Board of Trustees  
North Carolina State University  
Raleigh, North Carolina  
April 25, 2014  

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 25, 2014. Chair Ben Jenkins presided.

Members present:  
Benjamin P. Jenkins III, Chair  
Thomas E. Cabaniss  
Jimmy D. Clark  
Gayle S. Lanier  
Robert L. Mattocks II  
Barbara H. Mulkey  
Wendell H. Murphy  
James W. Owens  
Ronald W. Prestage  
Randall C. Ramsey  
John P. Sall  
Susan P. Ward  
Alexander J. Parker, ex officio  

Chair Jenkins called the meeting to order at 9:26 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. Chair Jenkins 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. Murphy, to approve the open and closed session minutes of the February 26, 2014 meeting of the full board. The motion carried.

CHAIR’S REPORT-BENJAMIN P. JENKINS III  
Chair Jenkins began his report by introducing Russell (Rusty) W. Mau, the Student Body President-elect. Rusty is a Senior in the Poole College of Management in Economics, a Masters of Economics candidate and a Park Scholar from Cullowhee, North Carolina.

Chair Jenkins 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. He recommended that Derick Close be reappointed to a three-year term ending June 30, 2017. He also recommended Frank Culberson fill the seat being vacated by Richard Bryant. Ms. Lanier made the motion, seconded by Mr. Clark, to approve these two appointments. The motion carried.

Chair Jenkins said that Spring Commencement will be held on Saturday, May 10, and David S. Ferriero will be our speaker. Thomas H. Sayre, noted sculptor, will also receive an honorary degree. The summer meeting of the Board of Trustees will be held on July 10. Chair
Jenkins closed by reflecting on the end of the academic year and year as chair. Much has been accomplished including the successful kickoff of the silent phase of our capital campaign, a well thought out and effective launch of the NC State brand, using the theme, *Think and Do*, and the development of a 5-year plan for the budget realignment. He thanked the Trustees for the exciting year.

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

Chancellor Woodson began by referencing the team effort it took to achieve his accomplishments over the last four years. Chancellor Woodson reflected on the past year and reported on our strategic planning process, focusing on the set of key goals:

**Goal 1 – Student Success**

Successes include three students receiving prestigious Goldwater Scholarships, an Udall Scholar and an Udall Scholar Honorable Mention. Chancellor Woodson also announced that NC State has the highest starting salaries for graduates among all colleges and universities in the UNC System.

**Goal 2: Scholarship and Research**

Chancellor Woodson updated Trustees on the University Faculty Scholars program saying that 44 emerging academic leaders have been selected. He further reported that for the last five years, NC State has had a faculty member inducted into either the National Academy of Sciences or the National Academy of Engineering. Eight Faculty members have been named Fellows of the American Association for the Advancement of Science. Other examples of faculty excellence given by Chancellor Woodson were: Jay Baliga winning the National Medal of Technology and Innovation, as well as Michael Escurti winning a Presidential Early Career Award for Scientists and Engineers.

**Goal 3: Interdisciplinary Scholarship Addressing Grand Challenges**

The chancellor reported improvement of the interdisciplinary scholarship and research through the Chancellor’s Faculty Excellence Program, which is bringing more of the best and brightest minds to NC State. There have been 32 of 43 new faculty hired as part of this innovative program, which was featured in the *Chronicle of Higher Education*.

**Goal 4: Organizational Excellence**

Chancellor Woodson stated that having the new College of Sciences enables better interdisciplinary educational opportunities, improved research collaboration and more efficient support operations.

For the third consecutive year, NC State has set a new record for giving. Private support in gifts and pledges totaled $198.2 million in the last fiscal year, topping the previous year by 78%. The fiscal year ended with our endowment at a market value of $769 million, up more than $330 million over just four years ago.

**Goal 5: Engagement and Partnerships**

Examples provided by Chancellor Woodson were the U.S. Department of Agriculture selected NC State to lead the Southeast Regional Climate Hub; the National Science Foundation selected NC State as the only university to lead two NSF Engineering Research Centers and
President Obama chose NC State to announce the $140 million Next Generation Power Electronics National Manufacturing Innovation Institute.

Chancellor Woodson remarked that even in this difficult economy, NC State is expanding our campus facilities. He remarked that new housing and dining options have opened on Centennial Campus and Talley Student Union is approaching completion.

