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, November 18, 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
John P. Sall
E. Norris Tolson
Susan P. Ward
Chandler Thompson, ex officio

Chair Mulkey called the meeting to order at 9:25 a.m. She 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. Mr. Ramsey recused himself from voting on an easement disposition to the Student Aid Association. There being no other conflicts, 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 Dr. Owens, to approve the open and closed session minutes of the September 16, 2011 meeting of the full board. The motion carried.

CHAIR’S REPORT
Chair Mulkey reported that she participated in the Fall meeting of the Board of Visitors; the board broke into groups and discussed ways to celebrate the university’s 125th anniversary. She thanked Trustees for attending the Creativity Conference and the orientation for new members of the UNC Board of Governors. The Public Policy Forum co-sponsored by NC State and UNC-Chapel Hill was another great event, and Trustees Sall and Owens were both presenters.
Upcoming events include the Trustee reunion and Homecoming football game on Saturday, November 19 and December graduation on Saturday, December 17. Chair Mulkey also stated that she is looking forward to speaking at the Faculty Senate meeting on November 29.

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

Chancellor Woodson began by thanking the Trustees who participated in the “Building a Culture of Innovation through Education” forum jointly sponsored by NC State, SAS and the Raleigh Chamber of Commerce. He reported that Dr. Bob Beichner received the 2011 McGraw Prize in Education for his work to improve STEM education. Also, President Obama awarded the National Medal of Technology and Innovation to Dr. Jayant Baliga and the Presidential Early Career Award for Scientists and Engineers to Dr. Michael Escuti. In addition, Trudy MacKay received the state’s highest civilian honor with a North Carolina Award for her groundbreaking research in quantitative genetics. All of these researchers are pioneering discoveries that save lives, protect our environment and improve teaching.

Members of our staff have also been recognized for the work they do on behalf of NC State. Director of Program Administration in Nuclear Engineering, Hermine Kabbendjian, won the state-level Governor’s Award for Excellence in the Outstanding State Government Category. Five of our employees have received this honor in the last 10 years.

Chancellor Woodson stated that our students continue to engage the community through community service efforts. Two of our juniors recently hosted their third annual Triangle Youth Leadership Conference, a day-long event engaging area youth through exposure and discussions with prominent leaders in the Triangle. Our alumni are also engaged in service on both large and small scales, from being appointed the new Libyan Prime Minister to designing eco-friendly and socially conscious shoes for those in need.

Chancellor Woodson discussed the need to be realistic about our dependency on dwindling revenue streams – specifically state funding. NC State has lost a total of over $200 million in budget cuts. We must evaluate our tuition in relation to our newly adopted peer group and also consider how our tuition compares to overall enrollment growth and state-appropriated dollars. According to the College Board, the decrease in state funding coupled with enrollment growth at many public universities has created a gap in dollars needed to maintain quality. Repeated budget reductions threaten the quality of education at NC State, as well as the other UNC campuses. Pressures of shrinking state-appropriated funding and our current tuition cap present an unsustainable model if we are to maintain quality. There have been discussions by UNC General Administration and the Board of Governors about the possibility of allowing a one-time tuition increase implemented over four to five years that would bring tuition in line with the upper end of the lower quartile of our peer institutions. For NC State, that increase is $1,545 in tuition and fees (compared to 2011-12 peer institution levels). Chancellor Woodson thanked the Trustees for their support as we work through the tuition discussion to do what is best for NC State and the students we serve.
Chancellor Woodson closed his remarks by recognizing Dr. Jim Zuiches who is retiring in December after serving as our Vice Chancellor for Extension, Engagement and Economic Development since March 2006.

Chair Mulkey then acknowledged the students in attendance and asked if any of them wished to make a statement regarding tuition and fees. The students expressed their concerns regarding increases in tuition and fees. Chair Mulkey thanked them for their thoughtful comments and assured them that the Board of Trustees has their best interests at heart.

**COMMITTEE REPORTS**

**Audit, Finance and Planning Committee-Chair Jim Owens**

Dr. Owens reported that Chancellor Woodson gave the committee an overview of the process undertaken and recommendations presented by the Tuition Review Advisory Committee and the Fee Review Committee, including the financial facts steering their recommendations. Chancellor Woodson stated his support for all recommendations. The committee discussed the recommendations on tuition and fees and voted to recommend approval of the Chancellor’s recommendation to the full board (Appendix A). Mr. Jenkins made the motion, seconded by Mr. Cozort, to approve the 2012-2013 campus-initiated tuition increases and uses of additional tuition revenues as outlined in Chancellor Woodson’s recommendation. The motion carried unanimously.

