

Board of Trustees
North Carolina State University
Raleigh, North Carolina
November 22, 2019

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, November 22, 2019.

Members present:

Thomas E. Cabaniss, Chair
Robert F. Andrews III
Jimmy D. Clark
Ann B. Goodnight
James A. Harrell, III
Stanhope A. Kelly
Wendell H. Murphy
Ven Poole
Ronald W. Prestage, DVM
Edwin J. Stack, III
Dewayne N. Washington
Edward I. Weisiger, Jr.
Emma Carter, *ex officio*

Chair Tom Cabaniss called the meeting to order at 9:30 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. He also reminded those in attendance that while the Full Board meeting is a public meeting, it is not a meeting for public comment and only those on the agenda will be permitted to speak. He then 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. Clark made the motion, seconded by Mrs. Goodnight, to approve the open and closed session minutes of the September 13, 2019 meeting of the full board. The motion passed.

CHAIR'S REPORT- TOM CABANISS

Chair Cabaniss called upon Randy Ramsey, NC State's Board of Governors Liaison, to provide any updates. Randy Ramsey shared that the search for a new president of the University of North Carolina System is underway. Mr. Ramsey is serving as co-chair for the search with Wendy Murphy and shared that they have been traveling across the state to gather feedback and input that they will use to help guide the search. The search committee is scheduled to meet on December 4, 2019 and post an official profile for the job. The Board of Governors is also in the process of conducting searches for Chancellors at five of the UNC System's seventeen institutions.

Chair Cabaniss shared some highlights with the Full Board about his experiences as Chair since the last meeting. He attended the Board of Visitors meeting in October, where he provided an update on the activities of the Board of Trustees. He acknowledged the outstanding work that the Board of Visitors do for NC State as supporters and advocates and encouraged Trustees to connect with members of the group when possible.

Chair Cabaniss thanked the Trustees for their participation in the UNC System's workshop for Board of Trustees at all campuses. He cited the meeting as being well organized, informative, and a valuable

learning experience. He also thanked the Trustees for their involvement in Red and White Week activities and shared his hopes that they would look forward to participating in similar events in the future.

Chair Cabaniss reminded Trustees that NC State's Fall Commencement Ceremonies will be held on Thursday, December 19, 2019 in PNC Arena. Interim President of the UNC System Dr. Bill Roper will serve as the university's commencement speaker. Curtis Fentress, a world-famous architect and alumnus of NC State, will receive an Honorary Degree from NC State.

CHANCELLOR'S REPORT – RANDY WOODSON

Chancellor Woodson briefly addressed the National Chapter of Turning Point USA's visit to campus and resulting protest organized by the "No Hate at NC State" Coalition. He thanked University Police for their diligence in making sure both groups could exercise their rights to free speech in a peaceful and respectful manner and Student Government leadership for their role in assisting.

Chancellor Woodson then provided a recap of Red and White Week, noting that the celebrations continue to grow each year as more people connect with the university. During Red and White Night, the Chancellor announced that NC State has exceeded the \$1.2 billion goal for the Think and Do the Extraordinary Campaign, with a total of \$1,617,927,266 at the time of the announcement. The Chancellor thanked the Trustees for their involvement in Red and White Week.

Chancellor Woodson shared that NC State was awarded the 2019 Innovation & Economic Prosperity Economic Engagement Connections Award from the Association of Public and Land Grant Universities (APLU). The Chancellor and NC State leadership traveled to San Diego for the APLU's annual meeting to accept the award. It is one of the top three awards given by the APLU and recognizes overall excellence in economic engagement. NC State's nomination packet highlighted the work of three programs at the university: the Entrepreneurship Initiative, the Northeast Leadership Academy, and the Biomanufacturing Training and Education Center. The UNC System performed well, as UNC-Charlotte received one of the other two top awards.

