Board of Trustees  
North Carolina State University  
Raleigh, NC  
April 22, 2011

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 22, 2011. Chair Lawrence Davenport presided.

Members present: Lawrence Davenport, Chair  
Jack L. Cozort  
Benjamin P. Jenkins III  
Bob Jordan  
Gayle S. Lanier  
Barbara H. Mulkey  
James W. Owens  
Randall C. Ramsey  
John P. Sall  
E. Norris Tolson  
Steve F. Warren  
Cassius S. Williams  
Kelly Hook, ex officio

Chair Davenport called the meeting to order at 9:10 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. There being none, the Chair 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. Tolson made the motion, seconded by Mr. Warren, to approve the open session minutes of the February 18, 2011 meeting of the full board. The motion carried. Mr. Ramsey made the motion, seconded by Mr. Owens, to approve the closed session minutes of the February 18, 2011 meeting of the full board. The motion carried. Mr. Williams made the motion, seconded by Mr. Cozort, to approve the open session minutes of the April 1, 2011 meeting of the full board. The motion carried.

CHAIR’S REPORT-LAWRENCE DAVENPORT  
Chair Davenport 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. Since Emily Peck’s term on the Endowment Board has expired, Chair Davenport nominated Derick Close to fill that three-year term ending June 30, 2014. He
also recommended that Richard Bryant be reappointed to a three-year term ending June 30, 2014. Mr. Warren made the motion, seconded by Mr. Jordan, to approve the appointments of Derick Close and Richard Bryant to the Endowment Board. The motion carried.

Chair Davenport recommended that for efficiency and clarification, the following changes be made to the Board of Trustees of the Endowment Board Policies, POL01.10.1:

- Repeal POL01.10.2 (Investment Philosophy) and POL01.10.3 (Management of the Endowment Fund) in their entirety
- Expand POL01.10.1 (Bylaws) to incorporate key aspects of the repealed policies and expand language to incorporate applicable general statutes and University of North Carolina codes and policies, recent organizational changes and previous board-approved resolutions

Chair Davenport made the motion, seconded by Mr. Tolson, to repeal POL01.10.2 and POL01.10.3 and to approve the described changes to POL01.10.1. The motion carried.

Chair Davenport reported that the Board of Trustees has reduced its standing committees from six to five (including the Executive Committee) for purposes of efficiency and effectiveness. The bylaws have been revised to reflect this change and provide updated names and charges to the five committees.

- Additional revisions to the bylaws include incorporating language from POL01.50.10 “Guidelines for Committee Assignments, Scheduling of Board and Committee Meetings and the Nominating Committee,” which will enable the board to repeal that policy.
- In addition, the board has created an Appendix 1 to the bylaws which now contains each committee’s charge, as well as the guidelines for the Nominating Committee and delegations of authority to the Chancellor and the Vice Chancellor for Finance and Business.
- Appendix 1 allows for the repeal of nine policies dealing with delegations of authority: POL01.50.2, POL01.05.3, POL01.05.4, POL01.05.5, POL01.05.7, POL01.50.9, POL01.50.10, POL01.20.1 and POL01.20.2.
- The board has added the measure of voting by written ballot between regular board meetings.

Chair Davenport made the motion, seconded by Mr. Williams, to repeal POL01.50.2, POL01.50.3, POL01.05.4, POL01.05.5, POL01.05.7, POL01.05.9, POL01.50.10, POL01.20.1 and POL01.20.2 and to approve the described changes to POL01.05.1. The motion carried.

Chair Davenport reported that Spring Commencement will be held on Saturday, May 14. Jim Rogers, Chairman of the Board and CEO of Duke Energy, will be the Commencement speaker. The summer Board of Trustees meeting will be held on July 13. Trustees are encouraged to
attend both events. He closed his remarks by thanking Chair of the Faculty Margery Overton and Staff Senate Chair Randy Colby for their excellent leadership during their terms as chair.

**CHANCELLOR’S REPORT-W. RANDOLPH WOODSON**
Chancellor Woodson began by highlighting spring activities on campus. Trustees have recently seen and approved the strategic plan. This plan was built with broad input from the campus with more than 140 people serving on nine task forces. We are creating implementation teams to move the plan forward. He stated that the strategic plan has already helped to shape our decision-making and will continue to do so.

Chancellor Woodson stated that we will prepare for the results of budget negotiations at the General Assembly. He has visited with legislators to remind them that higher education has helped to drive North Carolina’s economic success and quality of life. We have taken budget cuts in 16 of the last 20 years, and reduction year after year will produce diminishing returns, especially with the possibility of a double-digit cut this year.

