THURSDAY, April 19, 2012

Noon – 12:45 p.m.  Lunch Presentation:  “Enrollment Management”
Winslow Hall Conference Room
(All Trustees and Executive Officers)

1:00 – 2:30 p.m.  Audit, Finance and Planning Committee
Winslow Hall Conference Room
Jim Owens, Chair; (Ramsey, Sall, Thompson, Tolson Ward)

1:00 – 2:30 p.m.  University Advancement Committee
Chancellor’s Conference Room (12), Holladay Hall
Ben Jenkins, Chair; (Clark, Cozort, Davenport, Freelon, Mattocks)

2:30 – 2:45 p.m.  Break

2:45 – 4:15 p.m.  Buildings and Property Committee
Primrose Hall Conference Room
Jack Cozort, Chair; (Clark, Jenkins, Mattocks, Ramsey, Sall)

2:45 – 4:15 p.m.  University Affairs Committee
Winslow Hall Conference Room
Norris Tolson, Chair; (Davenport, Freelon, Owens, Thompson, Ward)
FRIDAY, APRIL 20, 2012

8:30 - 9:15 a.m.  ■ Dean’s Briefing: Jeffery Braden, College of Humanities and Social Sciences
                  Hood Board Room

FULL BOARD MEETING, HOOD BOARD ROOM, PARK ALUMNI CENTER
9:00 a.m.  ■ Call to Order and Ethics Statement
            Barbara Mulkey, Chair of the Board

■ Roll Call

■ Approval of Minutes  TAB 1
  ✓ —   February 17, 2012, Meeting of the Full Board
  ✓ —   February 17, 2012, Closed Session of Full Board

■ Chair’s Report  TAB 2
  Chair Mulkey
  ✓ —   Endowment Board Reappointments
       —   BOV Membership

■ Chancellor’s Report  TAB 3
  Randy Woodson

COMMITTEE REPORTS:

■ Audit, Finance and Planning Committee  TAB 4
  Jim Owens, Chair
  On the Agenda: Committee Approvals and Informational
  —   Annual Financial Audit Report
  —   Approval of Internal Audit Plan for Fiscal Year 2013
  —   Informational Reports including:
       —   Internal Audit Update
       —   2020 Enrollment Plan

✓ Requires Full Board Approval
Audit, Finance and Planning Committee (continued)

- Budget Outlook
- 2012 Legislative Priorities
- Update of Centers and Institutes
- University Debt Update

Buildings and Property Committee

Jack Cozort, Chair

On the Agenda: Board, Committee Approvals; Informational Reports

- Property Matters
  - Information Only: Delegation of Authority to reflect newly authorized delegation from the UNC Board of Governors for Acquisition by Lease and new approval thresholds
  - Acquisition by Lease: ±7,000 square feet (sf) at a location and rental rate to be determined by bid for the Small Business Technology Development Centers
  - Acquisition by Lease: ±7,000 sf at a location and rental rate to be determined by bid for The Ergonomics Center (College of Engineering)
  - Acquisition by Lease: ±4,000 sf at a location and rental rate to be determined by bid for Athletics Ticket Office
  - Disposition by Deed: Sale of ±717 acres in Stokes County, North Carolina at a market price to be determined by a full appraisal with the proceeds benefiting the 4H program in the College of Agriculture and Life Sciences
  - Disposition by Lease: For up to six separate ATM locations with lending institutions and at rental rates to be determined by bid. Locations to be selected in coordination with the University Architect
  - Disposition by Easement: ±0.083 acres on State Forest Road in Durham County to the NC Department of Transportation for the replacement of the Flat River Bridge
  - Disposition by Severance: 9 buildings along Varsity Drive as listed below:
    - Bldg. #603, Crop Science Storage, 2,700 sf, constructed 1935
    - Bldg. #604, Soil Science Storage, 972 sf, constructed in 1935
    - Bldg. #605, Plant Pathology Storage, 4,400 sf, constructed in 1948

Requires Full Board Approval
Buildings and Property Committee (continued)

