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, April 19, 2013. Chair Barbara Mulkey presided.

Members present: Barbara H. Mulkey, Chair
                  Jimmy D. Clark
                  Jack L. Cozort
                  Lawrence Davenport
                  Benjamin P. Jenkins III
                  Gayle S. Lanier
                  Robert L. Mattocks II
                  James W. Owens
                  Randall C. Ramsey
                  John P. Sall
                  E. Norris Tolson
                  Susan P. Ward
                  Andy Walsh, ex officio

Chair Mulkey called the meeting to order at 9:25 a.m. She 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. Mr. Sall and Mr. Walsh both recused themselves from a matter involving Reedy Creek Investments, LLC that will come before the board in the Buildings and Property Committee report. Chair Mulkey then 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. Clark made the motion, seconded by Mr. Cozort, to approve the open and closed session minutes of the February 22, 2013 meeting of the full board. The motion carried.

CHAIR'S REPORT-BARBARA H. MULKEY
Chair Mulkey began her report by introducing Matthew Williams, the Student Body President-elect. Matt is a junior history major and a transfer student from NC A&T. Ms. Mulkey thanked the Trustees for participating in the self-assessment on Thursday. The self-assessment went very well, and recommendations from the session will be drafted and sent to the board.
Chair Mulkey stated that the Board of Trustees of the Endowment Fund bylaws call for six members to be elected by the Board of Trustees to three-year terms with two members to be elected each year. She recommended that Blas Arroyo be reappointed to a three-year term ending June 30, 2016. She also recommended Lawrence Davenport fill the seat being vacated by Lonnie Poole. Ms. Lanier made the motion, seconded by Mr. Clark, to approve these two appointments. Lawrence Davenport recused himself from voting. The motion carried.

Chair Mulkey reported that every four years NC State University, through the Board of Trustees, has the opportunity to recommend two appointments to the Centennial Authority. One recommendation is to the North Carolina Senate, and the other is to the House of Representatives. Ray Rouse is our House of Representatives appointment, and his current term expires on June 30, 2013. Our Senate appointment expires in 2015. Ray Rouse has served the university well, and Chancellor Woodson is recommending his reappointment. Mr. Davenport made the motion, seconded by Mr. Ramsey, to recommend to the NC House of Representatives that Ray N. Rouse III be reappointed to the Centennial Authority. The motion carried.

Chair Mulkey said that Spring Commencement will be held on Saturday, May 11, and Phil Freelon will be our speaker. Indra Nooyi and Michael Wingfield will receive honorary degrees. The summer meeting of the Board of Trustees will be held on July 10. The summer meeting will follow the new Trustee orientation. All Trustees are invited to participate in the orientation.

Chair Mulkey closed by reflecting on the end of the academic year and year as chair. Much has been accomplished including the first joint meeting of the NC State and UNC-CH Boards of Trustees and the jointly sponsored Public Policy Forum, “Preparing for a Globally Competitive Future: North Carolina, the South, and the Nation.” The Board of Trustees guided discussions to implement the university’s strategic plan, “The Pathway to the Future,” as well as the strategic realignment. And the Board most recently finished their self-assessment which involved an all-day retreat in January. She thanked the Trustees for the opportunity to serve as chair for the past two years.

**CHANCELLOR’S REPORT-W. RANDOLPH WOODSON**

Chancellor Woodson began by thanking Barbara Mulkey for her service as chair for the past two years. He also thanked Lawrence Davenport and Andy Walsh who are attending their final meeting as Trustees. Chancellor Woodson reflected on the past year and reported on our strategic planning process. Several strategic initiatives have been implemented and strategic plan metrics are helping to measure success in achieving the five goals of the strategic plan.

**Goal 1 – Student Success**

Successes include the largest applicant pool in history: 20,000 prospective students. 4,316 freshmen arrived this fall; we accepted fewer than 50 percent for the first time. The average SAT score of our freshman class was 1,219, and their average high school weighted GPA was 4.37. Our freshman class represents 99 of North Carolina’s 100 counties; 41 states and 20 foreign countries are represented.
Student service and outreach includes a record-setting blood drive, the Krispy Kreme Challenge, Service Raleigh, Shack-a-thon and the inaugural dance marathon. NC State had four Goldwater and two Udall Scholars, and 22 students were named National Science Foundation Graduate research follows.

Goal 2: Scholarship and Research
Chancellor Woodson updated Trustees on the Chancellor’s Innovation Fund and the University Faculty Scholars program. Faculty member Carl Koch was elected to the National Academy of Engineering, and Joe DeSimone was elected to the National Academy of Sciences. Faculty also earned other awards including the North Carolina Award, the state’s highest civilian award; the Early Career Faculty Award from NASA; seven National Science Foundation Career Awards; and the Governor’s Award for Excellence.

