Blake Edwards, junior in the College of Humanities and Social Sciences, came to see Chancellor Fox in September to discuss his desire to minor in chemistry. NC State does not offer a minor in chemistry, and Blake proposed that the University give this option a second look. In his proposal, he compared NC State with a number of sister University of North Carolina institutions and aspirational peers. All offer students the option to minor in chemistry. He detailed how it would be beneficial for students in psychology, for example, to minor in chemistry as they prepare for post-baccalaureate study. Following that meeting, Chancellor Fox, Provost Jim Oblinger and Dean Dan Solomon reviewed Mr. Edward's suggestion. The result: the faculty of the Department of Chemistry considered the question and acted favorably on it. A faculty committee, chaired by Professor Charles Boss, will develop a suggested curriculum that will then be voted on by the faculty. It all started with one student's determination to enhance educational opportunities at NC State.

"Ideas for improvements to our university aren't limited to the students who visit me during Student Walk-In," Chancellor Fox said. In a March 2003 environmental sustainability essay contest, Paul Mobley, a sophomore in the College of Engineering, wrote of his desire to institute recycling at home football games. NC State's Office of Waste Reduction and Recycling, in cooperation with Waste Industries USA Inc., initiated the *Chuck It!* recycling program that has collected over eight tons of materials. Everyone attending the 2003 home football games at Carter-Finley Stadium has seen the *Chuck It!* recycling receptacles. The Chancellor said that the initiative was the result of innovation by NC State student.

### **COMMITTEE REPORTS**

Chair Blank announced a change in the order of Committee reports so that students in attendance could hear the discussion about proposed Campus Initiated Tuition Increases (CITI) and the proposed changes to student fees.

#### **Student and Campus Affairs Committee - Chair Derick Close**

Chair Close reported that at the meeting on November 20, 2003, the Committee approved the minutes of the September 18 meeting.

Student and Campus Affairs Committee Chair Derick Close stated that a quorum was present and the Committee considered proposals for CITI and student fees. Vice Chancellor Stafford provided an update on the NCAA certification process and report. The final draft will be online by December 1, 2003, and the visitation team will be on campus in April 2004.

The Committee considered three proposed campus initiated tuition increases, seven proposed fee increases, one fee decrease, and the continuation of existing fees for 2004-2005. Chair Close made a motion, seconded by Ms. Gordon, to approve a campus-initiated tuition increase of \$300 per year for the next three years (2004-

2005, 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.

Ms. Gordon stated that she has been visiting colleges and universities across the country with her daughter. NC State tuition is low in comparison with other schools, she said.

Mr. Caravano noted that the Chancellor's recommendation to the Board requesting its approval of the tuition increase did not include details and percentages about how the revenue from the CITI would be allocated. The Tuition Task Force, which Mr. Caravano had co-chaired with Provost and Executive Vice Chancellor James Oblinger, had identified and voted to recommend that the funds be allocated to: need-based financial aid (46%), graduate student support plan (12%), and academic excellence (42%). Mr. Caravano made the motion, seconded by Mr. Williams, to amend the motion to approve the CITI of \$300 per year by adding that the CITI revenue is to be allocated according to the Tuition Task Force recommendations.

In discussion on his motion, Mr. Caravano stated that the University would be required to specify percentages in its plan for use of the tuition increase revenue when the request to increase tuition is forwarded to the University of North Carolina Office of the President. The Board of Governors' consideration of tuition increase requests from the UNC campuses would include detail by percentage as to how tuition revenue would be allocated, he said. He cited reports previously submitted to the Office of the President that had provided proposed allocations by percentage for specific items to be funded with CITI revenue.

Mr. Caravano asked Chair Blank if he could yield the floor to former Association of Student Governments (ASG) President Andrew Payne. As ASG President, Mr. Payne had served as a non-voting ex-officio member of the Board of Governors. Mr. Caravano said he wanted Mr. Payne to discuss the CITI approval process at the Board of Governors level. Chair Blank reminded Mr. Caravano that the Board reserves the Thursday portion of its meeting for public comment on issues. As a result of that practice, the Chair had scheduled a tuition information session for all Trustees Thursday, she said. Although scheduled for one hour, the information session continued for over two hours to ensure that the students' views could be heard. She added that the same practice had been followed at the Student and Campus Affairs Committee, during which students had been permitted to speak about the CITI and student fee proposals.

