

MINUTES

Board of Trustees
NC State University
Raleigh, North Carolina

September 21, 2001

FRIDAY, SEPTEMBER 21, 2001

The North Carolina State University Board of Trustees met in regular session in the Alumni Conference Room, in the Alumni Building, North Carolina State University Campus, at 10:15 a.m., Friday, September 21, 2001. Chair Peaches Gunter Blank presided.

MEMBERS PRESENT:

Peaches G. Blank
D. McQueen Campbell
Derick S. Close
Steven Edwards
Ann Goodnight
Suzanne Gordon
Edward E. Hood, Jr.
Vernon Malone
Bob L. Mattocks
Richard G. Robb
C. Richard Vaughn
Darryl Willie, ex officio

Chair Peaches Gunter Blank called the meeting to order at 10:15 a.m.

ROLL CALL

Assistant Secretary Clare Kristofco called the roll and certified that a quorum was present.

MINUTES

Mr. Close made the motion, seconded by Mr. Hood, to approve the July 9 - 10, 2001 minutes; the motion carried.

CHAIR'S REPORT - CHAIR BLANK

Chair Blank commended the University administration, staff and student leaders for campus-wide efforts and community gatherings in the aftermath of the September 11, 2001 terrorist attack on America.

Chair Blank noted that a new academic year is under way, and a strong Admissions process resulted in the ability for NC State to attract "the best and the brightest." She mentioned several key events on campus, including the first football game of the season with Indiana University.

Chair Blank announced that the General Assembly of North Carolina, in action earlier today, had approved a budget for the state. She reminded Trustees to complete and return their Board of Governors' Statement of Interest form (due October 1, 2001), and encouraged reminded Trustees to attend the Board of Governors' Conference on Trusteeship in Chapel Hill (October 10-11, 2001).

Chair Blank said she will attend the first meeting of the Higher Education Bond Oversight Committee on September 29. She reported that she has appointed Ms. Flora Grantham, former member of the NC State Board of Trustees, to the Campus Design Review Panel. As a longtime member of the Buildings and Property Committee, Ms. Grantham will bring a wealth of experience to the panel. Chair Blank also noted the need to take a fresh look at the Board of Trustees bylaws and therefore is appointing Vernon Malone, McQueen Campbell, Derick Close and Richard Vaughn to serve on a Bylaws Ad Hoc Committee. She also informed the Board that the Executive Committee meet briefly on Thursday, September 20, 2001, and, on behalf of the full Board of Trustees, approved the appointments of Richard Robb to a one-year term and Randall Ward to a three-year term on the Board of Trustees of the Endowment Fund.

Chair Blank made the motion, seconded by Mr. Hood, to approve the Atlantic Coast Conference Governing Board Certification for 2001-2002 (Appendix A); the motion carried.

CHANCELLOR'S REPORT - MARYE ANNE FOX

Chancellor Fox provided additional details to the Board about the September 12 ceremonies on campus to honor the victims of the New York, Washington, DC, and Pennsylvania terrorist attacks. About 8,000 members of the NC State campus community attended a Community Gathering in Reynolds Coliseum. Vice Chancellor Thomas Stafford and his staff took the lead in arranging the program and speakers. Student leaders organized *9-11 Relief*, fund-raising activities to benefit the Red Cross, and a blood drive on September 19.

Chancellor Fox reviewed primary points of the General Assembly's budget, and summarized the expected effects on the NC State budget. However, because the budget was passed today, the financial effects are not yet clear. She added that the budget bill included provisions that would provide to University of North Carolina Boards of Trustees greater flexibility regarding appointments and campus-specific tuition increases.

Chancellor Fox noted the university's continued progress in implementing the recommendations of the *Commission on the Future of NC State* as we strive to be recognized among the top 25 research universities. She mentioned that ranking information had been provided in the Trustees' notebook from the University of Florida Lombardi Center's *The Top American Research Universities*. She reported that NC State now ranks 31st and is "poised to break into the top 25, if we enhance a number of key areas." She stated that attaining this goal was well within our reach, and that NC State could meet this top 25 ranking if we were to accomplish any two of the following six measures:

- Increase our endowment by \$200 million
- Increase annual giving by \$17 million
- Increase major national honors and awards among our faculty
- Increase by two the number of faculty elected to the National Academy of Engineering or National Academy of Sciences
- Provide support for 60 more postdoctoral fellows, while continuing to support our expanding graduate programs
- Increase our federal research by \$50 million

Chancellor Fox updated the Board on Centennial Campus, which continues to grow and attract new partners. CENTAUR Lab opened in September. It is one of the nation's most advanced networking laboratories, and it will provide for multiple private companies to work on projects and conduct research. The Centennial Campus occupancy rate is currently 97%. Lucent Technologies' recent decision to close its Centennial Campus facility may provide opportunities through subleasing for the university to meet the growing demand for space on the Campus.

The 2001 - 2002 Academic Year has begun with the largest freshmen class in North Carolina. The Chancellor also noted that NC State University had exceeded all other sister institutions in the number of applicants seeking admission for fall 2001.