Goal 3: Interdisciplinary Scholarship Addressing Grand Challenges
Examples provided by Chancellor Woodson were the Eastman Chemical Company Center of Excellence and Eastman Innovation Center which will be supported by a minimum of $10 million in grants by Eastman over the next six years, the College of Textiles Protection and Comfort Center (T-PACC) that helped create fire protection turnout suits that can withstand up to 1,000-degree heat and are three times lighter than typical turnout gear, and the Chancellor’s Faculty Excellence Program that will hire 38 new faculty in 12 selected multidisciplinary cluster areas.

Goal 4: Organizational Excellence
Chancellor Woodson stated that the new College of Sciences will launch on July 1 and will replace the College of Physical and Mathematical Sciences. This strategic move brings NC State in line with national best practices. He called upon Dean Dan Solomon from the College of Physical and Mathematical Sciences and Associate Dean Sam Pardue from the College of Agriculture and Life Sciences to speak from a college perspective regarding the reorganization.

Student Affairs and Undergraduate Academic Programs merged and became the Division of Academic and Student Affairs. This new unit improves services to students and increases our efficiency.

Chancellor Woodson discussed our 2014 accreditation review by the Southern Association of Colleges and Schools (SACS)-Commission on Colleges. By the September Trustee meeting, we will have submitted 92 compliance reports and more than 2,000 pieces of documentation that demonstrate our compliance with the standards and policies of the commission. We will also be circulating a draft Quality Enhancement Plan (QEP) for campus comment.

Fiscal year 2011-12 was a record breaking year for NC State fund raising. Gifts and new commitments totaled $111.4 million, exceeding the fiscal year 2012 goal of $110 million. Gift receipts totaled $100.3 million, surpassing the goal of $97.8 million. Annual Giving raised $1.9 million, an increase of 34.5%. Fiscal year 2012-13 looks to be much stronger than last year. As of January 30, gifts and new commitments are up 77% year to date.
Goal 5: Engagement and Partnerships
Chancellor Woodson gave as examples the Center for Advanced Self-Powered Systems of Integrated Sensors and Technologies (ASSIST) that develops self-powered health monitoring devices, the FREEDM Systems Center that is developing smart-grid technology, and the $10 million naming gift from the Prestage family to create the Prestage Family Department of Poultry Science.

NC State was named to the 2012 President’s Higher Education Community Service Honor Roll with distinction. NC State was issued 120 patents and boasted 274 invention disclosures. Our focused marketing communications strategy has resulted in 70 different ad placements across more than 25 unique print and digital outlets.

Chancellor Woodson remarked that even during this difficult economy, NC State is expanding our campus facilities. New facilities and those under construction include the James B. Hunt, Jr. Library, the Carol Johnson Poole Club House and the Talley Student Center. He discussed our legislative and budget efforts. Both need-based financial aid and management flexibility funds were received to restore earlier reductions, and funding for faculty recruitment and retention was approved.

Chancellor Woodson said that NC State has been continually recognized as a world-class institution and premiere research university. Ten graduate programs placed in the top 30 in new rankings released by U.S. News and World Report.

NC State student-athletes continue to excel in the classroom. In the spring of 2012, NC State named a record number 381 Scholar Athletes and had 186 student-athletes make the Dean’s List. Sixty-nine Wolfpack student-athletes were named to ACC All-Academic teams and six were named Academic All-Americans. And three Wolfpack student-athletes were inducted into Phi Beta Kappa. Chancellor Woodson reported that in October 2012, NC State inducted the inaugural class of our Athletic Hall of Fame that included David Thompson and coaches Jim Valvano and KayYow. NC State hired Dave Doeren as the new head football coach in December, and we recently hired Wes Moore as our new women’s head basketball coach.

Chancellor Woodson closed his remarks by saying that it has been a very busy 12 months. We will continue to focus on the strategic plan that will help chart our course in the years ahead.

COMMITTEE REPORTS
Audit, Finance and Planning Committee-Chair James W. Owens
Dr. Owens said that the University Treasurer reported on the stable credit ratings recently received by both Moody’s and Standard and Poor’s. The Treasurer also reported on the university debt portfolio which included information about the mix of outstanding debt, highlighted recent activities impacting the debt portfolio, and the ten-year capital borrowing plan. The committee received information to satisfy the annual Associated Entity review required by the Board of Governors. The committee discussed the need to certify conveyance of associated entities of non-financial responsibilities.
The Director of Internal Audit provided a quarterly update on Internal Audit activity and presented the fiscal year 2014 audit plan for the university. After extensive discussion, the committee approved the audit plan for the coming year.