− Bldg. #631, Poultry Building, 5,641 sf, constructed in 1950
− Bldg. #632, Poultry House, 2,560 sf, constructed in 1950
− Bldg. #633, Plant Pathology Storage, 2,560 sf, constructed in 1950
− Bldg. #636, Poultry Building, 2,295 sf, constructed in 1956
− Bldg. #637, Poultry Building, 10,572 sf, constructed in 1950
− Bldg. #641, Greenhouse, 160 sf, constructed in 1992

The buildings are in poor condition and no longer serving a useful purpose. Removal of these buildings will facilitate development of the recreational sports complex and development of Greek Village according to the Physical Master Plan.

− Designer and Performance Contracting Selections
  − Phytotron – Energy Conservation Performance Contracting Project – North Campus – GEO
  − Approval of Designer Selections Less than $500,000
  − 2012-2014 Open Ended Service Agreements

− Acceptance of Completed Buildings and Projects

✓ —  Repeal of Policy 04.20.03: Curator of Alcohol
✓ — Proposed Revision to Policy 7.60.1 Parking and Transportation Ordinances 2012-2013

− Physical Master Plan
− Plan Review and Approval
− Informational Reports
  − Capital Projects Update
  − Status of Projects in Planning

University Advancement Committee

Ben Jenkins, Chair

On the Agenda: Board, Committee Approvals; Informational Reports
− Informational Reports including: Fund-Raising and Annual Giving Reports and Capital Projects
− Branding NC State
✓ — Closed Session

✓ Requires Full Board Approval


University Affairs Committee                     TAB 7
Norris Tolson, Chair

On the Agenda: Board, Committee Approvals; Informational
Items and Closed Session
— Residency for Full Scholarship Undergraduate Students
— Students Requiring Special Consideration
— Consideration of Approval of the Proposed Salary Ranges for Senior Academic and Administrative Officers (SAAO)
— Proposed Revision to Policy 11.35.1: Student Code
— Faculty Senate Update: Report from Chair of the Faculty, Hans Kellner
— Staff Senate Report: Report from Staff Senate Chair, David DeFoor
— Provost’s Update, including University Graduate Certificate in City Design; University Graduate Certificate in Energy and Technology in Architecture; Department Name Change – Department of Physical Education to Department of Health and Exercise Studies; 2020 Enrollment Plan; Community Compact Statement; University Faculty Scholars Program; Faculty Interdisciplinary Cluster Hire Process; Update on Strategic Planning; Update on Leadership Position Searches; Nepotism Report; Update on Salary Adjustments
— Closed Session:

Nominating Committee                              TAB 8
Jim Owens, Chair

On the Agenda: Committee approvals
— Nomination of a Slate of Officers for 2012-2013

Chair of the Board of Visitors Report            TAB 9
Chuck Flink, Chair of Board of Visitors

Student Government Report                        TAB 10
Chandler Thompson, Student Body President

Presentation of Walter Hines Page Award
Barbara Mulkey, Chair
Randy Woodson, Chancellor

Student Body President Oath of Office
Jack Cozort

Requires Full Board Approval
Items of Interest to Members of the Board

CLOSED SESSION

Reconvene in OPEN SESSION for Any Additional Items to Come Before the Board

11:00 a.m. * Adjourn

*Ending time is approximate

Requires Full Board Approval
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, February 17, 2012. Chair Barbara Mulkey presided.

Members present:  Barbara H. Mulkey, Chair
                 Jimmy D. Clark
                 Jack L. Cozort
                 Lawrence Davenport
                 Philip G. Freelon
                 Benjamin P. Jenkins III
                 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 9:27 a.m. She introduced special guests David Powers, a member of the UNC Board of Governors, and the family of new Trustee Jimmy Clark. 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. John Sall recused himself from voting on a disposition by lease to the U.S. Army Corps of Engineers. 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 Mr. Cozort, to approve the open and closed session minutes of the November 18, 2011 meeting of the full board. The motion carried.