In response to Mr. Caravano's concern regarding the absence of percentages in the Chancellor's recommendation to the Board, the Chancellor stated that her recommendation letter to the Board did not include allocations for the CITI revenue because the University administration would need to see the complete budget before determining how the CITI revenue would be used. Also, UNC President Molly Broad

will focus on financial aid in the UNC system's interactions with the General Assembly. The President has said she would encourage the Legislature to allocate additional funds to the College Foundation of North Carolina (CFNC), which provides need-based financial aid. If the UNC system effort is successful, some financial aid needs of NC State students could be met with CFNC funds, Chancellor Fox said. Thus, CITI revenue at NC State could be directed to other pressing academic excellence needs.

Mr. Caravano encouraged the Board to delay a vote on the proposal, citing the actions of the University of North Carolina Board of Trustees which had delayed a vote the previous day on its CITI proposal. He said that NC State Trustees need to further understand all of the ramifications of a CITI on the families of North Carolinians. He referred to the collected "personal stories" compiled by NC State students led by Amanda Devote, noting that the students collected 100 personal stories about how the proposed tuition increase would affect the writers' ability to afford an education at NC State. In addition, Mr. Caravano said, the University needs to understand better the role that CFNC would play in providing financial aid for needy students, he said, and additional time would allow for that continued study.

Following further discussion by the Board, Chair Blank called for a vote on Mr. Caravano's motion to amend the motion to approve the three-year CITI proposal to include percentage allocations for CITI revenue; the motion failed with Mr. Caravano and Mr. Williams voting in favor.

Chair Blank called for a vote on Mr. Close's motion to approve the three-year CITI proposal; the motion carried with Mr. Caravano and Mr. Robb voting against.

Mr. Close made the motion, seconded by Mr. Campbell, to approve a campus-initiated tuition increase of \$4,000 per year for the Master of Business Administration Degree Program (**Appendix A**). In discussion on the motion, Mr. Caravano questioned whether students who wrote in support of the tuition increase would be affected by the increase, and whether students who enter the MBA program have been in the workforce for some time before beginning their MBA studies. He also asked about the amount of the increase after having reviewed a previous request by the College of Management to increase MBA tuition by a lesser amount.

The Chancellor asked College of Management Dean Jon Bartley to respond. Before his comments, Chair Blank clarified the Board's practice regarding speakers during the full Board meeting. She noted that with previous issues, most recently the discussions about the Centennial Campus Hotel and Conference Center, the public comment occurred during the Thursday Board meetings. For the Friday full Board meeting, discussions were limited to Trustees. NC State University employees, such as a Vice Chancellor or a Dean, may be asked to clarify information regarding an issue during the Trustees' discussion at the full Board meeting.

Dean Bartley discussed the Board's previous approval of a campus-initiated tuition increase to be phased in over several years. The Board of Governors had opted to approve only one year of the CITI. Thus, the College revised its CITI proposal this year to make up for revenue lost when the Board of Governors did not approve the remaining years of the previous CITI.

Mr. Carvano made a motion, seconded by Mr. Jordan, to amend the motion to approve a CITI for the MBA program that would be split over two years, i.e., to increase MBA program students' tuition by \$2,000 in 2004-2005 and an additional \$2,000 in 2005-2006; the motion failed with Mr. Caravano and Mr. Jordan voting in favor.

Chair Blank called for a vote on Mr. Close's motion to approve the campus-initiated tuition increase of \$4,000 for MBA program students effective 2004-2005; the motion carried with Mr. Caravano, Mr. Robb, and Mr. Williams voting against.

Mr. Close made a motion, seconded by Mr. Campbell, to approve a campus-initiated tuition increase of \$4,000 for the Master of Accounting Degree Program students effective 2004-2005 (**Appendix B**). In discussion on the motion, Mr. Caravano questioned whether students who wrote in support of the tuition increase would be affected by the increase, and whether students who enter the MAC program have been in the workforce before beginning their MAC studies.