Chancellor Woodson highlighted that NC State's graduation and completion rates continue to rise. More students completing their degrees on time means that they are graduating with less debt and joining the workforce sooner, resulting in lowered economic struggles for recent graduates overall.

COMMITTEE REPORTS

AUDIT, RISK MANAGEMENT AND FINANCE COMMITTEE – CHAIR ED WEISIGER, JR

Mr. Weisiger reported that the Committee met and heard an update on the university's financial performance and highlights for fiscal year 2019. The Committee also heard from State Auditor Beth Wood, who discussed the audit engagement for fiscal year 2019. NC State received an unmodified audit opinion, and reported no deficiencies in internal controls. The auditor highlighted the cooperation of University staff and the significance of there being no reportable findings.

The Committee heard an update on Internal Audit activities since the last meeting, including a final report on a completed audit, as well as an update about recent legislative and state budget activity. The Committee also received updates on financial results for the first quarter of the current fiscal year, a report on the Clery Act, and an overview on campus security. The Clery Report is published yearly, posted to the university website and was in your pre-materials. The campus security report included information on a number of areas including campus demographics, the Security Master Plan, the University Police department, violence prevention and threat management.

The committee also heard an update on the search for the Chief Compliance, Enterprise Risk Management, and Ethics Officer and a new NC State Compliance and Integrity Compliance Program Plan.

BUILDINGS AND PROPERTY COMMITTEE - CHAIR JIMMY CLARK

Mr. Clark reported that the Buildings and Property Committee reviewed and approved five property matters that require full board approval. They are:

- Acquisition by Lease. Combine, restructure, and extend two existing strategic space leases for the entirety of 407 Gorman Street into a single long-term strategic space lease. Securing this two-story commercial office building space lease will allow for continued use of the building and associated parking by the NCSU TRIO Programs and will provide conveniently located office space for near- and longer-term strategic space needs.
- Acquisition by License. North Carolina State University, on behalf of The student Entrepreneurship Garage ("the Garage") program, requests to execute a license agreement with HQ Raleigh, LLC to occupy office and classroom space to house its program within the HQ @ Centennial Co-working space in Partners I on Centennial Campus. Acquisition is recommended to enhance student experience and success within the program by co-locating with business owners and entrepreneurs.
- Disposition by Easement. Duke Energy Progress has requested the conveyance of an easement to support the installation of three new electric vehicle-charging stations. This easement would allow for installation of a new junction box and underground electric service from an existing underground line on Carter Finley property to shared property line with PNC Arena.
- Disposition by Easement. Duke Energy Progress has requested the conveyance of an easement to support the installation of three new electric vehicle-charging stations. This easement would allow for installation of underground electric service from the shared property line with Carter Finley property to the three new electric vehicle-charging stations on PNC Arena property.
- Disposition by Demolition. The North Carolina State University Office of Real Estate and Development has requested the demolition of a residential structure located on Hope Street. Demolition is requested due to the vacancy and poor condition of the structure, which has created a public safety concern for the university.

Mr. Clark made a motion, seconded by Dr. Prestage, to approve the five property matters. The motion passed.

Mr. Clark reported that the Committee approved three designer selections and accepted 16 building projects at a combined value of \$10,945,355, which included the CBC Chiller Plant Expansion, Stewart Theatre Rigging Replacement, and Designer Selections under \$1 million or less. The Committee reviewed and approved two non-appropriated capital improvement projects (repairs to Coliseum Parking Deck and a chiller replacement in Lee Hall) and approved one plan and specification of formal projects costing less than \$2 million. The Committee also reviewed and approved the site approval for Varsity Drive Parking Lot, plan review and approval of Fitts-Woolard Plaza, and plan approval for Elevator Additions – Tucker & Owen Residence Halls.

The Committee heard updates for capital projects at a glance, capital projects and status of projects in planning as well as an update on Centennial Campus growth.