Mr. Mattocks then made the motion, seconded by Mr. Cozort, to approve the continuations and student fee increases/decreases as outlined in Chancellor Woodson’s recommendations. The motion carried unanimously. Mr. Owens made the motion, seconded by Mr. Sall, to approve, contingent upon approval by the Board of Governors, a tuition plan not to exceed five years that moves the resident undergraduate tuition and fees to the level comparable to the top of the lowest quarter or quartile, whichever is higher, of the approved NC State peer institutions. After discussion, the motion carried with Student Body President Chandler Thompson voting against the motion.

Dr. Owens stated that the committee received the Endowment Fund annual report and the quarterly performance report for the NC State Investment Fund. The committee heard updates regarding internal audit activities and data security. In addition, the Provost and Chair of the Faculty presented the integrated implementation actions for the strategic plan. The plan has five distinct goals, but the implementation plan identified three overarching actions: refine and invest in areas of emphasis; enhance student, faculty and staff success; and improve institutional effectiveness while growing and realigning resources.

Dr. Owens reported that the committee was updated on enterprise risk management and the need to create an explicit and robust process to proactively identify, assess, respond to and monitor risk. As the university formalizes this process, the administration will be assisted by enterprise risk management faculty from the Poole College of Management.

**Buildings and Property Committee-Chair Jack Cozort**
Mr. Cozort stated that the committee reviewed and approved five property matters; three of the property matters require full board approval. The first two matters are:

- Acquisition by lease of approximately 8,900 square feet of office space for Dairy Records Management Systems for a term of three years with two two-year renewal options, at a place and term to be determined by bid process
- Acquisition by lease of approximately 5,200 square feet of office space in Asheville, NC for the NC Institute for Climate Studies for a term of five years at a rate of approximately $24 per square foot with full services

Mr. Cozort made the motion, seconded by Mr. Tolson to approve these two property matters. The motion carried. The third property matter is:

- Disposition by easement of approximately .24 acres to the NCSU Student Aid Association, Inc. to be used as a permanent drainage easement at College Inn Apartments, 2717 Western Boulevard in Raleigh

Mr. Ramsey recused himself from voting on this property matter. Mr. Cozort made the motion, seconded by Mr. Mattocks to approve the third property matter. The motion carried.

Mr. Cozort reported that the committee approved two property matters that require committee approval only. These matters are:

- Disposition by deed of approximately .274 acres having 341.7 feet of frontage of Schenck Memorial Forest that is on the north side of Windy Woods Drive, Westridge subdivision, Raleigh NC. Grantee to be determined by bid.
- Disposition by severance: demolition of the raptor house at the College of Veterinary Medicine campus. The 500 square-foot frame building constructed in 1980 had fallen into such poor condition that immediate emergency demolition to protect public safety was warranted on October 11, 2011.

In addition, the committee approved seven designer selections for projects less than $500,000 and accepted five completed projects with a total value of $796,761 to include acceptance of the third Partners II greenhouse at a cost of $308,008. The committee approved the site plans for the University Club improvements at Centennial Biomedical Campus as well as the design plans for the Centennial Campus student housing tower, the Talley Student Center addition tower and bridge on central campus and the Alliance parking deck on Centennial Campus. The committee approved plans and specifications for one formal project that costs less than $2 million and received reports on design-related topics, the status of capital projects and the status of projects in planning.

University Advancement Committee-Chair Benjamin P. Jenkins III
Mr. Jenkins reported that the committee heard an update on capital projects and a progress report on fundraising through October 31. Year-to-date, alumni giving is up 9% with gifts through Annual Giving up 29%. The committee heard plans for the year-long 125th anniversary
celebration that will begin with the Founders’ Day dinner on March 5, 2012. Seven working
groups have been formed to plan and implement the celebration, actively engaging faculty, staff,
students and alumni in the planning process.

Mr. Jenkins said that the committee considered and approved two naming plans for facilities.
One plan is for a new “Garage,” a $6.1 million facility planned for Centennial Campus. The
second plan is to name existing spaces in the Dail basketball facility to fund much needed
exterior renovations and enhancements to the basketball practice facility and the Weisiger-
Brown building.

Mr. Jenkins stated that in closed session, the committee reviewed five candidates for the
Watauga Medal and voted on three to bring to the full board for consideration and approval. A
motion will be made at the end of this meeting to go into closed session to consider these
nominations.

**University Affairs Committee-Chair E. Norris Tolson**

Mr. Tolson stated that the committee received reports about EPA non-faculty and faculty exit
interview data. While turnover among EPA non-faculty employees remains fairly low overall,
the number of voluntary separations increased noticeably this year from the prior two years. The
vast majority of EPA non-faculty employees said they liked working at NC State and would
recommend it to others. Regarding faculty, a total of 106 full-time faculty separated from the
university during the reporting period (October 1, 2010-September 30, 2011). Tenured and
tenure-track faculty accounted for 44% of this total. Only 20% of the faculty who separated from
the university during this reporting period completed an online exit interview survey.