Chancellor Woodson mentioned some high points of his first year as chancellor. He stated that NC State continues to be a national best value in higher education, and we continue to build international partnerships, welcoming French business school SKEMA to Centennial Campus. We have two recent Goldwater and Udall scholarship winners, and several of our faculty members have received significant awards this year. We have filled key administrative positions. We will soon dedicate the Randall B. Terry Veterinary Hospital made possible by one of our largest gifts, and we celebrated our largest gift ever, made by Lonnie and Carol Lynn Poole.

**COMMITTEE REPORTS**

**Academic Affairs and Personnel Committee-Chair E. Norris Tolson**
Mr. Tolson reported that the committee received a report on the list of recognized entities awarding full scholarships to undergraduates and the number of students receiving full scholarships from each entity. Effective July 1, 2010, the General Assembly rescinded the ability to include athletes as eligible for this benefit. This process is governed by REG 02.70.3, “Residency for Full Scholarship Undergraduate Students,” which requires an annual update to the Board of Trustees.

The committee also received a report on the special consideration process of undergraduate admissions and the performance of students previously admitted through that process. This process is governed by REG 02.10.4, “Identification and Performance Monitoring of Selected Students Requiring Special Consideration for Admissions,” which also requires an annual update to the Board of Trustees.

Mr. Tolson stated that the 2011-12 Salary Ranges for Senior Academic and Administrative Officers were approved by the committee. These ranges were unchanged from the 2010-11 year. The committee approved the Department of Athletics Championship and Post-Season
Compensation Guidelines with one modification made to the women’s basketball guidelines. These guidelines will go into effect at the beginning of the 2011-12 academic year.

Mr. Tolson said the committee recommended approval of revisions to Policy 01.30.2: Honorary Degrees. These revisions were initiated by the AAPC working group on honorary degrees and by the faculty committee on honorary degrees in order to clarify the basis for awarding these degrees. The revisions also remove procedural information from the policy allowing this more detailed information to be posted to the honorary degree website. Mr. Tolson made the motion, seconded by Mr. Williams, to approve the revisions to Policy 01.30.2: Honorary Degrees. The motion carried.

The committee also recommended approval of the Master of Science in Electric Power Systems Engineering new degree proposal. In July 2010, the Department of Energy awarded NC State a three-year grant to facilitate the development and delivery of this program. Mr. Tolson made the motion, seconded by Mr. Cozort, to approve this new degree program. The motion carried.

Mr. Tolson stated that the committee heard a report from the chair of the faculty that included an update on the faculty and EPA non-faculty grievance and hearing activity. Chancellor Woodson reported that James E. Rogers, chairman, president and CEO of Duke Energy, will deliver the May 2011 Commencement address.

The committee was notified of two degree program discontinuations and of a new graduate certificate in mathematics. The committee also received an update on the Early College High School Memorandum of Agreement between the Wake County Public School System and NC State. Once finalized by both parties, the MOA will be presented to the Board of Trustees for approval. The committee was informed that a nomination committee has been charged to search for the next dean of the College of Veterinary Medicine; this search will be national and international in scope. The provost reported that NC State does not have any reported employees out of compliance with the UNC policy on anti-nepotism.

Mr. Tolson reported that in closed session, the committee approved the conferral of tenure for three new hires. In addition, the committee conferred tenure to four untenured associate professors and 41 assistant professors. They approved seven non-salary compensation requests for temporary housing and the employment agreement for the men’s head basketball coach. The committee recommended for approval by the Board of Governors five salary increases paid from non-state funds that are greater than 15% and $10,000 above each employee’s previous June 30th salary. The committee endorsed two petitions to participate in political activity and two honorary degree nominations that will be considered by the full board in closed session at the conclusion of this meeting.
Audit, Finance and Planning Committee-Steve F. Warren
Mr. Warren reported that the committee reviewed the quarterly update on internal audit activity and reviewed the fiscal year 2012 plan for the Office of Internal Audit for approval. The committee unanimously approved the plan as presented. Provost Arden and Chair of the Faculty Margery Overton presented the strategic plan and revised mission statement to the committee for endorsement. The committee endorsed both the strategic plan and mission statement. Mr. Warren made the motion, seconded by Mr. Jordan, to approve the strategic plan and mission statement as presented; the motion carried.

