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, September 16, 2011. Chair Barbara Mulkey presided.

Members present: Barbara H. Mulkey, Chair
                Jack L. Cozort
                Lawrence Davenport
                Benjamin P. Jenkins III
                Gayle S. Lanier
                Robert L. Mattocks II
                James W. Owens
                Randall C. Ramsey
                Susan P. Ward
                Chandler Thompson, ex officio

Chair Mulkey called the meeting to order at 9:20 a.m. The chair reminded all members of their duty to avoid conflicts of interest and appearance 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 conflicts with respect to any matters coming before the board at this meeting. There being none, Chair Mulkey called upon Assistant Secretary PJ Teal for roll call.

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

MINUTES
Chair Mulkey called for a motion to approve the open and closed session minutes of the June 23, 2011 meeting of the Executive Committee. Mr. Jenkins made the motion, seconded by Mr. Ramsey, to approve the minutes. The motion carried. Mr. Cozort made the motion, seconded by Mr. Ramsey, to approve the open and closed session minutes from the June 13, 2011 meeting of the full board. The motion carried.

CHAIR’S REPORT-BARBARA H. MULKEY
Chair Mulkey began her report by thanking past chair Lawrence Davenport for all of his work done on behalf of the Board of Trustees. She introduced Bob Mattocks as the newest member of the board. He served two terms on the board from 2001-2009. Jack Cozort administered the oath of office to Mr. Mattocks.

Chair Mulkey welcomed everyone to the new academic year. We will celebrate NC State’s 125th anniversary during this year, and she stated that the planning committee is being co-chaired by Vice Chancellor Nevin Kessler and Dean Dan Solomon.
Chair Mulkey thanked everyone for participating in the Talley Student Center groundbreaking. This facility, along with the Hunt Library, will be transformational for the campus and for our students.

She reported that the Endowment Fund Board of Trustees met on Thursday, September 15 and accepted gifts of $1,888,616 received since their last meeting. They also accepted the 2011 Endowment Fund annual report. The Endowment Fund Board of Trustees also received an investment performance report for the fiscal year ending June 30, 2011. The NC State Investment Fund, Inc. returned 14.95% for the 12 months then ended. Preliminary endowment value for all NC State entities is anticipated to be approximately $617 million as of June 30, 2011 compared to $503 million for the prior year. The Endowment Fund holds $284 million of this total. The board also heard reports on NC State endowment fund-raising activities and results ($32.8 million received in FY 2011), underwater endowments (less than 14% of all university endowments remain underwater as of June 30), the Hofmann Forest, Hillsborough Street corridor and Centennial Campus. The board went into executive session regarding a litigation matter.

Chair Mulkey reported that the Atlantic Coast Conference annually requires its member institutions’ boards of trustees to certify that authority for the administration of intercollegiate athletics has been delegated to the chancellor. Mr. Owens made the motion, seconded by Mr. Mattocks, to approve the ACC Governing Board Certification for 2011-2012. The motion carried.

Chair Mulkey stated that the schedule for the November Board of Trustees meeting would be altered slightly because the NC State and UNC-Chapel Hill Boards of Trustees will participate in a public forum, “Preparing for a Globally Competitive Future: North Carolina, the South, and the Nation.” The forum will be held on Thursday, November 17 at 3:00 p.m. and will end with a reception that evening. On Wednesday, November 16, the Woodsons will host “The Point” dedication and donor recognition event.

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

Chancellor Woodson began his report by mentioning an article about the Research Triangle in the recent issue of Sky Magazine in which NC State was prominently featured. He reported on the visit to campus this week by President Obama. We were proud to host this visit promoting his jobs bill given our strong tradition of economic development as part of our core mission.

