The North Carolina State University Board of Trustees met in an open meeting in the Alumni Conference Room in the Alumni Memorial Building on Friday, September 16, 2005 at 9:00 am. Chair Wendell Murphy presided.

Members Present: Wendell Murphy, Chair
McQueen Campbell, III
Derick Close
Lawrence Davenport
Ann Goodnight
Suzanne Gordon
Bob Jordan
Bob Mattocks, II
Burley Mitchell
Richard Vaughn
Steve Warren
Cassius Williams
Whil Piavis, ex officio

Chair Murphy called the meeting to order at 9:03 am.

ROLL CALL
Assistant Secretary PJ Teal called roll and certified that a quorum was present.

MINUTES
Mr. Close made the motion, seconded by Mr. Vaughn to approve the minutes of the July 1, 2005 meeting of the full Board; the motion carried.

CHAIR'S REPORT- WENDELL MURPHY
Chair Murphy thanked fellow Board of Trustees for electing him as Chair. He also welcomed the three new Board of Trustee members – Burley Mitchell, Lawrence Davenport, and Whil Piavis. Bob Jordan noted that this was the first time a Chief Justice has been a member of the NC State Board of Trustees.

New trustees Mr. Mitchell, Mr. Davenport and Mr. Piavis participated in a ceremonial reading of their oath of office.

Chair Murphy asked the Board to approve the appointment of Dr. Emily Peck to the Board of Trustees of the Endowment Fund. Dr. Peck is an adjunct professor at NC State, the co-chair for the PAMS steering committee, member and vice president of the PAMS Foundation Board, Pullen Society Member and is an Alumni Association Meritorious Service Award recipient.
Mr. Campbell made the motion, seconded by Ms. Gordon to approve Dr. Peck’s three-year appointment to the Board of Trustees of the Endowment Fund; the motion carried.

Chair Murphy recommended that Mr. Mattocks be elected to the fifth position of the Board of Trustees Executive Committee. Mr. Warren made the motion, seconded by Mr. Close to approve Mr. Mattocks as the fifth member; the motion carried.

Annually, the Atlantic Coast Conference requires its university boards of trustees to certify that authority for the administration of intercollegiate athletics has been delegated to the Chancellor. Mr. Close made the motion, seconded by Mr. Mattocks to approve the Atlantic Coast Conference Governing Board Certification for 2005-2006; the motion carried.

Chair Murphy discussed the following items of interest:
- He participated in the new Board of Governors Orientation session on August 9.
- UNC Board of Governor’s Chairman Brad Wilson has appointed a Tuition Policy Task Force and he will serve as a member.
- NCSU Board of Trustee’s Orientation was very informative for the new members.
- He has scheduled meetings with members of the NC State University senior leadership.
- Acknowledged the reappointment of Suzanne Gordon as the Chair of the NC State Investment Fund Members Board.
- Acknowledged the appointment of Steve Warren to serve on the Master Plan Advisory Committee.

Chair Murphy reported that the Board of Trustees of the Endowment Fund met on September 15, 2005 and heard reports from the various money managers. The Endowment Fund’s one-year net return for the fiscal-year ending June 20, 2005 was 8.09% with assets totaling $118,632,931. The Board of Trustees of the Endowment Fund approved the following actions:
- John Atkins and Darrell Menscer as representatives to the NC State Investment Fund Member’s Board.
- Accepted gifts totaling $618,513.64.
- A name change for a professorship for the College of Humanities and Social Sciences.
- The 2006-2007 spending budgets as of $4.8M, a 3.5% increase over the current year.
- An exception to the spending rule for two professorships.
- The 2004-2005 Financial report with net assets of $148.8M.
- The Fixed Income investment parameters to allow the banks to be competitive with the Investment Pool Fixed Income Managers.
Chancellor’s Report – James Oblinger
Chancellor Oblinger called attention to just a few of the university’s noteworthy achievements since the last board meeting. Among those he cited were:

- The announcement of the North Carolina Research Campus in Kannapolis, which includes the Dole-NC State Institute for Advanced Fruit and Vegetable Science, was held September 12.
- Students collected about $51,000 for the Red Cross at the Virginia Tech football game, and 39 students have enrolled at NC State from the Gulf Coast area.
- NC State Tuition Administrative Advisory Committee was appointed August 29 and will be chaired by the Provost and Student Body President. The Fee Task Force will be appointed soon.
- NC State is ranked 5th for best value among public universities according to US News and World Report’s rankings.
- Five finalists have been named for the Vice Chancellor for Extension, Engagement and Economic Development.
- Jeopardy will be taping the College Tournament of Champions at the RBC Center on October 1 and 2, 2005.
- Achieve Capital Campaign will launch public phase on September 23, 2005.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee - Chair McQueen Campbell
Chair Campbell reported on the activities of the Academic Affairs and Personnel Committee. The Committee heard a report on the Learning in a Technology-Rich Environment (LITRE) program, which is the quality enhancement plan. He stated that First Lady Mary Easley was introduced to the Committee. Mrs. Easley has been appointed Executive in Residence under the Provost's Office. In addition to teaching, Mrs. Easley will be leading a new initiative at NC State, a seminar series entitled, "NC State Millenium Seminars." Approximately two well known speakers will come to NC State each semester to present seminars affording us opportunities to open dialogue with other entities around the world.

