

Board of Trustees
North Carolina State University
Raleigh, North Carolina
April 20, 2018

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, in Raleigh, NC, on Friday, April 20, 2018.

Members present:

Jimmy D. Clark, Chair
Robert F. Andrews, III
Thomas E. Cabaniss
Ann B. Goodnight
Stanhope A. Kelly
Wendell H. Murphy
David R. Nimocks, III
Ronald W. Prestage, DVM
Susan P. Ward
Edward I. Weisiger, Jr.
Jacqueline Gonzalez, *ex officio*

Chair Jimmy Clark called the meeting to order at 9:25 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 Clark 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

Mrs. Ward made the motion, seconded by Mrs. Goodnight, to approve the open and closed session minutes of the February 16, 2018 meeting of the full board. The motion passed.

CHAIR'S REPORT- JIMMY CLARK

Chair Clark reported that Jess Errico is the new Student Body President. Jess is starting her fifth year in Aerospace and Mechanical Engineering. This past year she was Student Body Chief Justice. She also served four years on the Student Conduct Board.

Chair Clark reported that the Endowment Board by-laws state six members are appointed by our Board of Trustees for a 3-year term, with two members appointed each year. Larry Barbour and Gayle Lanier will complete their first terms on the Board on June 30 of this year and they are eligible for reappointment. He is recommending that they both be reappointed for another 3-year term ending June 30, 2021.

Dr. Prestage made the motion, seconded by Mrs. Ward, to approve the reappointments of Larry Barbour and Gayle Lanier for a second 3-year term to the Endowment Board. The motion passed.

CHANCELLOR'S REPORT – RANDY WOODSON

Chancellor Woodson shared the following campus updates:

- He welcomed Sheri Schwab, Interim Vice Provost for Institutional Equity and Diversity. She has been with NC State since 1997, most recently with Cooperative Extension.
- NC State was 1 of only 14 universities in top 100 of Forbes' list of Best Employers for Diversity in America, and only university in NC (#100 of 250)
- Five Faculty members have received Faculty Early Career Development Awards from National Science Foundation (NSF) - 1 of the highest awards the foundation bestows upon young faculty in the sciences.
- NC State has been recognized as a "Fulbright Top Producing Institution" for 2017-18 with 8 Fulbright Scholars number four in the U.S.

- NC State mathematician, Tye Lidman, will receive the 2018 Sloan Research Fellowship. Lidman is the 4th faculty member in university's history to receive this honor.

Chancellor Woodson gave an Admissions update:

- Of 26,640 applicants, NC State admitted 46% and expects to enroll 4,490 freshman
- Average SAT: 1344
- ACT: 29
- Weighted GPA: 4.57
- Average rank: Top 11%
- Represent 55 countries all 50 states, all 100 NC counties. 53% are women
- Enrollment of 1,300 transfer students expected this fall
- There were 1,169 applicants Spring Connection and the average SAT was 1139

Chancellor Woodson reported that Junior Madison Maloney was named a Goldwater Scholar and provided her background:

- 1 of 200 students selected from 1280 across US; \$7500 scholarship
- Aerospace Engineering major; Park Scholar, University Honors program, 2017 Astronaut Scholar
- Intends to pursue PhD in Aeronautics and Astronautics and conduct research on human space exploration systems at NASA or a national lab

Chancellor Woodson reported that the UNC Board of Governors passed a resolution that undergraduate programs should be 120 credit hours maximum. The Provost's Office is reviewing programs to determine how many can be revised to 120 credit hours and identify which ones will request exemptions. He also reported that the BOG adopted 2018-19 budget and legislative priorities including \$2 million non-recurring for NC State's National Institute for Innovation in Manufacturing Biopharmaceuticals (NIIMBL).

Chancellor Woodson noted that at the July Retreat will include a presentation by the Educational Advisory Board, a higher education research organization.

COMMITTEE REPORTS

AUDIT, RISK MANAGEMENT AND FINANCE COMMITTEE – CHAIR TOM CABANISS

Mr. Cabaniss reported that the Committee was presented with the proposed Fiscal Year 2019 Audit Plan, which was unanimously approved. The Committee then heard an update on the 2017-2019 biennial budget and areas to watch especially enrollment change funding. They also heard an overview of the UNC System budget and policy priorities along with an update on third quarter financial results and position for fiscal 2018 compared with the same time last fiscal year.

Mr. Cabaniss reported that the Committee was presented an annual review of associated entities to satisfy the annual associated entity review required by the Board of Governors. All audits were sent to the UNC System Office and copies of the Audits were made available to the Committee. He noted that all entities had unqualified opinions and there were no management issues this year and that all of the entities have an operating agreement with the University. The Committee was provided information on net assets and endowments for the Associated Entities.