Summer was very busy on campus. Chancellor Woodson reported on several campus construction projects that are ongoing. Over the summer, we made great strides in our strategic planning process that was endorsed by the Board of Trustees in the spring. While the budget is not good news, it is good that we have a strategic plan in place to maintain our momentum. He discussed our 15 percent budget cut which translates to about $79.3 million. This equates to the loss of funding for 753 administrative staff and faculty positions and reduced capacity in terms of services, course sections and class seats. Many of the eliminated positions were unfilled. Despite our efforts to hold down the number of lost seats and sections and the loss of filled positions, it will likely be more difficult for students to get the courses they want in the sequence they want.
Chancellor Woodson said that NC State received 19,726 freshman applications and welcomed a class of 4,550 and 1,000 transfer students. The incoming class has a weighted high school grade point average of 4.28. Forty-four percent of the freshmen class were in the top 10 percent of their high school class, and 73 percent were in the top 20 percent. The class hails from 98 counties, 44 states and 45 countries.

Our student athletes continue to excel as 213 were named to the ACC Honor Roll, the most NC State has had in the 55-year history of this honor. Students must participate in a varsity-level sport and register a GPA of 3.0 or higher to qualify.

Chancellor Woodson reported that a national survey on student engagement shows that NC State students are more engaged with our faculty than other schools in our peer group. More impressively, by the time they are seniors, 71 percent of our graduates have participated in community service or volunteer work.

Chancellor Woodson said that NC State was recognized in Forbes as the 10th best college to work for in the U.S. These rankings were compiled by Glassdoor.com and are based on opinions of employees, who gave NC State a rating of 3.9 on a 5.0 scale. NC State came in 3rd best value among public national universities in US News & World Report. Our overall ranking among all national universities was 101st, up from 111th last year. These examples demonstrate our determination to continue enhancing and improving the way we do business.

COMMITTEE REPORTS

Audit, Finance and Planning Committee-Chair Jim Owens
Mr. Owens stated that a resolution was presented to authorize NC State University to request the UNC Board of Governors to issue one or more series of bonds to be known as North Carolina State University General Revenue Bonds. The proceeds will be applied to the renovation, expansion and improvement of the Lee and Sullivan Residence Halls and the construction, acquisition and equipping of the Centennial Campus Housing Complex collectively, the “Special Obligation Projects.” Mr. Owens made the motion, seconded by Ms. Ward, to approve the resolution. The motion carried.

Mr. Owens said that Provost Arden and Vice Chancellor Leffler updated the committee on the net impacts of $347 million fiscal 2012 legislative budget cuts on the UNC system and, specifically, $79 million for NC State. The committee received a progress report of activities supporting the Strategic Plan implementation. A unified implementation plan will be presented to Trustees in November. A report about realignment initiatives outlined on-going efforts about administrative consolidation, academic programs and business services.

Mr. Owens reported that Director of Athletics Yow presented an overview of the Department of Athletics financial resources, expenditures and debt obligations. She also provided information about Wolfpack Club support, comparisons to other ACC programs and challenges for the future. The committee also received the 2011 Internal Audit annual report and an informational report on Internal Audit activities. It was also reported that enrollment targets are anticipated to be met, and long-term goals regarding growth, diversity and quality are being achieved.
Buildings and Property Committee-Chair Jack Cozort

Mr. Cozort reported that the committee reviewed and approved five property matters; three of the property matters require full board approval. The three matters are:

- Delegation of approval authority to the Vice Chancellor for Finance and Business that would allow further delegation in certain circumstances to harvest and sell timber directly without the involvement of the State Surplus Property Agency consistent with NC General Statute Chapter 143-64.06 enacted July 1, 2011 delegating such authority to the NC State University Board of Trustees.

- Acquisition by reallocation for the mutual benefit of NC State University and the NC Department of Agriculture and Consumer Services to include acquisition of approximately 358 acres of land adjoining NC State’s Lake Wheeler Road Field Lab, and approximately 9 acres along the north side of Trinity Road and adjoining NC State’s Carter-Finley Stadium complex. The action also includes disposition by reallocation of approximately 64 acres of NC State lands at the southwesterly corner of Reedy Creek Road and Edwards Mill Road to the NC Department of Agriculture and Consumer Services. NC State will retain access to and use of the 64-acre tract for a term to be determined.

- Acquisition by lease of approximately 6,000 square feet of expansion space for the Institute for Advanced Analytics in immediate proximity to their current location in Venture II at a rate and in a location to be determined for a term of up to eight years.