Chancellor Fox reported on her Executive Officers' Leadership Retreat that focused on significant University issues and achieving consensus as we meet the challenges in the year ahead. She noted that one objective evolving from the retreat was to look at "what is urgent and what is important." The Executive Officers now will set aside one hour of each meeting to focus on a topic that is important to the university, including management and optimum administrative structure for the Centennial Campus and opportunities for service learning for our students. The Chancellor informed the Board that she had also led a similar discussion with the Academic and Administrative Coordinating Group, which includes the Deans, in early September. The discussion centered on ways to improve NC State.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee - Chair Richard Robb

Chair Robb reported that in the Committee's meeting on September 20, the members approved its consent agenda that included the Notification of Intent to Plan a new undergraduate degree program in Environmental Technology in the Department of Forestry, College of Natural Resources. The Committee was updated on Fall 2001 Enrollment totals and participation in the Phased Retirement program. The members heard reports about the Exit Interview Summary Data for EPA Personnel and from the Chair of the Faculty. The Committee heard an in-depth presentation about the initiatives in the Office of International Programs.

In Closed Session, the Committee approved personnel actions submitted by Chancellor Fox, including 23 new appointments, 13 conferrals of Emeritus Status and 10 recommendations for salary adjustments resulting in a 15% salary increase from the June 30, 2001 salary. Chair Robb also informed the Board that the Committee was updated on exceptions to the Annual Leave Entitlement and to Scholarly Assignments.

Buildings and Property Committee - Chair Wendell Murphy

Suzanne Gordon gave the Buildings and Property report for Chair Murphy. In its meeting on September 20, the Committee approved its consent agenda which included five property matters, three designer selections, additions to the Open-Ended Service Agreement and the Acceptance of Completed Buildings and Projects. The property matters included two easements and three leases, one of which is the North Carolina Ergonomics Resource Center for approximately 9,400 square feet of office space. The Ergonomics Resource Center lease requires full board approval. Ms. Gordon made the motion, seconded by Mr. Hood, to approve the lease; the motion carried.

The Committee reviewed site plans for Upper Class Housing-Master Plan, Public Safety Building, Support Services Building, and Baseball and Tennis Stadium Improvements, and reviewed the design plans for the Visitor Center and Advancement Services Building. Ms. Gordon also reported that the Committee approved design plans for the College of Engineering - Phase I and the College of Veterinary Medicine Research Building. They heard a report on the Centennial Campus, including updates on the Hotel-Conference Center, North Shore Residential project, Main Campus Drive Extension and the Visitor Information Booth, along with an informational report on the Status of Bond Projects and other projects in planning and construction.

Development Committee - Chair Edward E. Hood, Jr.

Chair Hood reported to the Board that the Committee approved a change to Board of Trustees Policy 1.08 to delete from the Development Committee Responsibilities the task of providing nominations for vacancies to the Board of Trustees of the Endowment Fund. Mr. Hood made the motion, seconded by Ms. Gordon, to approve the change; the motion carried.

The Committee heard Informational Reports on the final fund-raising report for FY 2001 and fund-raising goals for FY 2002. Vice Chancellor Terry Wood said that they reached a record of \$99,952,000 for 2001, exceeding the goal by 15%. Associate Vice Chancellor David Anderson

reported on Advancement's fundraising effort for 2002 with a goal of \$130.3 million, a 30% increase over FY 2001's results, with two-thirds of this increase due to fund-raising goals set by Athletics for renovations and improvements at Carter-Finley Stadium. Vice Chancellor Wood noted that these goals had been set before the events of September 11, 2001.

Associate Vice Chancellor Anderson also reported on the status of approved Capital Projects, which total almost \$115 million, and reviewed suggested changes to the Guide to Giving brochure, which will now include the Dabney Society as one level in the Lifetime Giving Societies. The Committee planned to discuss the formation of a Giving Society to honor donors of \$5 million over a lifetime.

Director of the Annual Fund Lorna Ludholz reported on the Annual Fund's history, mission and plans, including a goal of \$1.65 million for FY 2002.

Finance and Planning Committee - Chair Richard Vaughn

Chair Vaughn reported that at the Committee's September 20 meeting the members heard a report from University Treasurer Kathy Hart on the issuance of a special obligation bond through a joint program with the University of North Carolina at Chapel Hill (Appendix B). The Committee approved the resolution regarding the bonds, which requires Board approval. Chair Vaughn made the motion, seconded by Mr. Malone, to approve the resolution; the motion carried. Ms. Hart also provided an update on the investment performance of the NC State Investment Fund, Inc., as of June 30, 2001.

The Committee also was informed of the Notification of Intent to Plan a new undergraduate degree program in Environmental Technology in the Department of Forestry, College of Natural Resources, and heard an in-depth presentation about the NC State Trademark Licensing Program. Associate Vice Chancellor for Resource Management and Information Systems Steve Keto discussed the safeguards in place to protect the image of the university. Chancellor Fox and Vice Chancellor for Finance and Business George Worsley reported on the North Carolina budget.