Dr. Owens stated that the committee also approved a recommendation from Vice Chancellor Lomax to revise Policy 10.00.02 - Research Policy. The current version overlaps and contradicts other NC State policies and regulations; it no longer aligns with UNC Board of Governors and federal policies and was redundant and overly complex. Dr. Owens made the motion, seconded by Mr. Tolson, to approve the revision to Policy 10.00.02 - Research Policy as presented. The motion carried.

Dr. Owens reported that the committee received an update on budget and legislative activities. The Governor’s budget proposal includes funding increases for new enrollment and building operations, as well as an increase for UNC Strategic Plan recommendations. It also includes a 1% salary increase for state employees. There are reductions in funding proposed for the UNC system, tuition increase, and an increase in non-resident tuition that would replace state appropriations. We will not know the actual impacts to NC State until a final budget is passed by the legislature.

Dr. Owens said that the committee was updated on information-technology security including potential threats and mitigation techniques employed by the Office of Information Technology. The committee was also given an update on regulatory compliance, contingency plans and staffing.

**Buildings and Property Committee-Chair Gayle Lanier**

Ms. Lanier reported that the committee reviewed and approved four property matters. The first property matter requires full board approval. The property matter is disposition by deed of approximately 80 acres at Trenton and Trinity Roads, Raleigh, NC, by means of a land exchange of equal or greater value of multiple parcels to be identified by NC State as highly strategic properties to be acquired by Reedy Creek Investments, LLC, for the exchange. Mr. Sall and Mr. Walsh recused themselves from discussion and voting on this matter. Ms. Lanier made the motion, seconded by Mr. Cozort, to approve this property matter. The motion carried.

The other three property matters that required committee approval only were:

- Acquisition by lease of approximately 17,000 square feet on Centennial Campus for DELTA for a term of up to five years at a rate to be negotiated, but not to exceed $33.31 per square foot full-service rent or a total initial rent of approximately $560,000 annually.
- Acquisition by lease of approximately 22,500 square feet from Capital Associates in the proposed Flex Laboratory Building on the Centennial Biomedical Campus for use by the College of Veterinary Medicine for interdisciplinary research including additional colleges. The lease would be for a term of ten years.
- Disposition by severance of four modular office units located at 1509 Varsity Drive measuring approximately 3,450 square feet in total. The units were constructed in 1982.
and obtained from the USDA. The units are non-code compliant and are no longer suitable for their intended use. The university will arrange for their demolition.

Ms. Lanier said that the committee approved 11 designer selections and accepted six completed projects with a combined value of $2.3 million. The committee approved the proposed revision to Policy 7.60.1 Parking and Transportation Ordinances 2013-2014 that required full board approval. Ms. Lanier made the motion, seconded by Mr. Ramsey, to approve the proposed revision to Policy 7.60.1. The motion carried.

Ms. Lanier stated that the committee received the annual update to the Physical Master Plan. They approved nine plans and specifications of formal projects each costing less than $2 million and received an update on Centennial Campus development, capital projects, projects in planning and a detailed briefing about the sustainability program. She reported that the committee went into closed session to approve closed session minutes from the last meeting and to instruct university staff concerning the position to be taken in negotiating the acquisition of real property by exchange.

Ms. Lanier was asked about the status of renovations to Reynolds Coliseum. She will provide more information about the project at a future board meeting.

**University Advancement Committee-Chair Ben Jenkins**

Mr. Jenkins reported that the committee was updated on capital projects and fund raising progress through March 31, 2013. Fund raising is up 31% year-to-date, and we will exceed our $120 million fund raising goal for the year.

The committee received a report on University Communications that focused particularly on how strategic efforts have laid the groundwork for a successful brand-refresh process. Educational Marketing Group is partnering with the university on the rebranding effort, and representatives from the group shared preliminary results of their market research study. The one area that appears to be the most important to all who participated in the survey was the university’s reputation for high academic quality. The consultants also conducted a brand audit. There will be an all-day session on April 30 to discuss branding and create the core NC State brand platform.

Mr. Jenkins stated that in closed session, the committee reviewed and approved three proposals to name specific university facilities. These naming opportunities will be considered in closed session following this meeting.