Mr. Jordan asked Dean Bartley to contrast the incoming MAC students with the incoming MBA students. The Dean stated that a larger percentage of the incoming MAC students begin their advanced degree directly after obtaining their undergraduate degree.

Mr. Carvano made a motion, seconded by Mr. Jordan, to amend the motion to approve a CITI for the MAC program that would be split over two years, i.e., to increase MAC program students' tuition by \$2,000 in 2004-2005 and an additional \$2,000 in 2005-2006; the motion carried with Mr. Caravano, Mr. Campbell, Ms. Gordon, Mr. Murphy, and Chair Blank voting against.

Chair Blank called for a vote on the revised motion to approve a CITI for the MAC program that would increase tuition by \$2,000 in 2004-2005 and \$2,000 in 2005-2006; the motion carried with Mr. Caravano voting against.

With the completion of the Board's consideration of the three campus-initiated tuition increase proposals, Chair Blank asked Student and Campus Affairs Committee Chair Close to address student fee proposals (**Appendix C**).

Chair Close made the motion, seconded by Mr. Murphy, to approve the elimination of the current \$15 per year Carmichael Gym Indebtedness fee after the Spring 2004 semester; the motion carried.

Chair Close made the motion, seconded by Mr. Murphy, to approve endorsement of all existing fees that proposed no increases; the motion carried.

Chair Close made the motion, seconded by Mr. Murphy, to approve the following student fee increases for 2004-2005: \$10 per year for Student Center Repairs and Renovations; \$10 per year for Student Center Operations; \$400 per year for Professional Golf Management Program students only; \$7 per year for Physical Education and Recreational Sports Program; \$30 per year for Education and Technology; and \$22.50 per semester for Carmichael Gym Expansion, effective Spring 2005.

Mr. Caravano made the motion that the Board consider each student fee proposal individually; the motion failed for lack of a second.

Mr. Murphy made the motion, seconded by Mr. Mattocks, to add a \$10 per year Intercollegiate Athletics fee to the listing; the motion carried. Mr. Williams noted that he had voted against the Intercollegiate Athletics fee when it was discussed in the Student and Campus Affairs Committee. Since that vote, he said, new information had come forward about the financing of women's softball facilities and he now favored the increase.

Chair Blank called for a vote on the revised motion to approve the student fee increases, including increases for Student Center Repairs and Renovations, Student Center operations, Professional Golf Management students, Physical Education and Recreational Sports, Education and Technology, Carmichael Gym Expansion (in Spring 2005 only), and Intercollegiate Athletics; the motion carried with Mr. Caravano voting against.

Mr. Caravano asked Chair Blank to allow the Board to consider his request that his "no" vote on the revised motion to approve a CITI for the MAC program that would increase tuition by \$2,000 in 2004-2005 and \$2,000 in 2005-2006 and his "no" vote on the student fees package be recorded as "abstentions."

The Chair ruled that the request was in order, and the Board voted unanimously to record Mr. Caravano's vote on the two issues as abstentions. Therefore, the revised vote totals are:

- Motion to approve a \$2,000 increase in 2004-2005 and a \$2,000 increase for 2005-2006 for Master of Accounting Degree Program students: 8 yes, 4 no, and 1 abstention.
- Motion to approve the student fee increases, including increases for Student Center Repairs and Renovations, Student Center operations, Professional

Golf Management students, Physical Education and Recreational Sports, Education and Technology, Carmichael Gym Expansion (in Spring 2005 only), and Intercollegiate Athletics: 12 yes, 1 abstention.

Chair Close reported that the Student and Campus Affairs Committee heard a report from Staff Senate Chair Jon Barnwell on the activities of the Senate this fall, including working on a liaison project to communicate with the General Assembly about staff issues, a computer loan program for staff, and the Crime Stoppers program.

The Committee also heard a report from the Director of the Office of Student Conduct on changes to NC State Student Judicial Procedures Manual in response to the recent Board of Governors policy outlining student judicial due process requirements.

### **Academic Affairs and Personnel Committee - Chair Richard Robb**

Chair Robb reported that at the meeting on November 20, 2003, the Committee approved the consent agenda, including the minutes of the September 18 and October 21 meetings.