Chair Campbell stated the Committee heard a report on current enrollment and characteristics of our student body. We have a total enrollment of 30,143 (on-campus and off-campus). This is the first time NC State has enrolled over 30,000 students. We also have our largest freshman class ever with 4,254. For entering freshmen, the total high school SAT average is 1186, and the average GPA is 4.07. We are slightly more diverse this year than last year in terms of race, gender and geography. Five percent (5%) of the 30,143 are distance education students.

Barbara Carroll shared a comparison of fringe benefit rates with our 16 peer institutions. The Committee heard a report from Chair of the Faculty Nina Allen. The Provost provided information on notices of intent to plan and authorization to establish
degrees, department name changes, and revisions to regulations. The leadership and program review for Dean Linda Brady, College of Humanities and Social Science, has begun. The beginning phase has been implemented for the search for Dean of the College of Natural Resources. Dean Nino Masnari will step down as Dean of the College of Engineering next year and the search for that position will begin soon. The Visitor Center is nearing completion and will be occupied early November with a projected opening spring, 2006.

NC State's response to Katrina has been excellent -- we received approximately 200 contacts, 55 students have been admitted to NC State, and 39 students have enrolled. The home institutions are 4 from Delgado Community College, 2 from Loyola, 1 from LSU, 2 from Southern University, 13 from Tulane, 15 from University of New Orleans, 1 from University of Southern Mississippi and 1 from Xavier. We are also housing scientists in our departments and have received over 100 offers from faculty, staff and students offering housing. Students are raising funds and donations have been substantial.

The committee approved a revision to Policy 01.05.2 - Academic Affairs and Policy Committee delegating to the Academic Affairs and Personnel Committee final authority to approve salary increases as authorized by the University of North Carolina Board of Governors' Policy on Granting Management Flexibility to Appoint and Fix Compensation. When the management flexibility was granted to the Board of Trustees, the Trustees approved delegations to the AAPP that were delegated to the BOT by the BOG. The intent at that time was to authorize the Committee to act on behalf of the Board of Trustees for all personnel actions delegated to the BOT by the BOG. The delegation of salary increases exceeding those stated in the proposed revision, however, were inadvertently omitted. Mr. Campbell made the motion, seconded by Mr. Davenport, to approve revised Board of Trustees Policy 01.05.2 and to ratify all personnel actions taken by the Committee to approve salary increases consistent with the proposed amendment, since the September 20, 2002 meeting of the NC State Board of Trustees. The motion carried.

Chair Campbell reported that in Closed Session, the Committee approved personnel actions, including salary increases, a contract extension, an appointment conferring tenure, and conferral of emeritus status. We received the annual nepotism report and bi-annual scholarly assignments report.

Audit, Finance and Planning Committee - Chair Richard Vaughn
Chair Vaughn reported that the Audit, Finance and Planning Committee heard reports on:

- The annual review of committee responsibilities.
- The NC State Investment Fund through June 30, 2005. The Fund was approximately $257,541,932 with one year performance of 8.35% net of fees.
- A $50 million forward starting interest rate swap agreement entered into with JP Morgan Chase Bank to lock in interest rates for debt issuance in 2007.
• An overview of the 2005 NC General Assembly actions impacting NC State University and the importance of funding required for NC State University as a research extensive university and the related efforts to improve state funding for research extensive education.

The committee was presented the 2006 annual Internal Audit plan and summary of activities for April - August 2005 and 2005 fall enrollment statistics.

Chair Vaughn stated that the committee received information on an authorization to establish a new B.A. degree program in Africana Studies and an intent to plan a new B.A. degree program in Design Studies.

**Buildings and Property Committee - Chair Derick Close**
Chair Close reported the Committee reviewed and approved five property matters, six designer selections, and two construction manager selections. A list of completed buildings and projects was accepted. In addition, the committee reviewed proposed revisions to the Alcohol Policy.