**University Affairs Committee-Chair Norris Tolson**

Mr. Tolson said the committee received an annual report from the Director of Scholarships and Financial Aid on the list of recognized entities awarding full scholarships to undergraduates and the number of students receiving full scholarships from each entity. The Director of Undergraduate Admissions gave a report on the special consideration process of undergraduate admissions and the performance of students previously admitted through that process. The purpose of this process is to provide a mechanism to admit students with exceptional talents in areas important to the university community.
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Mr. Tolson reported that the committee approved the 2013-14 salary ranges for all Tier Two senior academic and administrative officers (SAAO). UNC General Administration determines the ranges for all SAAO Tier One positions (Chancellor and Vice Chancellors). The committee recommended approval of revisions to Policy 09.00.02: Drug Education, Screening and Counseling Program. The policy has been divided into two documents, the policy and the program. Revisions to the policy include Board of Trustees retaining oversight of the policy which provides updated definitions, purposes, goals, mandates and prohibitions on the use of NCAA banned substances. The Chancellor will acquire oversight of the Drug Education, Screening, Counseling, and Deterrence Program which pertains to the procedural components of the current policy. The policy to be effective July 1, 2013. Mr. Tolson made the motion, seconded by Ms. Ward, to approve the revisions to Policy 09.00.02. The motion carried.

Mr. Tolson said that the committee approved the updated bonus schedule for women’s basketball staff to mirror the categories in the new head coaching agreement. The committee received updates from the Chair-elect of the Faculty and the Chair of the Staff Senate. The Provost’s update included details on the College of Sciences and the strategic planning processes to determine the organization and vision for the new college based on significant faculty and stakeholder input. They were also notified of progress being made with the Chancellor’s Faculty Excellence Program which will ultimately hire 38 new faculty in 12 cluster areas.

The Provost’s report also included information about a new leadership position, Senior Vice Provost for Institutional Planning and Analysis, for which a national search is underway. The position of Senior Vice Provost for Academic Strategy and Resource Management has been offered to Dr. Duane Larick who has been leading this initiative for the past year. The Provost also said that in accordance with the UNC Policy on the Employment of Related Persons (Anti-Nepotism Policy), NC State does not have any reported employees out of compliance.

Mr. Tolson closed by stating that in closed session, the committee approved conferral of tenure to ten new faculty hires and to 49 faculty members who were reviewed during the annual promotion and tenure process. They approved an appointment to a distinguished professorship supported by the Distinguished Professorship Endowment Trust Fund, a non-salary compensation request and the employment agreement for the head women’s basketball coach. The committee recommended for approval by the Board of Governors salary increases that are greater than 15% and $10,000 from each employee’s previous June 30 salary. They also endorsed honorary degree nominations which will be considered by the full board in closed session following this meeting.

Nomination Committee-Chair Susan Ward
Ms. Ward reported that the Nominating Committee met on Thursday, April 18. After reviewing the Nominating Committee guidelines, the committee recommended the following slate of officers for 2013-2014:

- Ben Jenkins, Chair
- Jim Owens, First Vice Chair
- Jimmy Clark, Second Vice Chair
Chair of the Board of Visitors Report—Charles A. Flink
Mr. Flink reported on the April 5, 2013 meeting of the Board of Visitors held at the James B. Hunt, Jr. Library. Representative Nelson Dollar attended the luncheon and provided a brief update on legislative matters relevant to NC State. Chancellor Woodson gave a campus update, specifically with regard to the incoming freshman class; he also discussed the Governor’s budget proposal. Barbara Mulkey gave an update from the Board of Trustees, and Provost Arden discussed strategic resource priorities.

The Board of Visitors also received reports regarding University Communications as well as the essential role of research funds. The board also went on a tour of the Hunt Library.

Student Government Report—Student Body President Andy Walsh
Mr. Walsh discussed his four goals for Student Government this past year: increasing communications between committees, focusing on large events, taking advantage of the 125th anniversary, and advocating in the best interests of students. Executive consultant Josh Privette reported on signature events such as Packapalooza and Campout and highlighted Student Government activities such as the Talley project, Coaches’ Corner and early voting on campus. Student Body President-elect Matt Williams briefly discussed plans for next year.

Presentation of Walter Hines Page Award
Chancellor Woodson and Chair Mulkey presented Order of Walter Hines Page certificates to Lawrence Davenport and Andy Walsh in appreciation of their dedicated service to the board and to the university. Chair Mulkey discussed the legacy of Walter Hines Page and explained that these awards are presented solely to former Trustees.

Chancellor Woodson noted that this was also Jack Cozort’s last meeting as a Trustee. He thanked Mr. Cozort and noted that we would celebrate his service to the Board of Trustees in the fall.

With no further business in open session, the board went into closed session at 11:45 a.m. to prevent the premature disclosure of an honorary award, to consult with an attorney in order to preserve the attorney-client privilege between the attorney and the public body, 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, section 143-318.11 (a)(2)(3)(6).

The Board of Trustees returned to open session at 12:50 p.m. With no further business, Ms. Ward made the motion, seconded by Ms. Lanier, to adjourn the meeting at 12:55 p.m. The motion carried.
Respectfully submitted,

[Signature]
Assistant Secretary

[Signature]
Secretary

Approved:

[Signature]
Chair of the Board