

Board of Trustees  
North Carolina State University  
Wednesday, February 20, 2002

Strategic Planning Retreat

The North Carolina State University Board of Trustees met for a Strategic Planning Retreat in the Multipurpose Room, in the College of Textiles, North Carolina State University Campus, at noon, Wednesday, February 20, 2002. Chair Peaches Gunter Blank presided.

**MEMBERS PRESENT:**

Peaches G. Blank  
D. McQueen Campbell  
Derick Close  
Ann Goodnight  
Suzanne Gordon  
Ed Hood  
Vernon Malone  
Bob L. Mattocks  
Darryl Willie, ex officio

Chair Peaches G. Blank called the Board of Trustees Strategic Planning Retreat to order at noon and welcomed Trustees, Executive Officers, and Deans. She reviewed the agenda before asking Joan DeBruin to discuss Gift Planning during the luncheon.

**Gift Planning**

Ms. DeBruin reviewed the varied ways that her office works with individuals to plan their giving to NC State. The goal is to fill an NC State "Deferred Gift Pipeline" with a steady flow of gifts, while continuing to seek new gifts, provide flexibility to donors and increase University endowments. She explained different types of planned gifts, including outright and deferred gifts, and described how each meets a specific donor need. Also, introduced were Retained Life Estates, Retirement Plans, Charitable Lead Trust, Life Income Gifts and Charitable Gift Annuities. So far, NC State has received 325 documented gifts from FY 1994 to FY 2001. Internally managed gifts have increased during this time period from 19 to 128+. The average amount raised per year has grown from \$2.2 million to \$10+ million, and NC State presently has \$88 million in the "pipeline." Ms. DeBruin said her office goals are to keep the campaign momentum, try new approaches to gift planning, and offer consistent and high quality services to our internal and external constituencies.

**Opening Session**

Chancellor Fox provided an update since the Trustees' February 2001 Strategic Planning Retreat, noting that the University continues its commitment to provide access to all qualified

students during these tough economic times when the University is faced with difficult decisions regarding tuition. NC State provides both merit- and need-based scholarships, with programs such as Park Scholarships, Caldwell Scholarships, and the NC State Family Scholarship. The recently completed Campaign for NC State resulted in much-needed funds for both need- and merit-based scholarships.

### **Benchmarking Data**

Chancellor Fox presented updated Benchmarking Data provided by Director of University Planning and Analysis Karen Helm. She reviewed comparisons with the 16 institutions identified as NC State peer institutions. The Chancellor highlighted a number of performance indicators, including numbers of applicants and selectivity; SAT scores for incoming freshmen; diversity of the student body; graduate and undergraduate degrees awarded; postdoctoral appointees; research and development expenditures; faculty salaries; faculty awards, such as election to national academies; full-time faculty; and tuition and fees. These measures reflect the continuing emergence of NC State among its peers.

### **Economic Climate in North Carolina and Impact on NC State**

George Worsley, Vice Chancellor for Finance and Business, reported on the continuing state budget crisis and its effect on NC State's budget. In 2001-2002, NC State received approximately 20% of the \$1.8 billion University of North Carolina State General Fund budget. NC State's projected budget is \$859 million, of which 40% comes from state appropriations and 13% from tuition and fees. Mr. Worsley said the state of North Carolina initially had projected a 2001-2002 projected shortfall of \$500 million, but increased its projection to \$900 million. In response to the shortfall, Governor Easley enacted a 4% reversion for universities and the General Assembly levied a \$9.5 million permanent budget reduction. In addition, the Governor identified \$10.2 million in Repair and Renovation funds for reversion. For 2002-2003, Mr. Worsley said the revenue shortfalls would continue. He anticipated that the General Assembly, in its May Short Session, would mandate additional permanent budget reductions, as well as tuition increases. He said to expect little or no increases in salaries, operating costs, or funding for Repair and Renovation projects. It is essential, he said, for NC State to be granted flexibility in management and use of resources, to maintain local use of campus initiated tuition increase revenue, and to reinstate Repair and Renovation funds. In addition, it is a priority for the campus to retain Facilities and Administrative (F&A) funds because the funds are the "lifeblood" of the growth and development of the Centennial Campus. If NC State were to lose F&A funds, Mr. Worsley said, the University would lose our competitive advantage.

### **Trends in Applications, Admissions, Enrollments and Financial Need at NC State**

George Dixon, Vice Provost for Enrollment Management Services and Director of Undergraduate Admissions, reported on trends in undergraduate applications and admissions. The Office of Undergraduate Admissions faces an increasing number of applicants, which highlights the strength of NC State's reputation. The challenge is to build a high-quality, diverse student population. This year, applications for admission are up 7% and freshman enrollment has increased 3%. Last year, NC State admitted over 100 more freshmen than had been projected. NC State continues to focus on building a diverse student population. Increases in financial aid and the number of scholarships have played a significant role in efforts to attract minority students.