CHAIR’S REPORT
Chair Mulkey called upon Trustee Cozort to administer the oath of office to newly appointed Trustee Jimmy D. Clark. She then reported that Trustee bylaws provide that when a vacancy occurs in one of the officer positions, the full board should vote to approve someone to serve the remaining portion of the term. Chair Mulkey recommended Jack Cozort to fill the Secretary
position. Mr. Jenkins made the motion, seconded by Mr. Owens, to approve Jack Cozort to fill the Secretary position. The motion carried.

Chair Mulkey stated that the Board of Trustees’ Bylaws give the nominating committee responsibility for “presenting a slate of nominees to the board at its last meeting before the beginning of each fiscal year. The slate of nominees shall contain at least one nominee for each of the offices of Chair, First Vice Chair, Second Vice Chair and Secretary.” She appointed the 2012 nominating committee as follows: Jim Owens, Chair; Phil Freelon and John Sall.

Chair Mulkey also reported that she had received a letter from President Tom Ross outlining the requirements for Chancellor Woodson’s biennial review. The UNC Board of Governors requires that the members of the NC State Board of Trustees complete a review of Chancellor Woodson in the second spring after his appointment. The review will provide feedback for the Chancellor about his leadership and effectiveness. The review will consist of a confidential on-line questionnaire that must be completed between March 1-12. The survey results will be discussed in closed session at the April Board of Trustees meeting. The survey results will be forwarded to President Ross and followed by a meeting with President Ross, Chancellor Woodson and Chair Mulkey.

Chair Mulkey updated the Trustees on her recent activities. She thanked Trustees for serving on nomination committees for deans of the College of Natural Resources, the College of Agriculture and Life Sciences, and Academic and Student Affairs.

She reported that our Founders’ Day dinner on March 5 will kick off the 125th anniversary celebration. Watauga Medal recipients are Hugh Shelton, Ed Vick and Cassius Williams. Philip Rivers will be our May Commencement speaker, and honorary degrees will be awarded to Bob Jordan and David Murdock.

Chair Mulkey closed her remarks by giving the Endowment Fund Board report. The Endowment Fund Board accepted gifts of $2,519,347 since the last meeting. The board also received an investment performance report as of December 31, 2011. The NC State Investment Fund returned 2.63 percent for the six months then ended as compared to the UNCMC composite benchmark of 1.90 percent. The board was updated on the annual NACUBO endowment survey. NC State was ranked 123rd in endowment size among the 839 colleges and universities participating. The board also heard reports on fiscal year 2012-13 endowment spending budgets and specific endowment-owned real estate holdings including the Hofmann Forest, the bell tower block of Hillsborough Street and Centennial Campus projects. The board then went into executive session.

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

Chancellor Woodson began his report by welcoming new Trustee Jimmy Clark and thanking Gayle Lanier for her excellent service to the university. He updated the board on recent events including the very successful Emerging Issues Forum and the Krispy Kreme Challenge that raised over $100,000 for the NC Children’s Hospital. He reported that NC State students won 1st
Place and “Best in Show” at Disney’s Imagineering ImagiNations Competition. It is the third time in four years an NC State team has placed in the top three of this competition.

Chancellor Woodson stated that the annual value of an NC State degree is almost $1 billion, based on value of additional lifetime income earned by graduates due to having a degree. The value of an NC State degree is just one of the many ways this university delivers economic and community impact. Each year, our staff and faculty are engaged in job recruitment and retention, including those who work in our Cooperative Extension and Industrial Extension Services. Our Economic Development Partnership Office is constantly working with the state’s Department of Commerce to recruit business to the area. Our researchers are developing new technologies to drive innovation and job creation, and these technologies lead to start-ups which create jobs. The annual economic impact in North Carolina of federal and private research attracted by NC State is $320 million.

Chancellor Woodson said that NC State is also engaged in shaping our future workforce before they come to college. The Wake NC State Early College High School, a partnership between NC State and the Wake County Public School System, is for students who specialize in STEM fields. When fully subscribed, the high school will have a maximum of 250 students. NC State’s impact on the people and communities of North Carolina is undeniable.