Mr. Warren said that Provost Arden and Vice Chancellor Leffler discussed the strategic realignment plan. The timeline for action items will vary, and NC State will emerge from this as an even stronger and more vital university. They also updated the committee on the status of the budget and possible reduction scenarios.

The committee received information on the Early College High School Program and a new Master of Science degree in Electric Power Systems Engineering. They also heard a report on the University Sustainability Strategic Plan that included the climate change plan and energy management planning initiatives.

Buildings and Property Committee-Chair Randall C. Ramsey
Mr. Ramsey reported that the committee reviewed and approved 11 property matters, and eight of them require full board approval. The eight property matters are:

- Delegation of authority to reflect newly authorized delegation from the UNC Board of Governors for acquisitions by lease and to propose new approval thresholds for acquisitions by lease that are 10 years or less. Action is contingent upon UNC-GA formal approval of application for delegation.
- Disposition by lease of house at 1402 Varsity Drive to Alpha Tau Omega Fraternity for an initial annual rent to be determined for a term of three years and one one-year renewal
- Disposition by lease of house at 2511 West Fraternity Court to Delta Delta Delta Fraternity for an initial rent to be determined for three years and two one-year renewals
- Disposition by lease of house at 2613 West Fraternity Court to Alpha Sigma Phi Fraternity for an initial rent to be determined for three years
- Disposition by lease of house at 2709-A West Fraternity Court to Kappa Delta Sorority for an initial rent to be determined for one year with two one-year renewals
- Disposition by lease of house at 2419 W. Fraternity Court to Beta Tau Chapter of Sigma Nu Fraternity for an initial rent of approximately $126,000 for one year with one one-year renewal
- Disposition by lease of house at 2401 W. Fraternity Court to Tau Chapter of Pi Kappa Phi for an initial rent of approximately $104,530 for one year with one one-year renewal
Disposition by lease of approximately 22,000 square feet in Partners I to Talecris Biotherapeutics for a term of five years with one five-year renewal at a rate of approximately $25.66 per rentable square foot.

Mr. Ramsey made the motion, seconded by Ms. Lanier, to approve these eight property matters. The motion carried. Mr. Ramsey stated that the committee approved three property matters that require committee approval only, 10 designer selections and accepted 10 completed projects with a total value of $3.2 million.

Mr. Ramsey stated that the committee approved the proposed revision to Policy 7.60.1 Parking and Transportation Ordinances 2011-2012 that requires full board approval. Mr. Ramsey made the motion, seconded by Ms. Mulkey, to approve the proposed revision to Policy 7.60.1. The motion carried.

Mr. Ramsey reported that the committee approved site plans and reviewed design plans for the Centennial Campus student housing, Talley Student Center renovation and the Carol Johnson Pool Clubhouse. They approved plans and specifications for nine formal projects that cost less than $2 million each. They received updates on the status of capital projects and the status of projects in planning. They received the annual update of the physical master plan that highlighted the Talley addition and renovation, Centennial Campus student housing and master plans for Cates Avenue, recreational sports, and bikes and pedestrians.

**Development Committee-Chair Gayle S. Lanier**

Ms. Lanier said that the committee received an update on capital projects and a progress report on fund raising through the third quarter of fiscal year 2011. Gifts and new pledge activity are up 12% year-to-date. NC State is well-positioned to exceed its goal of raising $102 million in gifts and new pledges this year.

Ms. Lanier said the committee reviewed, discussed and approved new recommended endowment minimums for the university. The biggest change is increasing the minimum endowment from $15,000 to $25,000. Individual units can decide to accept $15,000 endowments until July 1, 2013, the proposed beginning of the next campaign, when that option will no longer be available. The committee also discussed procedures for accepting and counting conservation easements as gifts received by the university. The topic will be revisited at a fall committee meeting.

Ms. Lanier reported that the committee reviewed and approved changes to Policy 03.00.1: Coordination of Fundraising Activities and Acceptance of Private Donations and repealed Policy 03.00.3: University Acceptance of Private Donations, as it was combined with Policy 03.00.1. This revised policy combines two policies that are related and removes unnecessary bureaucracy. Ms. Lanier made the motion, seconded by Mr. Warren, to approve changes to Policy 03.00.1 and the repeal of Policy 03.00.3. The motion carried.
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Ms. Lanier stated that the committee also reviewed and approved changes to Policy 03.00.2: Criteria and Procedures for Naming Facilities and Programs. This revised policy sets new financial thresholds for naming facilities and creates policy and procedures for changing and/or removing names from buildings and programs. Ms. Lanier made the motion, seconded by Ms. Mulkey, to approve the changes to Policy 03.00.2. The motion carried.

