Board of Trustees
North Carolina State University
Raleigh, NC
February 18, 2011

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, February 18, 2011. Chair Lawrence Davenport presided.

Members present: Lawrence Davenport, Chair
Jack L. Cozort
Benjamin P. Jenkins III
Bob Jordan
Gayle S. Lanier
Barbara H. Mulkey
James W. Owens
Randall C. Ramsey
John P. Sall
E. Norris Tolson
Steve F. Warren
Cassius S. Williams
Kelly Hook, ex officio

Chair Davenport called the meeting to order at 9:20 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 appearances of conflict with respect to any matters coming before the Board at this meeting. There being none, 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. Tolson made the motion, seconded by Mr. Warren, to approve the open session minutes of the November 19, 2010 meeting of the full board. The motion carried. Mr. Tolson made the motion, seconded by Mr. Jenkins, to approve the closed session minutes of the November 19, 2010 meeting of the full board. The motion carried.

CHAIR’S REPORT-LAWRENCE DAVENPORT
Chair Davenport gave the Endowment Fund Board report. He reported that the board heard a report on progress against the 2010-11 endowment fund goals. Against the goal of raising $36.8 million in endowment gifts and new commitments, NC State has raised $25.3 million as of December 31, 2010. Towards a gift receipt goal for endowment of $27.5 million, the University has raised $19.7 million to date. Our success in endowment fund raising is directly attributable to the generous gift of endowment from Lonnie and Carol Poole, announced in December 2010. The board heard reports on investment performance, underwater endowments, spending budgets,
gifts, the Hofmann Forest, the NACUBO/Commonfund endowment survey results and the Hillsborough corridor.

Chair Davenport stated that the board approved additional spending budgets, bringing estimated fiscal year 2011-12 spending budgets to $3.7 million. The board also accepted gifts totaling approximately $3 million. The board went into executive session to have an attorney/client-privileged discussion of a litigation matter with legal counsel.

Chair Davenport stated that the Board of Trustees’ bylaws call for the appointment of the Nominating Committee; the Nominating Committee has responsibility for presenting a slate of nominees to the board at its first meeting following the beginning of each university fiscal year. The slate of nominees will contain at least one nominee for the offices of chair, first vice chair, second vice chair and secretary. Chair Davenport appointed the 2011 Nominating Committee as follows:

    Jim Owens, Chair
    Jack Cozort
    Ben Jenkins
    Gayle Lanier
    John Sall

Chair Davenport stated that during the 2009 Board of Trustees’ Self Assessment, Trustees expressed an interest in investigating how other campuses structure their committees. The strengthening of our Student Affairs division by merging with the Academic Affairs unit provides further incentive to look at our structure. Chair Davenport made the following recommendations and asked that a draft of these policy revisions be ready for review at the April meeting of the Board of Trustees:

- Reduce the number of board committees from six to five to include:
  - Audit, Finance and Planning Committee
  - Buildings and Property Committee
  - Executive Committee
  - University Advancement Committee
  - University Affairs Committee

- Instruct the staff to revise the existing policies so that the current Student and Campus Affairs Committee responsibilities are included in delegations to the committees listed above

Chair Davenport reported that Founders’ Day is scheduled for Monday, March 7 at McKimmon Center. This year’s Watauga Medal recipients are Carlton Blalock, Derick Close and Susan Ward.
CHANCELLOR’S REPORT-W. RANDOLPH WOODSON
Chancellor Woodson began his report by thanking Kelly Hook for her work in putting together the recent student forum on strategic planning. The forum was very well attended. He also congratulated Barbara Mulkey who has been named a 2011 Legacy Leader by Triangle Business Journal. She was identified as one of three trail blazing women entrepreneurs who have helped drive economic growth in the area.

Chancellor Woodson stated that with our strategic plan conversation, we are creating a plan for NC State for the next five to seven years. We need to be forward thinking about the NC State of the future. In mid-March, Provost Warwick Arden and Vice Chancellor Charlie Leffler will deliver a set of recommendations for realigning NC State for greater efficiency and reduced costs. They have clear parameters to follow that include protecting the classroom to the extent possible, continuing to deliver a strong return on student investment in their education and ensuring that NC State will continue to be an engine for North Carolina’s economic development.

Chancellor Woodson said that as we work through this strategic realignment, we must clearly define our focus. As the science and technology flagship, we must pay particular attention to those aspects of the university. We should look for opportunities to build interdisciplinary capacity. Our goal should be to enhance our national standing. The people of North Carolina depend on NC State to provide a quality, affordable education and to produce relevant solutions to the state’s problems.