COMMITTEE REPORTS

University Advancement Committee-Chair Benjamin P. Jenkins III

Mr. Jenkins stated that the committee was given an update on capital fund raising projects and reports on fund raising results for the second quarter of fiscal year 2012 as well as an update for the period ending January 31, 2012. It was reported that the fund raising goal for the new chancellor’s residence had been met, and great progress is being made on fund raising for the Carol Poole Clubhouse on the Lonnie Poole Golf Course, with $4.1 million raised to date against a tentative goal of $6 million. With many proposals in front of donors, the staff is optimistic that NC State will achieve its $110 million fund raising goal for this fiscal year.

Mr. Jenkins reported that the committee reviewed and approved a proposal for counting gifts made prior to July 1, 2013, the beginning of the silent phase of the next campaign. Our campaign consultant from Bentz Whaley Flessner led a discussion on planning for the next campaign. The consultants will focus on three main areas as they prepare their report that will be delivered at the September 2012 meeting of this committee. First, they are conducting an internal audit to assess our readiness to embark on an aggressive campaign. Second, the consultants will work with the university leadership in developing big ideas that will motivate donors to make stretch gifts. Finally, the consultants will help assess the capacity of our donor pool to support a campaign in the $1.5 billion range.

University Affairs Committee-Chair Norris Tolson

Mr. Tolson stated that the committee received a summary of fall graduation activities and graduation rate trends as well as an update on academics relative to student-athletes and the Academic Progress Rate. The committee recommended approval of revisions to Policy 05.20.1: Appointment, Reappointment, Promotion and Permanent Tenure. The revisions incorporate
language requested by UNC-GA and also incorporate contents of the Regulation on Qualifications for Rank and the Regulation on Joint and Associate Faculty Appointments allowing these two regulations to be repealed. The revisions also allow for minor edits or updates to other sections. Mr. Tolson made the motion, seconded by Mr. Davenport, to approve revisions to Policy 05.20.1: Appointment, Reappointment, Promotion and Permanent Tenure. The motion carried.

Mr. Tolson reported that the committee also recommended approval of the request to change the BA degree program title of Arts Applications to Arts Studies. The current name is misleading and does not reflect the content of the degree, which is a liberal arts “area studies” degree. Mr. Tolson made the motion, seconded by Ms. Ward, to approve to change the degree program title to Arts Studies. The motion carried.

Mr. Tolson said that Student Body President Chandler Thompson provided a recap of Student Government activities in 2011 and their goals for 2012. Activities for spring 2012 include campout, community service events, tuition and fees, 125th anniversary celebration, the search committee for the Vice Chancellor and Dean of Academic and Student Affairs, improved communication strategies and the tradition keeper program. In the Provost’s update, the committee was notified of a new university associate of applied science certificate in Agribusiness Management. The committee was updated on the dean searches and on the strategic planning process.

Mr. Tolson stated that, in closed session, the committee approved a non-salary compensation request and recommended for approval by the Board of Trustees a salary increase that was greater than 15 percent and $10,000 from the employee’s previous June 30 salary. The committee also made recommendations for the awarding of an honorary degree and the Holladay Medal. These recommendations will be considered by the full board in closed session at the conclusion of this meeting.

**Buildings and Property Committee-Chair Jack Cozort**

Mr. Cozort reported that the committee reviewed and approved three property matters which require full board approval. The first two are:

- Disposition by easement to the City of Raleigh for access to a city-owned water tower on Blue Ridge Road adjacent to the Centennial Biomedical Campus
- Acquisition by deed of an approximately 0.67-acre parcel at the southeast corner of Trailwood Drive and Main Campus Drive on Centennial Campus from the City of Raleigh for a price to be determined by appraisal and negotiations but not to exceed $90,000

Mr. Cozort made the motion, seconded by Mr. Mattocks, to approve these two property matters. The motion carried.
The third property matter that requires full board approval is:

- Disposition by lease of approximately 18,000 square feet in Corporate Research I, 1021 Main Campus Drive, Centennial Campus, to the U.S. Army Corps of Engineers for a term of up to 10 years at a rate to be determined.