UNIVERSITY ADVANCEMENT AND EXTERNAL AFFAIRS COMMITTEE – CHAIR CHIP ANDREWS

Mr. Andrews reported that the Committee heard an update from University Advancement. The university has exceeded the campaign goal of \$1.6 billion with a total of \$1,617,927 billion by Red and White Night. University Advancement is engaged in a deep dive to determine capacity for reaching \$2 billion. Rather than seeing a plateau in giving, the university is seeing spikes, due in part to unexpected donors who provided big gifts.

The Committee then heard an update on Red and White Week, which featured Pack Appreciation Day for the first time. This event gave students the opportunity to say thanks via video and written notes and had a turnout of over 1500 students. Over 70% of our students qualify for financial aid, meaning giving

support to our students is highly important. That need is a key to rolling out the Extraordinary Opportunity Scholarship Initiative, which will be a matching gift program with the goal of raising \$40 million for need-based scholarships.

The Committee was also provided with an update on the University Advancement Roadmap, which included information about the top 10 Roadmap projects. The mission of this project group is to help NC State's Advancement operation leapfrog to become the best in the industry. Among the actions being used to achieve that goal is digital strategy, as over 75% of respondents indicated they'd prefer to receive endowment reports electronically.

In a campaign and fundraising update, the Committee was informed that the current campaign total puts NC State at 101.1% of the campaign goal with 76% of the campaign period elapsed. The Campaign total currently stands at \$1.622 billion and a goal in the push to \$2 billion is to reach \$1.7 billion by Day of Giving 2020, which will take place on March 25. A trajectory indicates a clear path to reaching \$2 billion, which will require in large part increased results from our larger colleges and our principal gifts program. The Committee also heard an Advancement Services update, which highlighted upcoming projects such as digital endowment reports, e-receipts and a new donor mobile app which will save time, money and labor.

The Committee was reminded of the Watauga Medal nominations process and changes that have been implemented to encourage a more robust pool of nominees. The policy was recently changed to allow the Selection Committee to serve three-year terms and to send five nominees to the Chancellor rather than three.

Following the presentations, the committee met in closed session and reviewed one naming opportunity in the College of Agriculture and Life Sciences, which the Committee approved. Chancellor Woodson then reviewed the Watauga Medal nominees and made his recommendations for three recipients.

UNIVERSITY AFFAIRS COMMITTEE – CHAIR STAN KELLY

Mr. Kelly reported that the Committee met and approved the continuation of the North Carolina Institute for Climate Studies (NCICS) and the Kenan Institute for Engineering, Technology and Science (KIETS) as well as approved conferral of tenure to two new faculty members under the consent agenda.

The Committee received an overview of the process undertaken and recommendations presented by the Tuition Review Advisory Committee and Fee Review Committee. Chancellor Woodson stated his support for the Tuition Review Advisory Committee's 2020-2021 campus initiated tuition increases, which include the following:

- 2.5% tuition increase for new undergraduate residents (which is below the 3% increase cap established by the UNC Board of Governors for this category). The guaranteed 8-10 semester fixed tuition rates for existing undergraduate resident students continues.
- 3% increase for undergraduate nonresidents.
- 2.5% increase for graduate residents.
- 4% increase for graduate nonresidents.

The Chancellor supported the Tuition Review Advisory Committee's recommendation that the additional tuition revenue be used as follows: 33.7% allocated to need-based financial aid; 23.1% allocated to provide funding to the Graduate Student Support Plan; 29.1% used to improve quality and accessibility of the NC State educational experience; and 14.1% used to provide funding for faculty promotional increases.