COMMITTEE REPORTS
Academic Affairs and Personnel Committee-Chair Norris Tolson
Mr. Tolson reported that the committee heard a report about December graduation activities and graduation trends. They also heard an update on academics relative to student athletes and the Academic Progress Rate. Mr. Tolson said that he and the Provost updated the committee on actions taken since the September 2010 Trustee meeting to review the process and standards to award honorary degrees. A working group met in November and discussed strengthening the connection between the AAPC and the Faculty Committee on Honorary Degrees. As a result of this discussion, the working group proposed charging the Provost with serving in a more proactive role representing the views of the AAPC to the Faculty Committee. Mr. Tolson reported that the working group also discussed strengthening the standards for awarding honorary degrees and, in conjunction with the Faculty Committee, has proposed some new language to the Honorary Degree Policy 01.30.2 specific to maintaining the very highest standards for awarding these degrees. The revised policy will be brought to the Board of Trustees at a future meeting.

Mr. Tolson stated that the AAPC approved the option that the Herbert Benjamin Distinguished Professorship, the Hugh C. Lord/LORD Corporation Distinguished Professorship and the
Thomas Lord/LORD Corporation Distinguished Professorship may be awarded for the duration of the full-time service of the professor as a faculty member or as a time-limited appointment.

Mr. Tolson said that the AAPP recommended approval of the Masters of Climate Change and Society degree program: Intent to Plan and Authorization to Establish. Mr. Tolson made the motion, seconded by Mr. Williams, to approve this new degree program. The motion carried. The AAPP also recommended approval of the Master of Nanoeengineering and Master of Nanoengineering/Distance Education degree proposals: Intent to Plan and Authorization to Establish. This will be an interdisciplinary degree that will be offered solely via the internet through the College of Engineering online program. Mr. Tolson made the motion, seconded by Mr. Williams, to approve the degree programs. The motion carried.

Mr. Tolson reported that the AAPP also recommended approval of the inter-institutional arrangement between NC State and Campbell University for a dual JD/MBA program. This agreement defines the terms for students to obtain dual JD and MBA degrees from Campbell University and NC State respectively, on the condition that they fulfill the degree requirements of both institutions. Mr. Tolson made the motion, seconded by Mr. Williams, to approve this inter-institutional arrangement. The motion carried.

The committee was informed about revisions to three regulations: REG 02.20.3, Attendance Regulation; REG 05.50.2, Review of College Deans; and REG 05.50.5, Review of Dean of Undergraduate Academic Programs, Dean of the Graduate School, and Vice Provosts. The Provost reported that 141 dossiers are being considered in the 2010-11 reappointment, promotion and tenure process; he also updated the committee on the strategic planning process. All nine task forces have submitted white papers that are available on the strategic planning website. A forum was recently held to provide students with an opportunity to comment on the strategic plan, particularly the recommendations of the undergraduate student success task force. The strategic plan should be available for campus review later in February.

Mr. Tolson stated that in closed session, the committee recommended approval of an exception to Policy 05.15.2, Emeritus/Emerita Status for Senior Academic Administrative Officers, to allow the awarding of SAAO Tier 1 emeritus status to a retiring faculty member in recognition of honorable contributions made for prior service as a university administrator. This action will be considered by the full board in closed session at the conclusion of this meeting. The committee also made recommendations for the awarding of the Holladay Medals and honorary degrees; these recommendations will also be considered by the full board in closed session following this meeting.

Mr. Tolson reported that the committee approved one conferral of tenure action and recommended for approval by the UNC Board of Governors two salary increases paid from non-state funds that are greater than 15% and $10,000 from each employee’s previous June 30 salary. The committee also received an update of recent faculty increases funded from the UNC-GA Recruitment and Retention Fund.
Audit, Finance and Planning Committee-Chair Benjamin P. Jenkins III

Mr. Jenkins stated that the State Auditor and her staff complimented the university on its clean audit opinion and healthy financial position as of June 30, 2010. The auditor’s comments highlighted the significance of no reportable findings as well as the efforts of institutional staff in these accomplishments.

The committee received an update on the status of the strategic planning process and expectations for delivery of the strategic plan. They also heard an informational report on the NC Wake STEM Early College High School program and received a quarterly update on Internal Audit activity, special investigations and audit follow ups.

Mr. Jenkins reported that the committee received an update on the university debt portfolio. They were also presented plans to establish three new masters degrees in Climate Change and Society, Nanoengineering and Distance Education in Nanoengineering. Plans were discussed for an inter-institutional arrangement with Campbell University to provide a dual degree JD/MBA. The arrangement with Campbell will not create a new degree but will articulate terms for both universities to accept transfer credits. The committee also received information to satisfy the annual Associated Entity review required by the UNC Board of Governors.