Mr. Cozort made the motion, seconded by Mr. Freelon, to approve this property matter. Mr. Sall recused himself from voting. The motion carried.

Mr. Cozort reported that the committee approved eight designer selections and accepted seven completed projects with a combined value of $4.4 million. They approved plans and specifications of one formal project that costs less than $2 million. The committee received reports on utilities systems and energy savings, deferred maintenance, Centennial Campus projects, the status of capital projects and the status of projects in planning. He closed by saying the committee is meeting in different campus locations and plans to go on a windshield tour of campus at the April meeting.

**Audit, Finance and Planning Committee-Chair James W. Owens**

Dr. Owens stated that the committee approved a revised internal audit charter. The committee heard an update regarding internal audit activities since the last meeting; in particular, the management corrective actions relating to the results of the audit of non-instructional summer salary. The committee also heard a report on the university financial audit. The university had a clean audit opinion and healthy financial position as of June 30, 2011.

Dr. Owens said that Chancellor Woodson gave the committee an overview of the information regarding 2012-13 tuition and fees approved by the UNC Board of Governors last week. The Board of Governors also approved an initial NC State undergraduate resident student tuition increase of $290.00 for 2013-14.

The committee also heard reports on planning and development activity on Centennial Campus as well as data security. They also received information to satisfy the annual associated entity review required by the Board of Governors as well as the quarterly performance report for the NC State Investment Fund.

**Chair of the Faculty Report-Chair Hans Kellner**

Dr. Kellner reported on activities and issues that have been addressed by the Faculty Senate since the last Trustee meeting. He said that Chair Barbara Mulkey visited the Faculty Senate and spoke about the role of the Board of Trustees and their interest in the strategic plan and the future of the university. Three dean searches are getting underway, and all of them have faculty involvement. One of the greatest issues of concern for the Faculty Senate this past year has been business operations—BORST—and its impact on the professional lives of faculty who have a lot of grant responsibilities. Another area of concern has been the reform of distance education. The money for distance education was the only source of discretionary funds for many departments without grant monies and an important source of income for many faculty. Vice Provost Miller spoke to the Faculty Senate to explain how the funding would be impacted by the changes.
Dr. Kellner said that the Faculty Excellence Plan, which calls for proposals for clusters of interdisciplinary new positions funded by the Chancellor, has also been a topic of great interest and concern. It is important to the faculty that the choices made by the committee do not favor one part of the university over another.

Dr. Kellner reported that the reaffirmation process by SACS is slowly beginning with very preliminary committees. The focus of this early work was the selection of a theme for the Quality Enhancement Plan which is mandated to produce a university-wide effort to improve some aspect of our academic endeavor. The approved theme is “critical and creative thinking.”

On January 20, President Ross spoke to the UNC Faculty Assembly about tuition. At the same meeting, officials from the John William Pope Center for Higher Education Policy and representatives from the NC Policy Watch and the NC Budget and Tax Center made presentations and offered very differing pictures of what the state should be doing.

Dr. Kellner reported that the Faculty Senate election process is at hand. The selection of Faculty Senators, hearing panelists, grievance committee members, delegates to the Faculty Assembly and the Athletics Council are all coordinated by the Faculty Senate. The most important election is that of the Chair-elect of the Faculty who will begin a four-year term next fall, including two years as Chair of the Faculty.

The Faculty Senate has also heard this semester from the leaders of Student Government and the Staff Senate.

**Chair of the Staff Senate Report-Chair David DeFoor**

Mr. DeFoor stated that the Staff Senate continues to discover and refine avenues of communications for NC State’s staff members as they seek to educate employees about issues affecting their lives and work, and as they convey staff concerns to university leadership. Guests at Staff Senate meetings this fall include the executive director of the Hillsborough Street Community Service Corporation, the interim executive director for business operations and Dean Dan Solomon who discussed plans for the university’s 125th anniversary celebration. Our new police chief attended a meeting and discussed public safety efforts that impact staff, and the January meeting featured the assistant equal opportunity officer who has been assisting the Staff Senate’s Diversity Committee in their efforts to become more active and engaged.