The Committee was provided with a debt update which reviewed a 10-year history of the University's outstanding debt, by amount, type, and purpose. Plans were also discussed for future borrowing and the impact of the recent tax changes on debt markets. Mr. Cabaniss reported on University campus security and safety and he discussed the campus police force, the security master plan, and violence prevention and threat management. He noted that the University conducts emergency response drills and has an active campus notification system.

Mr. Cabaniss reported that the Committee heard a quarterly update on Internal Audit activity since the February meeting, and then they went into closed session to hear a final report on an internal audit.

BUILDINGS AND PROPERTY COMMITTEE - CHAIR CHIP ANDREWS

Mr. Andrews reported that the Committee approved 10 designer selections and accepted three building projects with a total value of \$866,630, which included the Wolf Ridge Student Health Renovation.

Mr. Andrews reported that the Committee received proposed revisions to Policy 7.60.1, Parking and Transportation Ordinances 2018-2019, that requires full board approval.

Mr. Andrews made the motion, seconded by Mr. Murphy, to approve revisions to Policy 7.60.1 Parking and Transportation Ordinances 2018-2019. The motion passed with one dissenting vote from Ms. Gonzalez.

Mr. Andrews stated that the Committee heard an update on the Physical Master Plan, capital projects and projects in planning, and they approved the following:

- Site and plans for Kappa Alpha Theta Sorority House on South Campus
- Plans for Plant Sciences Building on Centennial Campus
- Ten plans and specifications of Formal Projects costing less than \$2 million

UNIVERSITY ADVANCEMENT AND EXTERNAL AFFAIRS COMMITTEE - CHAIR SUSAN WARD

Mrs. Ward reported that with the current fundraising levels, achieving \$1.3 billion in the Campaign is within reach by fiscal year end. The University is hosting the UNC System Advancement Symposium in mid-May with an expected attendance of 500 or more advancement professionals from across the system.

Mrs. Ward stated that the Committee received a campaign and fundraising update. This included plans to forecast fundraising potential by identifying and building robust donor pipelines for development staff, and tracking successes and focus on areas needing improvement.

She shared that the Legislature will make adjustments to the biennial budget when they convene for their short session and also reviewed UNC System legislative priorities for FY19.

Mrs. Ward reported that the Committee received an overview of NC State's annual giving program, noting how methods of solicitation for annual gifts have changed along with the demographics of our alumni. An update was provided on the pledge fulfillment process and an upcoming change to the minimum gift level required to establish an endowment.

Mrs. Ward reported that the Committee approved the proposals to move forward with their respective naming fundraising plans including Poole College's Dean's Conference Room and Career Services Center Spaces in Nelson Hall; the College of Education's Renovated Learning Spaces in Poe Hall; and a comprehensive summary of potential namings for Engineering Buildings I, II and III.

Mrs. Ward noted that the Committee met in Closed Session and approved five naming agreements. A motion will be made at the end of this meeting to go into Closed Session to consider all naming proposals.

UNIVERSITY AFFAIRS COMMITTEE – CHAIR STAN KELLY

Mr. Kelly reported that the University Affairs Committee approved the option for a Distinguished Professorship in the College of Textiles to be awarded on a time-limited basis. Also approved were conferrals of tenure to 36 faculty members reviewed during the annual campus Reappointment, Promotion and Tenure process. The Committee approved the 2016-2017 Annual Human Resources Compliance report, which is required by UNC Policy. Additionally, the Committee approved the 2018-2019 salary ranges for all Tier Two Senior Academic and Administrative Officer positions as well as

the updated Department of Athletics Football bonus structure which requires approval per Non-Salary and Deferred Compensation Policy 05.15.03.

Mr. Kelly reported that the Committee received several updates and informational reports including the list of recognized entities awarding full scholarships to undergraduates and the number of students receiving full scholarships from each entity was given. Students who receive full scholarships from these entities will be considered residents of North Carolina and will receive the resident tuition benefit per NC General Statutes. There are a total of 62 new and continuing students benefiting from this provision. Of these 62 students, 53 are Park Scholars. Secondly, the annual report on undergraduate students requiring special consideration for admission highlighted the criteria, process, and performance of students enrolled over the past five years. The purpose of the special consideration 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. Although 6-year graduation rates of students admitted through this process are lower and fluctuate more than those of the overall student population, those numbers are heavily affected by the small number of students admitted through this process. The process is continuously monitored, but no changes are planned for the immediate future.

He then shared that Mrs. Marian Wright Edelman will give the May commencement address and receive an Honorary Degree.

Mr. Kelly said the Committee heard updates from the Faculty and Staff Senates on discussion topics and current initiatives. Then he reported that in accordance with the UNC Policy on the Employment of Related Persons (Anti-Nepotism Policy), NC State did not have any reported employees out of compliance with the policy for calendar year 2017. He noted that the Committee also heard updates on recent distinguished professorship appointments.

The Committee was provided an overview of University-level entrepreneurship initiatives, including NC State Entrepreneurship, which serves as a hub for programs across campus, the Wolfpack Investor Network and the Alumni Entrepreneurs Network. He also shared recent accolades that NC State has received, such as being ranked the #19 undergraduate entrepreneurship program by The Princeton Review and *Entrepreneur* magazine.