Buildings and Property Committee-Gayle S. Lanier

Ms. Lanier reported that the committee reviewed and approved three property matters that require committee approval only. These property matters are:

- Lease of approximately 28.5 acres at Key Haven on the John H. Kerr Reservoir, Vance County, NC, to the U.S. Army for ten years, with one additional ten-year renewal at no cost.
- Lease of approximately 1,644 square feet of computer classrooms and office space to NC Wesleyan College, Rocky Mount, NC for one year with two one-year renewals. East Carolina University’s Academic Outreach Program, in collaboration with McKimmon Center, works through the Gateway Technology Center to provide educational opportunities in eastern North Carolina.
- Demolition of a one-story frame dwelling and detached garage in the Spring Hill district of Centennial Campus. The dwellings are in poor condition, offer no benefit to the university, and present an attractive nuisance.

Ms. Lanier stated that the committee approved five designer selections and three other designer selections for projects that each costs $500,000 or less. They accepted five completed projects with a total value of $5.6 million and approved plans and specifications for one formal project that costs less than $2 million.

She said the committee received an update on capital projects and Centennial Campus development as well as the university sustainability strategic plan that included the climate action plan and energy management initiatives. The committee also heard a summary of campus
space achievements in the last decade and an outline of existing needs and was updated on Hillsborough Street redevelopment opportunities.

Development Committee-Chair Gayle S. Lanier
Ms. Lanier reported that the Development Committee heard an update on capital projects and fund raising progress in fiscal year 2010-11. The annual fund continues to exceed its goals for 2010-11; revenues are up 53%, and the number of alumni donors has increased 40%. The average size of gifts through Annual Giving is up 5% to $85.

Ms. Lanier said the committee received a request to initiate a formal fund raising campaign of $4.5 million to transform the Chancellor’s Residence on Hillsborough Street into the new home for the Gregg Museum. The committee approved this request. The committee also approved the proposed facility naming plans for the Institute for Emerging Issues, the Hunt Library and the Gregg Museum. All spaces meet current naming policy minimums and guidelines.

Ms. Lanier stated that a new model for alumni engagement was presented. This model targets alumni living in seven key areas of the country. Working collaboratively with Alumni Relations, Development, Admissions and Career Services, the goals are to increase out-of-state student enrollment, student placement, Alumni Association membership and giving to NC State.

Student and Campus Affairs Committee-Chair Barbara Mulkey
Ms. Mulkey said the committee heard proposed changes to Policy 09.00.2, Drug Education, Screening and Counseling Program for Student Athletes. The major change is to have the appeals heard by the Vice Chancellor for Student Affairs rather than the Director of Athletics. Ms. Mulkey made the motion, seconded by Mr. Warren, to approve the changes in Policy 09.00.2. The motion carried.

Ms. Mulkey stated that the committee heard a report on recent activities in Student Government. The student website is being revamped for the purpose of reaching out to more students. Student Government has hosted three sustainability town hall meetings, and three professors have been chosen from over 300 nominees for the lecture series featuring outstanding professors. Topics of student concern such as the budget, student ticketing and academic advising are being addressed. The committee also heard an update on other student-life activities such as alternative spring break trips, the Krispy Kreme Challenge, tuition and fees, and the Student Government election process that will begin in March. The committee moved into closed session to hear one student appeal.

Chair of the Faculty Report-Margery Overton
Dr. Overton began by thanking the university administrative team for the support they have shown the Faculty Senate. Their active participation and excellent communication are very much appreciated. The Faculty Senate is working on improving faculty grievance procedures, and Chancellor Woodson has met with the group that is dealing with these issues.
Dr. Overton said that much time is being spent on the budget and that the “storm” is bearing down and will hit before April. Chancellor Woodson should let everyone know that the university has the resilience to recover after the hit.

**Chair of the Staff Senate Report-Randy Colby**
Mr. Colby thanked the NC State administrators who have spoken at Staff Senate meetings. He highlighted recent and upcoming Staff Senate activities. He demonstrated the new Staff Senate website and highlighted some of its navigational features.

Regarding the strategic planning process, Mr. Colby said that the Staff Senate recommends that the university make a commitment to embrace staff as equal partners in the core academic mission of the university. The three components are students, faculty and staff, and all three are critical to achieving institutional excellence.

**Items of Interest to Members of the Board**
Mr. Owens reported that the Nominating Committee will meet prior to the April Board of Trustees meeting.

There was a discussion of the demolition of the NC State Bookstore scheduled for fall 2011. The space is needed for the Talley Student Center renovation which is being designed by a College of Design alumnus.

With no further business in open session, Chair Davenport called for a motion at 10:30 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 officer or employee or prospective public officer or employee, under NC General Statute 143-318.11(a)(2)(6). Mr. Warren made the motion, seconded by Mr. Tolson. The motion carried.

With no further business, Chair Davenport adjourned the meeting at 11:20 a.m.

Respectfully submitted,

Assistant Secretary
Secretary

Approved:

Chair of the Board