One area of concern for the Staff Senate is Senate Bill 575 which would move supervision of SPA employees from the Office of State Personnel to the UNC Board of Governors. The Staff Senate is assessing the implications of such a move and will make recommendations to the administration.

Mr. DeFoor reported that upcoming education and outreach efforts include a series of “Lunch and Learn” brown-bag lunches. The Senate is in the early stages of a potential collaboration with Habitat of Wake County to sponsor a project to build at least 11 houses in 11 months. He closed
by asking the Trustees to keep all NC State staff in mind as they address the major issues facing the university.

With no further business in open session, Mr. Sall made the motion, seconded by Mr. Freelon, at 10:30 a.m. to go into closed session to prevent the premature disclosure of an honorary award, to consider the qualifications, competence, performance, conditions of appointment of a public officer or employee or prospective public officer or employee, and to consult with our attorney to protect the attorney-client privilege under NC General Statute 143-318.11(a)(2)(3)(6). The motion carried.

At 11:20 a.m., the board came out of closed session. With no further business, Chair Mulkey adjourned the meeting at 11:25 a.m.

Respectfully submitted,

_________________________________             ______________________
Assistant Secretary                 Secretary

Approved:

_________________________________
Chair of the Board
In accordance with the State Government Ethics Act, it is the duty of every [Board] member to avoid both conflicts of interest and appearances of conflict.

Does any [Board] member have any known conflict of interest or appearance of conflict with respect to any matters coming before the [Board] today?

If so, please identify the conflict or appearance of conflict and refrain from any undue participation\(^2\) in the particular matter involved.

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1. N.C.G.S. §138A-15 (e): “At the beginning of any meeting of a board, the chair shall remind all members of their duty to avoid conflicts of interest and appearances of conflict under [Chapter 138A].” There is no set language required by the Act. Specific language can and should be tailored to fit the needs of each covered board as necessary.

2. “A public servant shall take appropriate steps, under the particular circumstances and considering the type of proceeding involved, to remove himself or herself to the extent necessary, to protect the public interest and comply with this Chapter, from any proceeding in which the public servant’s impartiality might reasonably be questioned due to the public servant’s familial, personal, or financial relationship with a participant in the proceeding.” See N.C.G.S. §138A-36 (c). If necessary, the Chairman or individual member involved should consult with his ethics liaison, legal counsel, or the State Ethics Commission to help determine the appropriate response in a given situation.
Sepideh (Sepi) S. Asefnia
Sepi Asefnia, PE, is Owner and President of SEPI Engineering Group, Inc. (SEPI) in Raleigh, NC. Her firm, founded in 2001, specializes in Roadway and Structure Design; Transportation Planning; Traffic Engineering and Operations; Water Resources; Permitting/Natural Resources; Wetland Stream Mitigation; Site/Civil Design; Surveying, and Construction Management. SEPI currently employs 40 individuals working in North and South Carolina. Ms. Asefnia holds a bachelor’s degree in both Civil and Agricultural Engineering from NC State University and is a registered Professional Engineer in eight states. Prior to forming her own firm, she spent over 16 years in the field of transportation engineering design and management of which she worked approximately 12 years with the North Carolina Department of Transportation in Highway Design and Traffic Engineering. Her current day-to-day responsibilities include managing firm’s projects in North and South Carolina, financial and administrative management, and business development. Ms. Asefnia is very active in the community and is serving on the Executive Board for Raleigh Chamber of Commerce and Commercial Real Estate Women (CREW); past president of Women’s Transportation Seminar (WTS); and Board of Directors for the American Council of Engineering Companies of North Carolina (ACEC/NC); Friends of the North Carolina Museum of Natural Sciences, and NC State University Board of Visitors. She was inducted into the YWCA Academy of Women in the category of Science and Technology and serves on the Board Advisory Council of the Women’s Center of Wake County.