Chair Close stated that two of the property matters require full board approval. One property matter concerns Rezoning Conditions for Seven Parcels on Original Centennial Campus to make the parcels consistent with the original rezoning of Centennial Campus. The other concerns Rezoning Conditions for Spring Hill Precinct on Centennial Campus to support development of Spring Hill Precinct.

Mr. Close made the motion, seconded by Mr. Vaughn, to approve the rezoning conditions for seven parcels on the original Centennial Campus and to approve the rezoning conditions for the Spring Hill Precinct on Centennial Campus. The motion carried.

Chair Close reported that the revision to the Alcohol Policy, which addresses issues that have arisen during the past year and clarifies the application of the policy to various areas other than university buildings, requires full board approval. Mr. Close made the motion, seconded by Mr. Campbell, to approve the proposed revisions to the alcohol policy. The motion carried.

The Committee reviewed four projects, approved four site plans, two building plans and project plans and specifications costing less than $1 million. The Committee reviewed its responsibilities and heard informational reports about the Physical Master Plan, Centennial Campus, and capital construction projects.

**Development Committee - Chair Ann Goodnight**
Chair Goodnight stated that the Development Committee reviewed its responsibilities.

The Committee heard reports regarding fund-raising for fiscal year 2005. Total gifts and pledges were $164.8 million. This amount exceeded the fiscal year goal of $158 million.
She stated that Committee members were briefed on the progress of the comprehensive campaign, which continues in its quiet phase for one more week.

The Committee reviewed and approved the pan-university annual fund-raising goal for fiscal year 2006. Next year, the university has a fund-raising goal of $182,000,000.

The Committee received updates on fund-raising for the six current capital projects.

The Associate Vice Chancellor for Advancement Services presented a report on the progress on the E. Carroll Joyner Visitor Center and Advancement Services Building, and he introduced the directors of the divisions who will move into the building.

Chair Goodnight reported that in Closed Session, the Committee reviewed and approved seven proposals to name University facilities. A motion will be made at the end of this meeting to go into Closed Session to consider these proposals.

**Student and Campus Affairs Committee – Chair Suzanne Gordon**
Chair Gordon reported that the Committee reviewed its responsibilities, including appeals, policy development, and tuition and fees.

The Committee also heard a report on fraternity and sorority life at NC State including statistics on the Greek community, detailed national Greek trends, and data on students' interest in and affiliation with fraternities and sororities, as well as grades of fraternity and sorority members. The committee learned more about the initiatives undertaken by the Office of Greek Life to strengthen the Greek system and the Standards Program. They also heard about major accomplishments such as the addition of ten new organizations since 2000 and the renovation of ten Greek Court facilities. Challenges with Greek Life were discussed, such as the decline of men's membership numbers and the suspension of four fraternities in 2004-2005 with three serious incidents of hazing. The Committee learned about Greek Court housing and a possible land-lease option. Vice Chancellor Stafford closed the discussion by stressing the importance of the Greek community and reiterated the administration's support of our fraternities and sororities.

The Committee then moved into Closed Session to hear three student appeals.

**Chair of the Staff Senate Report - Chair Melissa Watkins**
Chair Watkins yielded to 2004-2005 Chair Laura Massengill. Chair Massengill summarized the 2004-2005 Annual Report. Highlights from 2004-2005 include the implementation of the computer lap top check out program for all NCSU Staff, the Senate has completed its 10th year, and now begins its 11th year on campus, and the 2005-2006 Senate retreat was held July 13, 2005.

Chair Massengill noted that her time as Chair was rewarding and exciting and was proud to serve on the Chancellor and Provost Search Committees.
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**Student Body President Report - Whil Piavis**

Student Body President Piavis expressed his enthusiasm and excitement to be a member of the Board of Trustees.

He provided the following update on Student Government activities:

- Appointments to standing committees have been made.
- He had the privilege of greeting all of our four thousand plus new students, and at the information fair 709 people expressed interest in student government and 370 in student media.
- During the summer months, our Student Government in conjunction with other student governments helped protest the special provisions concerning tuition autonomy and in-state tuition for non-in-state students receiving scholarships.

Chair Piavis stated that some emerging issues are Greek Life, the loss of parking fines, and the continual encouragement of diversity on the campus.

With no further business for Open Session, Chair Murphy called for the motion to go into Closed Session according to NCGS 143-318.11(a)(2). Mr. Close made the motion, seconded by Ms. Gordon to go into Closed Session to consider honorary awards.

At 10:45 a.m., the Board came out of Closed Session. With no further business, Chair Murphy adjourned the meeting at 10:47 a.m.

Respectfully submitted,

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Assistant Secretary

Secretary

Approved:

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Chair of Board