With respect to student fees, the Fee Review Committee recommended an increase in fees of \$17.85 or 0.7%. However, their recommendation did not include an increase for the Campus Security Fee, which

was established in 2016 by the UNC Board of Governors. Universities have not been allowed to request increases in the Campus Security Fee since it was established. This year after the Student Government's review process was nearly complete, the university received notification that requests to increase the Campus Security Fee for Fall of 2020 would be allowed. Because of the late notice, the Student Government voted to not consider the proposed increase and the Fee Review Committee voted to support the Student Government's recommendation not to consider the request. However, given the growth of the student body and additional pressures on the safety and security of our campus, Chancellor Woodson recommended the trustees consider including a \$10.40 increase to the Campus Security Fee. He also recommends a reduction in the Student Center Programming Fee increase by \$3.00 because the request included a similar position to the one requested in the Campus Security Fee. The Chancellor's total recommendation for increase in fees is \$25.25, representing an increase of 0.98% which is below the 3% increase cap established by the UNC Board of Governors. The committee discussed the Chancellor's recommendations on tuition and fees and voted to recommend approval to the full board.

Mr. Kelly made a motion, seconded by Ann Goodnight, for approval of the 2020-2021 campus initiated tuition increase requests and student fee recommendations as outlined in Chancellor Woodson's recommendation.

The Committee also recommended revisions to two policies: Policy 05.20.01 Appointment, Reappointment, Promotion and Permanent Tenure and Policy 05.25.01 Faculty Grievance and Non-Reappointment Review. The revisions are intended to bring the policies in alignment with changes made to The Code and UNC Policy Manual regarding faculty grievance and non-reappointment review. Among the main changes are to 1) name the Boards of Trustees (not the UNC BOG) as the final level of appeal for non-reappointments and imposition of discharge or serious sanctions and 2) clarify that faculty pay shall cease upon issuance of a discharge decision. Most additions to the two policies are word-for-word insertions from the Code and Policy Manual but this also provided an opportunity to make two other needed changes to Policy 05.20.01: 1) to remove definitions of faculty responsibility, which are now housed in a separate regulation and 2) to clarify voting procedures for initial faculty appointments.

Mr. Kelly made a motion, seconded by Mr. Harrell, for approval of the revisions to Policies 05.20.01 and 05.25.01.

The Committee received an update from Staff Senate Chair Janice Sitzes, which highlighted employee appreciation events, 'Learn at Lunch' offerings, and Staff Senate volunteer efforts at Packapalooza, student move-in and during International Housekeeping Week. The Staff Senate currently has two collection drives in progress – one for Toys for Tots and another for Bountiful Harvest. The Staff Senate is also meeting its objective to be more inclusive to extension staff and to make other staff members aware of the scope of extension's efforts.

The Committee also heard from Provost Arden. He shared an update on the status of current personnel searches and administrative leadership reviews underway and on the strategic plan process. The Committee received information on faculty retentions. Over the past eight years, NC State has made 124 counteroffers and 215 pre-emptive retention offers. Sixty-three percent of counteroffers were successful and 93% of the pre-emptive retentions were successful. The overall success rate of counter offers and pre-emptive retentions was 82% over this eight year period. The number of retention requests has dropped significantly over the last 5 years. Programs in place such as the University Faculty Scholars Program to recognize and retain top faculty were discussed.

The Committee was provided with an overview of the strategic priorities of the University Libraries with an emphasis on student success and affordability initiatives. Two such initiatives, the new Academic Success Center which will open in D.H. Hill Library next year and alternative textbook programs to help reduce the financial burden of expensive textbooks, were discussed.

CLOSED SESSION

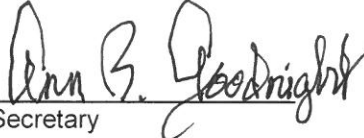
With no further business in open session, Mr. Clark made the motion, seconded by Mr. Harrell, at 10:25 a.m. to go into closed session to preserve the attorney-client privilege and to prevent the premature disclosure of an honorary award. The motion passed.

RECONVENE IN OPEN SESSION

At 10:54 a.m. the board came out of closed session. With no further business in open session, Chair Cabaniss adjourned the meeting at 10:55 a.m.

Respectfully submitted,


Assistant Secretary


Secretary

Approved:


Chair of the Board