Mr. Tolson reported that the committee heard an update on Faculty Senate activities. The Fall
general faculty meeting was held on October 4, and the theme of the meeting was “Change.” The
Faculty Senate passed two resolutions this semester: a Resolution Condemning the Vandalism of
the GLBT Center and a Resolution on Parental Leave for Graduate Students. Two upcoming
events that will require much faculty involvement in the coming year are the 125th anniversary
celebration and the preparation for the SACS accreditation.

The committee also heard an update on Staff Senate activities. The Staff Senate is collaborating
with many university organizations including the Women’s Center, the Sustainability Office and
the student-run Habitat for Humanity organization. The first-ever Employee Appreciation
Tailgate was held on October 8 and was very well attended. National Wolfpack Service Day was
October 15, and hundreds of staff, faculty, students, alumni and friends of NC State volunteered
at some 20 locations around Wake County and around the nation. The Staff Senate was
represented at the October UNC Staff Assembly meeting.

Mr. Tolson said the Provost shared data on faculty retention. NC State continues to retain a high
percentage of faculty who receive counteroffers. Of the faculty who accepted counteroffers from
2007-08 to 2010-11, 95% are still employed at NC State. The Provost also updated the
committee on salary adjustments that have been submitted by the university and approved by the
Board of Governors under the 2011 Appropriations Act for the September – October time period. The committee was notified of comprehensive leadership and program reviews occurring this academic year in three vice provost units: International Affairs, Distance Education and Learning Technology Applications (DELTA) and the Libraries.

Mr. Tolson stated that in closed session, the committee approved a non-salary compensation request and a salary increase for a SAAO Tier 1 employee. The committee recommended for approval by the Board of Governors three salary increases that are greater than 15% and $10,000 from each employee’s previous June 30th salary. They also considered a student appeal. Finally, the committee endorsed two petitions for political activity and an emeritus request which will be considered by the full board in closed session at the conclusion of this meeting.

**Board of Visitors Report-Chair Jimmy Clark**

Mr. Clark reported on the Fall meeting of the Board of Visitors that was held on October 14 in the Park Alumni Center. Chancellor Woodson discussed our past and present university peers. He used facts and figures to benchmark NC State’s performance against its peers and led a discussion regarding how to elevate the university to the top of the list. Provost Arden gave a review of the strategic plan and realignment and solicited feedback from the Board of Visitors. The board broke into small groups to gather input on the 125th anniversary celebration. Outgoing board members were recognized, and Rep. Rick Glazier was the luncheon speaker. The next meeting of the Board of Visitors is scheduled for March 23, 2012.

**Student Body President Report-Chandler Thompson**

Student Body President Chandler Thompson began her report by showing a video released for Homecoming that focuses on campus traditions. She updated the board on Student Government initiatives and projects including the Coaches’ Corner Memorial and a partnership with Transportation to provide better service to students. Sustainability projects include the “Think Outside the Brick” competition that rewards students who submit sustainable ideas with funding to implement their project. Ms. Thompson reported on Student Senate activities.

Ms. Thompson gave a report on the “Student Leader Response to Hate Speech: A United Message.” The statement ran in *Technician* one day after the campus GLBT Center was vandalized. Over 500 members of the campus community gathered on Thursday, October 20 for a “STATE not Hate” GLBT community Ally Rally in the Brickyard.

Ms. Thompson reported on President Obama’s visit to NC State on September 14. Over 4,000 students helped fill Reynolds Coliseum to capacity. She discussed the tuition and fees process and topics of discussion at the recent Chancellor’s Student Liaison meetings. She described various social media outlets currently being utilized by Student Government such as Facebook, Twitter and “Student Voices,” a weekly blog.

With no further business in open session, Mr. Cozort made the motion, seconded by Mr. Jenkins, at 11:00 a.m. to go into closed session to prevent the premature disclosure of an honorary award
and to consider the qualifications, competence, performance, condition of appointment of a public officer or employee, under NC General Statute 143-318.11(a)(2)(6). The motion carried.

At 11:20 a.m., the board came out of closed session. Mr. Tolson made the motion, seconded by Mr. Cozort, to approve the two political activity petitions for office holding from two faculty members, Kevin Hill and James Martin, that were discussed in closed session. The motion carried. With no further business, Chair Mulkey adjourned the meeting at 11:25 a.m.

Respectfully submitted,

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Assistant Secretary          Secretary

Approved:

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Chair of the Board