Director for University Planning and Analysis Karen Helm discussed Fall 2001 enrollment data, on-campus enrollment statistics and admissions analyses for both undergraduate and graduate students.

Student and Campus Affairs Committee - Chair Vernon Malone

Chair Malone reported that Associate Vice Chancellor for Student Affairs Tim Luckadoo provided an update on the current status of Greek Court leases, including plans to renovate 3 houses next summer.

Vice Chancellor and General Counsel Mary Beth Kurz led a discussion about the effective date of student disciplinary sanctions, including the administration's recommendations that the first appellate decision-maker (the Provost for academic cases, and the Vice Chancellor for Student Affairs for disciplinary cases) impose the implementation date for a suspension or expulsion. The date would be set after review of the student's status, time necessary to hear any appeals, and any extenuating circumstances.

Director of the Office of Student Conduct Paul Cousins and Student Chief Justice Jennifer Allen gave an overview of the practices and procedures in the Office of Student Conduct, including historical data, philosophy of the staff, and recruitment, selection and training of student judicial board members.

Student Body President Darryl Willie provided highlights of the students' response to the September 11 tragedy. A total of \$13,000 has been raised; the goal is \$28,000. He reported that key goals this year are to increase the visibility and accessibility of Student Government. He noted that Student Government had already participated in orientation, the creation of Campus Connections meetings and a voter registration drive. Upcoming projects include Homecoming, Eracism Day and continuing the enhancement of two-way communication between students and members of the Board of Trustees.

Vice Chancellor for Student and Campus Affairs Thomas Stafford gave an update on Brent Road, noting that the large police presence, for the second year, greatly reduced the number of students in attendance. Only 16 citations were issued to NC State students. The campus-sponsored non-alcohol event, Crossroads, drew approximately 1,000 students.

Chair Malone reported that the Committee met in Closed Session for the approval of two sets of minutes from prior closed session committee meetings.

The Board of Trustees of the Endowment Fund - Chair Peaches G. Blank

Chair Blank reported to the Trustees that the Board approved an additional .35% Assessment Fee for FY 2001-2002 for support of the new NC State capital campaign. She informed the Board that \$736,062.45 of new gifts were accepted. The Board heard presentations on fixed income portfolios from Bank of America, First Union National Bank and Wachovia Bank and Trust, heard a report on the performance of the NC State Investment Fund, and accepted the financial report for FY 2000-2001.

Chair Blank reported that the Board had voted to re-balance the portfolio back to a 60% stock/40% fixed income allocation and approved the acceptance of 100 acres of real property bequeathed to the College of Natural Resources. The acceptance is contingent on a clean environmental site review.

Chair Blank made a motion, seconded by Mr. Hood, to change Board of Trustees Policy 02.02 in order for the Chair of the Board of Trustees, after consultation with the Chancellor, to nominate to the full Board of Trustees persons to fill vacancies on the Board of Trustees of the Endowment Fund; the motion carried.

Staff Senate Report - Chair Rosalind Thomas

Chair Thomas congratulated outgoing Staff Senate Chair Harry Nicholas for his leadership and the successful initiatives in 2000-2001. She extended the staff's appreciation for being included in the Community Gathering on September 12, and said the Staff Senate has asked all staff to give \$1 to *9-11 Relief*.

The theme of the July 11, 2001 Staff Senate retreat was *Connecting with Constituents*. The Staff Senate has set the following goals: 1) continue to work with administrators and not encourage collective bargaining; 2) enhance communication with constituents; 3) advocate for all NC State employees to have access to all university information available on the web, especially for those staff members whose primary language is not English. Chair Thomas noted the retreat's success, and said senators departed the retreat with "a strong sense of mission and purpose."

Chair Thomas reported that at the August 1, 2001 meeting, the following officers were elected: Rosalind Thomas, Chair; Carol Apperson, Chair Elect; Dan Tucker, Vice Chair; Laura Massengill, Secretary; Bill Wise, Parliamentarian; and Doug Skinner, Treasurer.

She concluded her report with the note that Chancellor Fox will address the Staff Senate on October 3, 2001.

Topics of Interest to the Board

Mr. Malone reported to the Board that Ms. Goodnight had been named *Citizen of the Year* by the Cary Chamber of Commerce.

Chancellor Fox reported that Lt. Eric A. Cranford, NC State class of 1992, is among those confirmed dead following the September 11 terrorist attack on the Pentagon. John Cerqueira, NC State Class of 2001, is being called a hero after he and a co-worker carried a disabled woman down 68 flights to safety at the World Trade Center. Another NC State tie to this tragedy is through Dean Linda Brady, College of Humanities and Social Sciences. She is a former staff member at the Pentagon, and her former office was destroyed. She has not yet heard whether any of her former colleagues were among the dead.

Chair Blank reminded Trustees to review the important dates and information provided in the notebook, and encouraged Trustees to provide feedback about the meetings.

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