Ms. Lanier said that in closed session, the committee reviewed and approved one proposal to name a specific university facility. This proposal will be considered in closed session following the meeting.

**Student and Campus Affairs Committee-Chair Barbara H. Mulkey**
Ms. Mulkey reported that the committee welcomed newly-elected Student Body President Chandler Thompson and Student Senate President Ethan Harrelson. The committee received a report on staff senate activities including participation in the “Have a Heart Campaign.” The campaign involved staff from all UNC system schools collecting canned goods for the food bank. Chancellor Woodson and Provost Arden met with the staff senate to review the strategic plan and get feedback from senators.

Ms. Mulkey said that the committee was updated on student life activities that included information on the 2011 Agromeck, a video supporting the GLBT community, fundraising by students on behalf of Japan Disaster Relief and volunteer efforts to support the recent NC storm victims, as well as the upcoming Commencement and ROTC Commissioning on May 14. The committee heard one student appeal in closed session.

**Nominating Committee-Chair James W. Owens**
Mr. Owens reported that the Nominating Committee reviewed the board’s Nominating Committee guidelines as outlined by the bylaws. Mr. Cozort made the motion, seconded by Mr. Sall, to nominate the following slate of officers for 2011-2012 that will be voted on at the July meeting of the Board of Trustees:

- Barbara Mulkey, Chair
- Norris Tolson, First Vice Chair
- Ben Jenkins, Second Vice Chair
- Gayle Lanier, Secretary
- P.J. Teal, Assistant Secretary

Mr. Owens said that Ms Lanier recused herself from voting for the position of secretary, after which the committee otherwise voted unanimously in favor of the motion.

**Chair of the Board of Visitors Report-Chair Jimmy Clark**
Mr. Clark reported on the March 25, 2011 meeting of the Board of Visitors held at the Park Alumni Center. Senator David Rouzer was the lunch speaker and gave a legislative update.
to the board. Mr. Clark stated that Chancellor Woodson gave an update on the budget and strategic realignment. Provost Warwick Arden and Chair of the Faculty Margery Overton solicited feedback on the strategic plan and shared next steps with the board. Mr. Clark stated that Dr. Terri Lomax gave an overview of facilities and administrative (F&A) costs and their impact on NC State and North Carolina. The next meeting of the Board of Visitors will be held in October.

**Student Government Report-Student Body President Kelly Hook**

Ms. Hook presented the Student Government 2010-2011 year in review. Project highlights included the Professor Lecture Series, the College Cup and Wolfpack student discounts. Ms. Hook discussed communication strategies including collaboration with the deans regarding budget issues and academic advising issues. Other communication strategies involve social media, e-mail, campus forums and use of the brickyard. Additional completed projects involve the areas of Athletics, Transportation, campus traditions, community service and appropriations. Ms. Hook concluded her remarks by thanking the Board of Trustees and administration for their support this past year.

**Presentation of Walter Hines Page Award**

Chancellor Woodson and Chair Davenport presented the Order of Walter Hines Page certificates to the four Trustees who are going off the board: Bob Jordan, Steve Warren, Cassius Williams and Kelly Hook. Chair Davenport discussed the legacy of Walter Hines Page and explained that these awards are presented only to former Trustees in appreciation of their dedicated service to NC State University.

**Student Body President Oath of Office**

Trustee Jack Cozort, former NC Court of Appeals judge, administered the oath of office to Chandler Thompson. Ms. Thompson is a rising senior from High Point majoring in economics and political science. Ms. Thompson said she is looking forward to serving as Student Body President and as a member of the Board of Trustees.

With no further business in open session, Chair Davenport called for a motion at 10:30 a.m. to go into closed session to prevent the premature disclosure of an honorary award 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 143-318.11 (a)(2)(6). Mr. Tolson made the motion, seconded by Mr. Jordan. The motion carried.

The Board of Trustees returned to open session at 11:25 a.m. Mr. Tolson called for a motion to approve the two requests for political activity that were discussed in closed session. Ms. Lanier made the motion, seconded by Mr. Williams. The motion carried.
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With no further business, Chair Davenport adjourned the meeting at 11:30 a.m.

Respectfully submitted,

[Signatures]
Assistant Secretary
Secretary

Approved:

[Signature]
Chair of the Board