Chancellor Woodson said that NC State has been continually recognized as a world-class institution and premiere research university. NC State is 4th nationally among public colleges in the Princeton Review/USA Today ranking of the best values in higher education, and 5th in the U.S. News and World Report in the same category.

NC State student-athletes continue to excel in the classroom. Five Wolfpack student-athletes were awarded ACC postgraduate scholarships in 2013. More ACC postgraduate scholars have come from NC State than from any other school in the conference. In addition, 315 student-athletes were named NC State scholar athletes (GPA of 3.0 or higher).

Also, mentioned by Chancellor Woodson was that NC State won the ACC Championship in softball under first-year coach, Shawn Rychcik and Women’s Basketball was led by another first-year coach, Wes Moore, and ranked in the top twenty.

Chancellor Woodson closed his remarks by saying that this is the best time in history to be part of the NC State community and that the Think and Do brand aptly tells the story of NC State.

**COMMITTEE REPORTS**

**Audit, Risk Management and Finance Committee-Chair James W. Owens**

Dr. Owens said that the Director of Internal Audit reviewed the quarterly update on Internal Audit activity and presented the fiscal year 2015 Audit Plan for the university. The committee approved the plan for the coming year.

Research compliance was reviewed. The importance of compliance was stressed, and the impact of non-compliance was discussed. The areas most at risk were human subject and animal use in research.

Dr. Owens reported that the director of University Strategic Debt Management reviewed the university’s debt portfolio. The current debt outstanding is about $570 million, and the total decreased from fiscal years 2013 to 2014. The debt portfolio is very diversified. Also shared with the committee was outstanding debt, by purpose, noting that Housing has the biggest area of debt, and Talley Student Union is second. Compliance issues were discussed specifically as they relate to tax-exempt bonds and bond issues in general. This office is responsible for tracking private use in buildings, while bonds are outstanding plus an additional six years beyond maturity.

University Treasurer, Mary Peloquin-Dodd presented information to satisfy the annual associated entity review required by the Board of Governors. It was noted that this past year, staff from the Treasurer’s Division and Office of General Counsel prepared a checklist to be
certified by university associated entities. The elements in the checklist correspond to the various UNC-GA, state auditor, state and NC State requirements.

The committee heard a report on current budget restrictions and activities in the legislature. It was noted that while slow, steady economic growth continued this fiscal year for North Carolina, changes in tax policy and higher Medicaid program costs than budgeted, have led to an uncertain revenue forecast. This uncertainty in State revenue income resulted in an additional budgetary reversion of 1.25% so far for this fiscal year for NC State. Also, there will be limited new funding for next year. Critical for next year’s planning is employee compensation, as state employees have received minimal increases during the past several years.

Dr. Owens said that the UNC system has identified several budget proposals that will affect NC State students, staff and budgets directly: 1) in-state tuition for military affiliated students, 2) affecting staff is a proposed pilot healthcare program for non-permanent employees. (The pilot program would save $2,000 yearly and meet the Affordable Healthcare Act requirements.), 3) staff would be allowed to take three classes per year instead of two and 4) budget policy proposals include increasing the carry forward from 2.5 to 10%.

Dr. Owens concluded by reporting that the working group for Strategic Resource Management has looked at 140 ideas and has submitted the first set of recommendations to Chancellor Woodson.

Buildings and Property Committee-Chair Gayle Lanier
Ms. Lanier reported that the committee reviewed and approved seven property matters that all require full board approval. The property matters were:

- Acquisition by deed of approximately 2,105 square feet of surplus right of way area located at the intersection of Trailwood Drive and Main Campus Drive from the NC Department of Transportation to the State of North Carolina on behalf of NC State University.
- Land exchange of approximately 2.64 acres between the Endowment Fund and the state of North Carolina for the Centennial Biomedical Campus Flex Lab building on Centennial Biomedical Campus. The land being exchanged will be of equal value.
- Disposition by lease of approximately 2.64 acres of state land on Centennial Biomedical Campus for the CBC Flex Lab Building in accordance with UNC Policy 600.1.3.1[R].
- Land exchange of approximately 4 acres between the Endowment Fund and the state of North Carolina for the proposed College of Textiles, Non-Woven research building on Centennial Campus. The land being exchanged will be of equal value.
- Disposition by lease of approximately 4 acres of state land on Centennial Campus for the proposed College of Textiles, Non-Woven research building in accordance with UNC Policy 600.1.3.1[R].