The Committee received an update on faculty membership of the Faculty Committee on Honorary Degrees. A review of the Phased Retirement Program and Positions Summary was also given to the Committee as an informational report.

The University has drafted a new Administrative Regulation titled, Identification and Performance Monitoring of Selected Students Requiring Special Consideration for Admissions. Because of the commitment to an admissions process based on the individual merits of applicants, there may be a broad range of academic preparation among students admitted in each new student cohort. Additionally, because of the University's accompanying commitment to meet the needs of all students NC State enrolls, the decision has been made to monitor closely the success rates of students. This regulation establishes the criteria for identifying students who will be subject to special monitoring and reporting.

Ms. Karen Helm, Director of University Planning and Analysis, updated the Committee on the Southern Association of Colleges and Schools (SACS) Accreditation. NC State is accredited by SACS and every ten years. The University seeks reaffirmation of our accreditation by engaging in planning and comprehensive review of our policies. NC State is in the first class of institutions implementing SACS's new reaffirmation process and newly revised accreditation standards. Ms. Helm said that the University started preparing in spring 2002, and expects SACS efforts to culminate in reaffirmation one year from now.

The Committee heard a report on proposed revisions to the Grievance for Faculty, SAAO Tier II and EPA Professional Employees Policy 05.25.1. The revision is primarily from changes to the Board of Governors policies relating to mediation and

grievances filed. The changes are proposed to address inconsistencies between the grievance procedure and university regulations, to address other matters addressed as a result of reviewing the procedure, and to address changes recommended by members of the Select Subcommittee of the Government Committee. Mr. Robb made a motion, seconded by Mr. Jordan, to accept the proposed revisions to Policy 05.25.1; the motion carried (**Appendix D**).

In Closed Session, the Committee approved personnel actions and Watauga Medal nominations.

#### **Buildings and Property Committee - Chair D. McQueen Campbell**

Chair Campbell reported that at the meeting on November 20, 2003, the Committee approved the consent agenda, including the minutes of the September 18 meeting.

The Committee reviewed and approved three property matters, one designer selection and accepted a list of completed buildings and projects. The one property matter that requires Full Board approval is the sale of Randleigh Farm on Auburn Knightdale Road in Raleigh. The dairy farm operations at Randleigh Farm have been consolidated onto other field laboratory locations. The proposed alignment of I-540 would have a negative impact on future uses of this property. Proceeds from the sale will be used for dairy farm operations, research, and support of university field laboratories. Mr. Campbell made a motion, seconded by Mr. Robb, to approve the property matter (**Appendix E**); the motion carried.

The Committee reviewed and approved two property matters received after the Trustee mailing. They reviewed three building plans and approved two site selections, three building plans, and project plans and specifications less than \$1 million. The Committee heard several informational reports.

#### **Development Committee - Chair Ann Goodnight**

Chair Goodnight reported that at the meeting on November 20, 2003, the Committee approved the minutes of its September 18 meeting.

The Committee heard reports regarding fund-raising for first-quarter of fiscal year 2004. Total gifts and pledges were nearly \$87.9 million. This amount exceeds the first-quarter goal of \$41.5 million and is more than halfway to the ambitious goal of \$166 million for this year. The Committee was briefed on the progress of the comprehensive campaign, which is still in its quiet phase. The Committee also received updates on capital project fund-raising.

Associate Vice Chancellor for Public Affairs Debbie Griffith gave an update on the "NC State: Achieve" marketing and branding campaign and discussed its role in the capital campaign.

In Closed Session, the Committee reviewed and approved four proposals to name University facilities.

**Finance and Planning Committee - Chair Richard Vaughn**

Chair Vaughn reported that at the meeting on November 20, 2003, the Committee approved the minutes of the September 18 meeting.

The Committee heard informational reports on the distribution of financial aid to NC State students, the performance of the NC State Investment Fund, Centennial Campus development, and assimilating the regional Small Business Technology Center into NC State Extension and Engagement as of October 1, 2003.

**Student Government Report - President Tony Caravano**

Mr. Caravano discussed the activities of Student Government since the last meeting in September. He reported that student Zack Medford recently ran for Raleigh City Council. Although the student did not win the election, the campus poll site maintained one of the highest turnouts in the city, which was a first. This outpouring of interest has enhanced the University's visibility and the ability to express campus concerns at the city level.