Mr. Kelly reported that in closed session, the Committee approved two head coach employment agreements and an addendum to a head coach employment agreement and recommended a salary action for approval by the Board of Governors. The Committee also endorsed a petition regarding political activity and made recommendations for awarding of Honorary Degrees.

These recommendations will be considered by the Full Board in closed session at the conclusion of this meeting.

NOMINATING COMMITTEE – CHAIR SUSAN WARD

Mrs. Ward reported that the Nominating Committee met and recommends the following slate of officers for 2018-19:

Jimmy Clark, Chair
Tom Cabaniss, First Vice Chair
Stan Kelly, Second Vice Chair
Ann Goodnight, Secretary
P.J. Teal, Assistant Secretary

The Committee also recommended that Chip Andrews continue to serve as the fifth member of the Executive Committee. Election of officers will occur at the July Board meeting.

BOARD OF VISITORS REPORT - CHAIR CHUCK FLINK

Chair Flink reported on activities of the March 2, 2018 Board of Visitors Meeting.

He reported that in the Chancellor's update to the BOV, he commended Athletic Director Debbie Yow for the tremendous accomplishments during the past year. He stated this is the first time that NC State was ranked as high as seventh in the Director Cup standings, and first among ACC teams. Chancellor Woodson stated that the Think and Do campaign is moving along on track. The University Endowment exceeded \$1.1 billion as of December 31, 2017.

Chair Flink reported that NC State has been in a leadership position recruiting companies to the Triangle, Amazon included. He shared that as of right now, the Raleigh proposal is currently ranked in the top three considerations by Amazon.

STUDENT GOVERNMENT REPORT – JACKIE GONZALEZ

Ms. Gonzalez reported that there is steady involvement from the Student Conduct Board. Student Government organized #KnowYourCode events in an effort to educate students on the Code of Student Conduct, including academic integrity and alcohol education. Their involvement has been a very positive addition to the culture of Student Government.

She updated the Board on Student Senate and the Executive Branch:

- Over \$200,000 in appropriations were given to student organizations for programming support or start-up funding for new organizations.
- Legislation on Faculty Diversity, and Student Government Diversity Training were passed.
- Trans-Inclusive Syllabi Act was passed to promote the use of preferred names and pronouns for trans students.
- The new Graduate Student Department was successful in strengthening relations with others in Student Government as well as holding a panel for undergraduates interested in graduate school.
- The Traditions Department will be holding the inaugural Traditions Keeper Medal Ceremony to encourage the participation of traditions. When 40 traditions are completed in the Brick, students get a traditions medal for graduation.
- 2018 Elections Jamboree was held where students were able to get food, register to vote, and learn more about their district and the candidates running for the 2018 Fall Election.

Ms. Gonzalez thanked the Board of Trustees for guiding the University in the right direction.

PRESENTATION OF WALTER HINES PAGE AWARD – CHANCELLOR WOODSON

Chancellor Woodson recognized Jackie Gonzalez as a recipient of the Walter Hines Page award in appreciation of her service to the board and to the University. The Order of Walter Hines Page is an honorary order exclusively for former members of the Board of Trustees of NC State University. Trustees are named to the Order by the Chancellor upon the expiration of their terms of office and are designated as "Trustees Emeritus."

Chancellor Woodson stated that Jackie worked hard to enhance communication within the Student Government itself and with her constituents. She worked with the NC State transportation team to compile information that can be applied to future policy. In addition, Jackie made advances within the university in tackling issues including sexual assault, diversity, and educational initiatives.

With no further business in open session, Mrs. Ward made the motion, seconded by Mr. Murphy, at 10:30 a.m. to go into closed session to prevent the disclosure of an honorary award, to consult with our attorney to protect the attorney-client privilege, to establish or instruct the staff or agent concerning the negotiation of the amount of compensation or other terms of an employment contract, to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee. The motion passed.

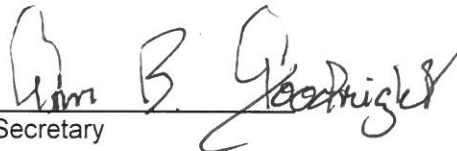
RECONVENE IN OPEN SESSION

At 11:30 a.m., the Board came out of closed session. Mrs. Goodnight made the motion, seconded by Ms. Gonzalez, to approve the political activity request considered in closed session. The motion passed.

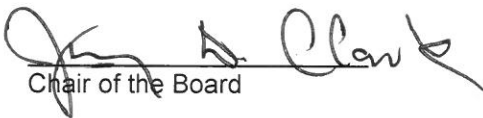
With no further business in open session, Chair Clark adjourned the meeting at 11:33 a.m.

Respectfully submitted,


Assistant Secretary


Secretary

Approved:


Chair of the Board