Mr. Cozort made the motion, seconded by Mr. Ramsey, to approve these three property matters. The motion carried.

Mr. Cozort stated that the committee approved the following property matters that require committee approval only:

- Disposition by lease of approximately 611.7 acres and improvements of the Williamsdale Farm in Duplin County to the Biofuels Center of North Carolina, Inc. for a term of up to five years. The tenant would fund and operate the farm and provide research opportunities and conference facilities for the College of Agriculture & Life Sciences as consideration for the lease.

- Disposition by lease of approximately 1,100 square feet of space in Suite 1100, Partners I to SunGard Public Sector Inc. for a term of two years with one one-year renewal

The committee approved 10 designer, commissioning agent, developer and construction manager-at-risk selections and 10 designer selections for projects less than $500,000. The committee accepted 26 completed projects with a total value of $122.1 million to include acceptance of the Terry Center for $50.8 million, Student Health Center addition and renovation for $13.9 million and the Atrium Food Court renovation for $4.6 million.
Mr. Cozort reported that the committee approved a recommended change in criteria for selection of designers open-ended design service agreement to be consistent with General Assembly of North Carolina Session Law. The committee approved the design plans for Centennial Campus student housing and The Greens at Centennial Campus. They approved the plans and specifications for four formal projects that cost less than $2 million each. They received reports on Centennial Campus development, Hillsborough Street development, the status of capital projects and the status of projects in planning.

**University Advancement Committee-Chair Ben Jenkins**

Mr. Jenkins stated that the committee reviewed its delegated authorities and work plan for the coming year. The committee was updated on capital projects and summarized the 2010-11 fiscal year fund raising results. Gifts and new commitments totaled $106.8 million, with $41.4 million designated for endowment—a 19% increase over the previous fiscal year. Gift receipts were up 22% over the previous fiscal year—to $94.8 million with $32.8 million in support of endowment.

Mr. Jenkins reported that the Advancement leadership team discussed University Advancement’s goals for fiscal year 2011-12. Most of the goals focused on preparation to launch the next campaign. In closed session, the committee reviewed and approved one proposal to name a specific university facility. This proposal will be discussed in closed session following this meeting.

**University Affairs Committee-Lawrence Davenport**

Mr. Davenport stated that the Provost reviewed the committee’s responsibilities as outlined in the Board of Trustees Bylaws. The committee is responsible for EPA personnel issues; employee appeals; academic programs; policy development; and honors, awards and distinctions. The committee received information from the annual report to the Board of Governors on Intercolligate Athletics. This report is required by UNC Policy 1100.1. Three of our programs have been recognized publicly by the NCAA for their academic progress rates: men’s basketball, mixed rifle and men’s cross country.

Mr. Davenport reported that NC State has undertaken a systematic review of university policies, regulations and rules and has identified some areas where policies can be consolidated, repealed or changed to regulations. There are four action requests that are an outcome of this review:

- The committee recommended approval of revisions to Policy 05.20.02: Emeritus/Emerita Status for Faculty and Senior Administrative Officers. The revision is being proposed to combine two related policies and to move procedures to standard operating procedures. Mr. Davenport made the motion, seconded by Mr. Jenkins, to approve the revisions to Policy 05.20.02; the motion carried.
- The committee recommended for approval the repeal of Policy 05.15.2: Emeritus/Emerita Status for Senior Academic Administrative Officers. The information from this policy has been combined with revised Policy 05.20.02. Mr. Davenport made the motion, seconded by Ms. Ward, to repeal Policy 05.15.2; the motion carried.
• The committee recommended approval of revision to Policy 01.30.1: Holladay Medal for Excellence. The procedure for submitting Holladay nominations is on a website maintained by the Office of Faculty Development. Since submission dates and other details about the submission process may change, it is easier to keep the procedures up to date and simpler for nominators to find complete information on submissions if they are maintained on a webpage rather than in a regulation. As part of this revision, Regulation 01.30.1: Holladay Medal for Excellence Procedure for Nominating Recipients, has been repealed. Mr. Davenport made the motion, seconded by Mr. Ramsey, to approve the revisions to Policy 01.30.1: Holladay Medal for Excellence. The motion carried.