The Hillsborough Street Commission has begun its letter-writing campaign aimed at increasing student activity at Hillsborough Street shops. These vendors, in turn, are often strong supporters of the University. The goal of the Commission is to transform Hillsborough Street into a "Franklin Street," i.e., a street lined with student-friendly businesses that will become an attractive feature for NC State and its students. This committee has also met with the Hillsborough Street Board of Directors and has been given the opportunity to contribute to both the short- and long-term planning of the street and its renovations. Students in both the College of Design and Management have expressed interest in utilizing their skills to run the businesses and design interiors. This project is in the early exploration phase.

Mr. Caravano announced that the Wolfpack Student Initiative is preparing to give out its first scholarship. Fundraising for this initiative will continue through profits from sales of red t-shirts before basketball games, the traditional "car smash" and community support. The initiative was started by former Student Body President and Trustee Harold Pettigrew.

Charles Moose, former chief of the Montgomery County-Maryland police, most noted for his role in the Washington DC-area sniper cases, was the keynote speaker for Academic Integrity Week events on NC State campus. Sponsored by the Student Judicial Board and the center for Student Leadership, Ethics and Public Service, the series of discussions, films and lectures is intended to emphasize the role of honor and honesty in student campus life. Activities were held during the first week in November at different locations around campus.

**Board of Visitors Report - Assistant to the Chancellor for External Affairs Andy Willis**

On behalf of the Board of Visitors Chairman Barry Eveland, Mr. Andy Willis delivered a report of the Board of Visitors meeting on October 31, 2003.

At the Board of Visitors' meeting, Vice Chancellor Terry Wood discussed projects currently underway in the Advancement Office with special emphasis on the Capital Campaign. Vice Chancellor Wood discussed the success of the *Achieve!* Campaign and the ways in which it is currently being marketed. He also discussed the Visitors Center groundbreaking, scheduled for 2004, and the companies that have donated funding for the project. The Board of Visitors has supported the Visitors Center campaign.

Mr. Willis gave the Board of Visitors an update on the budget. He said that he believes that even with the current budget problems, NC State fared very well in the legislature and that higher education is still a main priority.

Charlie Leffler, Assistant Vice Chancellor for Facilities, provided the Board of Visitors with a summary of construction progress to date for campus construction, including Higher Education Bond projects and projects funded through private giving. Completed projects include: Ruby McSwain Education Center at the JC Raulston Arboretum, Replacement Research Greenhouses, Clark Hall-Upper Floors, Sullivan Operations Center, Research Flex Building, Lake Wheeler Field Labs Complex, and the Wendell H. Murphy Football Center. Projects to be completed by Fall 2003 include: Coliseum Deck Expansion, Doak Baseball Field, Centennial Campus Perimeter Parking, and the Varsity Tennis Courts. Mr. Leffler also discussed projects in the planning and design phases.

The Board of Visitors is developing a Grassroots Advocacy program to support NC State by advancing an agenda through mobilization of a constituency and creating a support for particular issues. Specifically, NC State would involve individuals in the political process at the ground level. Not only will this create a voice on current legislative issues, but it will also establish advocates as an important constituency for legislators. Initially, much of the advocates' activity will be reactive, such as making phone calls and mailing letters to targeted members of the legislature. Ultimately, the grassroots advocacy program will become proactive, as it becomes more organized and relationships develop. The Board of Visitors will collaborate with the NC State Alumni Association to develop relationships with friends and alumni of the University.

With no further items to come before the Board of Trustees, the Chair called for the motion to go into Closed Session. Mr. Campbell made the motion, seconded by Mr. Robb, 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); the motion carried.

The Board went into Closed Session at 11:00 a.m. At 11:08 a.m., the Board came out of Closed Session.

Following Closed Session, Mr. Williams asked Chair Blank to have the Board consider the question raised by Mr. Caravano regarding who may speak at full Board meetings. Chair Blank said the matter would be taken up at the February meeting of the Board.

With no further business to discuss in Open Session, Chair Blank adjourned the meeting.