Larry A. Bowman
Larry Bowman is a Consultant/Private Investor. He graduated from NC State with a B.S. in Industrial Engineering in 1973 and earned his MBA from Wake Forest University in 1983. His career has been spent in the telecommunications industry. He was a founder, principal and President of Prodelin Corporation, a manufacturer of satellite communications equipment, now General Dynamics Satcom Division. Mr. Bowman is a member of the NC State College of Engineering Foundation Board of Directors. He serves on the Board of Directors of the YMCA of Catawba Valley and he is Chair of the SALT (Science, Arts, Literature Together) Block Foundation Board of Directors in Catawba County. He is also serves on the advisory board of the North Carolina Agency for Public Telecommunications and Future Forward, a regional economic development initiative for western North Carolina.

Tommy Bunn
Jessie Thomas Bunn (Tommy) is CEO and General Manager of Flue-Cured Tobacco Cooperative Stabilization Corporation. The Cooperative is grower-owned and grower-governed and markets leaf tobacco and tobacco products in domestic and international markets. He graduated from NC State in 1966 with a degree in Agricultural Business-Crop Science. He is currently Vice Chairman and Committee Chairman of the Golden Leaf Foundation which provides grants to economically distressed rural areas of North Carolina. He is also Co-Chair of the Secretary of Agricultures and the U.S. Trade Representatives Technical Advisory Committee on Tobacco Trade Policy (ATAC) and has served on a number of other boards and committees.
Henry Campen
Throughout his legal career, Henry Campen has helped emerging industries and high-tech companies establish and expand across the Southeast. Mr. Campen represents clients on permitting and regulatory matters with a focus on renewable energy development. His clients include wind, solar and biomass companies. Mr. Campen currently serves as Managing Partner for Parker Poe’s Raleigh Office and is a member of the Firm’s Board of Directors. In addition, he is a member of the Board of Advisors for the College of Management at North Carolina State University; the Wake Forest University Alumni Council; the Board of Directors for SAFecild, and the Board of Advisors for YMCA Camp Sea Gull/Camp Seafarer. Mr. Campen received his JD, summa cum laude, 1986 from North Carolina Central University, his MPA, 1978 from American University and his BA, 1971 from Wake Forest University.

Kathryn A. Council
As Vice President of Publications, Kathy Council oversees development and delivery of online and printed documentation and information products that support SAS products globally. SAS Press, an in-house publishing organization that produces a family of retail publications written by authors on topics of interest to SAS users and developers is also a part of the Publications division. Vice President since 1985, Council has headed the Publications unit since originally joining SAS in 1977. She has a bachelor's degree in mathematics from the University of North Carolina at Greensboro and a master's degree in statistics from North Carolina State University in Raleigh, NC.

William H. Culpepper
William H. Culpepper is a native of Nash County, NC and is the Founder, President and CEO of SePRO Corporation, a leading specialty agrichemical company with offices in Carmel, IN and research facilities in Whitakers, NC. Prior to the formation of SePRO Corporation in 1994, he spent more than 25 years with Eli Lilly and DowElanco in a variety of sales, marketing and management roles. Mr. Culpepper is a co-founder and board member of several leading industry organizations including Responsible Industry for Sound Environment (RISE), the Washington, D.C.-based trade association representing the specialty chemical industry; the RISE Aquatic Working Group; the Aquatic Ecosystem Restoration Foundation; and he is a board member of Crop Life America, another Washington, D.C.-based trade association representing the agrichemical industry. In addition to industry associations, Mr. Culpepper also serves on various community development boards including the BioCrossroads Advisory Board. BioCrossroads is a privately funded organization that is dedicated to fully leveraging Indiana's existing world-class life science assets. Mr. Culpepper graduated from NC State in 1966 with a B.S. in Agronomy. He is a member of the NC State Campaign Steering Committee promoting the Achieve! Campaign and was named CALS Outstanding Alumnus for 2005.