Ms. Lanier said that the university is pursuing the authority for the two land exchanges, last listed above, concurrently with authority for ground leases to allow maximum flexibility in determining the most beneficial method of delivery.
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- Disposition by lease of approximately 28,575 square feet of office and high bay space in Poulton Innovation Center on Centennial Campus to ABB, Inc. for continuation of its Power transmission and smart grid R&D center.
- Disposition by deed of approximately 1 acre at Lake Wheeler Road Field Lab to the NC Department of Transportation for roadway improvements on Lake Wheeler Road.

Ms. Lanier made a motion, seconded by Mr. Murphy, to approve these seven property matters. The motion carried.

Two other property matters were reviewed and approved by the committee. These two property matters required committee approval only:

- Acquisition by lease of approximately 9,400 square feet of office space on Centennial Campus for the Next Generation Power Electronics National Manufacturing Innovation Institute.
- Disposition by severance of seven Greek houses to be demolished over the next one to five years to accommodate future phasing of the Green Village master plan.

Ms. Lanier reported that the 2014-2016 open-ended service agreement designer selections, as well as 12 other designer selections were approved.

Also, reported was the acceptance of 13 completed projects with a combined value of $78.4 million. Included in this were: the acceptance of Wolf Ridge Innovation Hall for $17 million, Talley Student Union Phase I turnover for $47.7 million, Talley Student Union Phase I 2B for $2 million and Poulton Innovation Center Laboratory for Analytical Sciences for $4.7 million.

Ms. Lanier added that the committee approved the proposed revision to Policy 7.60.1: Parking and Transportation Ordinances for 2014-2015 which requires full board approval. Ms. Lanier made a motion to approve the revision. Mr. Murphy seconded, and the motion passed.

Additionally, the site plan and design plan for the Delta Gamma house were approved. The design plans for Reynolds Coliseum renovation and the Athletic Indoor Practice Facility were approved.

In conclusion, Ms. Lanier reported the approval of 12 plans and specifications of formal projects costing less than $2 million. The committee received updates about Centennial Campus development, capital projects, projects in planning and property matters approved under the new delegation authority. In addition, the committee had a preview of the 6-Year Capital Plan.

**University Advancement and External Affairs Committee-Chair Jimmy D. Clark**

Mr. Clark stated that Brian Sisco, Vice Chancellor for Advancement, provided an update and gave his observations of his first month at NC State. Mr. Sisco gave an outline of the key next steps in the implementation of the university’s fundraising campaign.

Mr. Clark reported that the committee was provided with an update on fundraising through March 31, 2014. New gifts and commitments have exceeded its $132.9 million annual goal.
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with a quarter remaining in this fiscal year. Additionally, the committee received an update on our campaign planning progress and goals. The campaign fundraising results are $309 million toward the $1.5 billion goal.

As reported by Mr. Clark, Annual Giving reached 91.9% of its $2.1 million goal. Part of the impact was from the Senior Class Gift which reported a 295% increase in donors compared to last year and the Chancellor’s Challenge match. New benchmarks were reached by the program this year with over $1 million in pledges made to the Call Center and total Annual Giving dollars surpassing $2 million dollars.

Mr. Clark stated that in closed session, the committee reviewed and approved 18 proposals to name specific university facilities. These naming opportunities will be considered in closed session following this meeting.

University Affairs Committee-Susan Ward
Ms. Ward 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. Per North Carolina General Statute, students who receive full scholarships from the list of recognized entities will be considered to be residents of North Carolina and will receive the resident tuition benefit. There are a total of 67 new and continuing students benefitting from this provision. Of these 67 students 59 are Park Scholars. The process is governed by REG 02.70.03, “Residency for Full Scholarship Undergraduate Students,” which requires an annual update to the Board of Trustees.

Ms. Ward further reported that Dr. Louis Hunt, Vice Provost and University Registrar, informed the committee 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. The overriding criterion in all admissions decisions is the potential for academic success. This process is governed by REG02.10.4, “Identification and Performance Monitoring of Selected Students Requiring Special Consideration for Admission,” which also requires an annual update to the Board of Trustees.