Robert Sowell, Dean of the Graduate School, reported on enrollment trends for the Graduate School. From 1992-2001, total enrollment is up 27% and applications have increased 3%. So far this year, applications are up 25%, but admissions are down by 6%, because the

University has reached maximum capacity for space. Dean Sowell said the Graduate School's responsibility is to provide new graduate programs in response to a changing economy. With the Graduate Student Support Plan, the University will be able to provide full tuition coverage and health insurance for assistantships.

Julie Rice Mallette, Director of Financial Aid, reported that 10,967 undergraduate students and 3,120 graduate students received financial aid this year. Financial aid totals this year were \$81.6 million for undergraduate students and \$28 million for graduate students. She reported that there has not been a significant increase in students applying for financial aid. Of the total financial aid distributed in 2001-2002, \$40.5 million was in scholarships and grants, \$38.5 million came from loans, and \$2.6 million from work-study.

### **Update on Space Allocation Plan and Bond Program**

Charlie Leffler, Assistant Vice Chancellor for Facilities, and Karen Helm, Director of University Planning and Analysis, provided a summary and status of space allocation planning in response to the new space to be created from bond projects. The bond build-out will total about eight years, and will include new buildings, renovation and infrastructure projects, and land acquisition. Information was provided on the status of such projects as the Undergraduate Science Teaching Laboratory, the relocation of research greenhouses, the Public Safety and Support Services buildings, the JC Raulston Arboretum, the College of Veterinary Medicine research building, as well as the CVM Infrastructure, Phase II of the David Clark and Undergraduate Laboratories, Jordan Hall addition, College of Engineering complex and the Research and Teaching Feed Mill. Guided by the Physical Master Plan, the Facilities Division works to minimize the impact of construction and renovation on the campus community. Websites for the Bond projects and Construction assist in keeping the campus community up-to-date.

### **Update on First Year College and Policies to Ensure Timely Progress Toward Degree**

Provost Cooper introduced James Anderson, Vice Provost for Undergraduate Affairs, to provide information on the First Year College (FYC). Students in FYC perform as well as or better than students in a specific college. Vice Provost Anderson provided information on the FYC population by ethnic group, the percentage of students in the colleges from 1995-2000 who had matriculated from the FYC, and the distribution of FYC students in the Colleges from 1996-2001.

Dr. Thomas Conway reported on a new initiative to ensure that students receive a degree in a timely manner. The process will involve creating a "Plan of Study" at Freshman Orientation, which students may modify during their first year. Academic advisors will evaluate and monitor students to see that they are making progress toward completion of the courses identified in the Plan of Study. Students who are not making satisfactory progress will be flagged and a warning would be sent to the student and the college. A new plan would be required and loss of degree-seeking status would occur if students are not making satisfactory progress. Options for students not making progress include redirection to another college or a move to Lifelong Education until satisfactory progress is made. The Progress Toward Degree process will ensure that students do not advance into advanced standing while remaining in an "undesignated" major. Intervention will occur much earlier, thus informing students of their status and providing help as they work through their Plan of Study.

### **Legislative Priorities for the Short Session of the General Assembly**

Mark Fleming, Assistant to the Chancellor for Governmental Affairs, presented a list of issues critical to NC State in the upcoming Short Session of the General Assembly. Some recent estimates place the state's shortfall as much as \$1.5 billion, so the General Assembly will look to make budget reductions. Mr. Fleming reviewed the cuts the General Assembly made in 1991 when faced with a similar shortfall in state revenue. The actions included allocating no money for salary increases, eliminating vacancies and salary reserves, reducing the Extension Service and the Ag Research Service by 5%, taking 50% of our facilities and administration (F&A) funds, taking 5% of NC State's F&A money for the Office of the President, and reducing by 5% the non-teaching EPA positions. Mr. Fleming noted areas to monitor, including F&A funds. He recommended educating the General Assembly on change the definition of "faculty" to encompass the full range of faculty at a land-grant institution; working for full funding for Enrollment and Financial Aid; and gaining more Congressional earmarked "special grants."

To conclude the day's activities, Chair Blank asked the Deans to comment about the key initiatives in their Colleges. She suggested that the next Strategic Planning Retreat be scheduled in September following the appointment of new Board members.

With no further business, Chair Blank adjourned the meeting at 4:42 p.m.