• The committee recommended repeal of Policy 11.00.2: Student Radio Station. Oversight for WKNC 88.1 FM radio station is under the responsibility of Student Media Advising within the Division of Student Affairs. The intent is to replace this policy with a regulation that will address the operational responsibilities of the station with regard to the station’s FCC license. Mr. Davenport made the motion, seconded by Mr. Ramsey, to approve the repeal of Policy 11.00.2: Student Radio Station.

Mr. Davenport reported that Dr. Rajendra Pachauri, Director-General of the Energy and Resources Institute, will deliver the December 2011 graduation address. He is an NC State alumnus who shares the 2007 Nobel Prize with Al Gore and other climate-change scientists. The committee heard a report on Student Government activities including the new Respect the Pack event held during Wolfpack Welcome Week. The Provost updated the committee on new undergraduate university certificates in Computer Programming and Fundamentals of Entomology and on salary adjustments that have been approved by the UNC Board of Governors under the 2011 Appropriations Act.

Mr. Davenport stated that in closed session, the committee approved the conferral of tenure for a new faculty hire in the College of Physical and Mathematical Sciences. The committee also approved the employment agreement for the head men’s and women’s swimming and diving coach. They recommended for approval by the Board of Governors four salary increases that are greater than 15% and $10,000 from each employee’s previous June 30th salary. The committee also recommended two honorary degree nominations which will be considered by the full board in closed session at the conclusion of this meeting.

Faculty Senate Report- Chair Hans D. Kellner
Dr. Kellner reported that the past chairs of the faculty were invited to attend the first meeting of the Faculty Senate. The Senate is beginning an Organization of Former Faculty Senators (OFFS); this is a voluntary group with no meetings, bylaws or officers.

Dr. Kellner stated that an important part of this year’s agenda will be forging connections with other groups on campus and throughout the system. He attended a meeting of the Staff Senate and plans to attend a Student Senate meeting. He is also hoping to revive the connection between the executive committees of UNC-Chapel Hill’s Faculty Senate and ours. Trustee chair Mulkey will attend the November 29 meeting of the Faculty Senate, and he extended a standing invitation to Trustees to attend any Faculty Senate meeting. The first meetings will welcome the new Army ROTC commander and the new head men’s basketball coach. The chair of the Council on Athletics will also attend and speak at a meeting.
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Dr. Kellner said that the fall general faculty meeting will be held on October 4. The tentative theme is “Change at NC State,” and agenda items will include the implementation of the strategic plan, strategic realignment and business reorganization, as well as the Academic Science Program Task Force.

Dr. Kellner closed by thanking past chair of the Faculty Margery Overton for her service to the university. Dr. Overton received an NC State chair from the Alumni Association at the last Faculty Senate meeting last spring.

**Staff Senate Report-Chair David DeFoor**

Mr. DeFoor reported that the July Staff Senate retreat was a success and featured presentations from NC State administrators. Part of the retreat was the first-ever orientation for new members of the Staff Senate. One of the goals of the Staff Senate is enhancing its ability to communicate with the staff and to serve as a conduit of information from the staff to the administration.

Mr. DeFoor stated that one of the most pressing staff concerns is strategic restructuring as it relates to business operations. Staff Senators have been part of the Strategic Planning process from the beginning, and now that goals are beginning to be implemented, the Staff Senate is eager to continue to help set the future course of the university.

At 10:40 a.m., with no further business in open session, Mr. Jenkins made the motion, seconded by Mr. Davenport, to go into closed session according to North Carolina General Statute, sections 143-318.11 (a) (1) (2) (3) (4) (6) to prevent the disclosure of information not considered a public record; to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee; to consult with an attorney to preserve the attorney-client privilege; to discuss matters relating to the expansion of industries in the area served by 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. The motion carried.

At 11:15 a.m., the board came out of closed session. With no further business to conduct, Chair Mulkey adjourned the meeting at 11:20 a.m.

Respectfully submitted,

[Signatures]

**Assistant Secretary**

**Secretary**

Approved:

[Signature]

Chair of the Board