Ms. Ward reported that the committee approved the 2014-15 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).

Ms. Ward related the update from the Staff Senate which included the annual Have a Heart Food Drive Campaign which delivered more than 1,500 pound of foot to restock shelves at NC State’s Feed the Pack Pantry and the Food bank of Central and Eastern North Carolina. It was also noted that the third annual Chancellor’s Cup Golf Tournament will be held on June 18 at Lonnie Poole Golf Course. The tournament’s purpose is to endow the Staff Assembly’s Janet B. Royster Scholarship Fund, which provides scholarships for staff development activities throughout the UNC system.

The Provost’s report to the committee included an update on the College of Textiles Dean search, which will likely be filled by July. Also, in the Provost’s report was the announcement
that Dr. Christian Melander was awarded the Howard J. Schaeffer Distinguished Professorship in Chemistry. 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.

Ms. Ward closed by stating that in closed session, the committee approved conferral of tenure to 2 new faculty hires and to 57 faculty members who were reviewed during the annual promotion and tenure process. They approved non-salary compensation requests and 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 an honorary degree nomination 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 24. After reviewing the Nominating Committee guidelines, the committee recommended the following slate of officers for 2014-2015:

- Ben Jenkins, Chair
- Jim Owens, First Vice Chair
- Jimmy Clark, Second Vice Chair
- Gayle Lanier, Secretary
- PJ Teal, Assistant Secretary

Chair of the Board of Visitors Report-Charles A. Flink
Mr. Flink reported on the March 21, 2014 meeting of the Board of Visitors. Chancellor Woodson gave a campus update, specifically with regard to the Southern Association of Colleges and Schools (SACS) review. Vice Chancellor Terri Lomax gave a research update and vision for Centennial Campus, as well as discussing the Big Data partnership.

The Board of Visitors also received a report from University Communications on the progress of the NC State University brand.

Mr. Flink announced that four members of the Board of Visitors are concluding their eight years of service including Sepi Saidi, Bill Culpepper, Linda Noble and Steve Zelnak. Mr. Flink thanked them all for their dedication and service.

Chair of the Faculty Report-Dr. David A. Zonderman
Dr. Zonderman reported that there is great concern regarding running the two major libraries on a budget for one and a half libraries. Also, discussed were the university’s athletic programs and the emphasis placed on academic integrity and professionalism.

Dr. Zonderman also stated that the remaining meetings will focus on new initiatives coming from the Board of Governors regarding academic programs and standards. He concluded his remarks stating that other matters discussed included the possible development of a new multidisciplinary degree option, future academic calendars that could allow for “make-up snow days.” The implementation of proposals for a faculty Ombuds office and revising the university’s policy on reporting findings of research misconduct.
To conclude, Dr. Zonderman thanked the Board of Trustees for the opportunities to work with them.

**Student Government Report-Student Body President Alex Parker**
Mr. Parker discussed Student Governments initiatives and projects, including Wolfpack Pick Up designed to help students who suffer from disabilities that impede their ability to get to class. Other projects mentioned were: Wear Red on Friday to foster school spirit and a focus on baseball this season to get students excited about Wolfpack athletics.

Mr. Parker reported on Student Life and campus events including the opening of Talley Student Union’s dining services, as well as the Oval giving students options on Centennial Campus.

Mr. Parker concluded with a social media overview explaining the options that students have to give feedback and to meet their on-campus needs.

**Presentation of Walter Hines Page Award**
Chancellor Woodson and Chair Jenkins presented the Order of Walter Hines Page certificate to Alex Parker in appreciation of his dedicated service to the board and to the university. Chair Jenkins discussed the legacy of Walter Hines Page and explained that these awards are presented solely to former Trustees. Mr. Parker also received his Trustee medallion and signature lapel pin.

With no further business in open session, the board went into closed session at 10:45 a.m. to prevent the premature disclosure of an honorary award, under NC General Statute section143-318.11(a)2 and to consider the qualifications, competence, performance, and conditions of appointment of a public officer or employee or prospective public officer or employee, under NC General Statute, section 143-318.11 (a)(6).

The Board of Trustees returned to open session at 12:50 p.m. With no further business, Ms. Mulkey 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