Martha E. Emrich
Martha Emrich is the Vice President of Sales and Business Development for Emrich Enterprises, LLC, a private company that provides professional services in sales, product development, and plasma technology applications primarily for industrial carpeting and for fabrics used in performance/activewear apparel, automotive headliners, and military applications. Originally from Belmont, NC, her career in textiles started at a young age following in her Father's footsteps. Since graduating from NC State University with a B.S. in Textiles, she has worked in various capacities and for various companies within the textile industry including Navy Cothing and Textile Research Facility and Guilford Mills, Inc. prior to establishing Emrich Enterprises with her husband, John. Mrs. Emrich is a long time member of the NC State Alumni Association.
and Wolfpack Club. She also currently serves on the Board of the College of Education for NC State University.

**Charles A. Flink, Chair**

Charles A. "Chuck" Flink is founder and president of Greenways Incorporated, an environmental planning and landscape architecture company established in 1986 and based in Durham, NC. He is a Fellow in the American Society of Landscape Architects and the 2006 Distinguished Alumnus for the College of Design at NC State. Flink is an award winning author, planner and landscape architect, having completed project work in more than 200 communities and 5 countries. He has been featured in National Geographic, Landscape Architecture China, Triangle Business Journal, Landscape Architecture, Walking, American Planning, Good Housekeeping, Southern Living and American City County. He is a 1982 graduate of NC State’s College of Design and served as an Adjunct Professor of Landscape Architecture for five years. He is a Lifetime Member of the NC State Alumni Association. He served three consecutive terms as Chairman of the Board for American Trails, Washington, DC; as a member of the North Carolina Greenways Advisory Panel, established by Governor James Martin; and is currently serving his 5th term as Chairman of the Board of Trustees for the East Coast Greenway, a 3,000-mile urban trail that extends from Maine to Florida.

**Edwin G. Foulke, Jr.**

Edwin G. Foulke, Jr. is a partner with Fisher & Phillips LLP, a leading national labor and employment law firm. Mr. Foulke works with the firm’s Workplace Safety and Catastrophe Management Practice Group in its Atlanta, Georgia office. Prior to joining Fisher & Phillips, Mr. Foulke was the Assistant Secretary of Labor for Occupational Safety and Health. Named by President George W. Bush to head OSHA, he served from April, 2006 to November 2008. During his tenure at OSHA, workplace injuries, illnesses and fatalities rates dropped to their lowest level in recorded history. For approximately thirty (30) years, Mr. Foulke has worked in the labor and employment area, specializing in occupational safety and health issues, workplace violence risk assessment and prevention, whistleblower protection, and accident and fatality prevention. Mr. Foulke also served on the Occupational Safety and Health Review Commission in Washington, DC, chairing the Commission from March 1990 to February, 1994. Mr. Foulke, a native of Perkasie, PA, graduated from North Carolina State University with a BA degree in Political Science (with honors) in 1974. He earned his law degree from Loyola University – New Orleans in 1978 and a Master of Law (Labor) degree from Georgetown University Law School in 1993.

**David Fox**

David Fox, an Olympic Gold Medalist in swimming, received a B.S. in Civil Engineering from NC State University in 1994. While a swimmer for NC State, he won seven ACC titles, one NCAA title, and was the recipient of the Alumni Association Athletic Trophy in 1993. Following his swimming career, Mr. Fox attended UNC-Chapel Hill where he earned a Master’s in Business Administration in 1999 and served as the assistant swimming coach for the varsity swimming team for three years. Following business school, he spent 6 years in Private Wealth Management at Goldman Sachs & Co., in Philadelphia, PA where he was a Vice President. In January 2006, Mr. Fox was named Regional Manager of the firm’s Atlanta office, responsible for a 10 state territory in the Southeast, including North Carolina.
Judi Grainger
Judi Grainger earned her MEd in Education from NC State in 1972, after earning a BA degree from East Carolina University in 1968. She was a teacher at the Governor Morehead School for the Blind for 3 years, and later founded two travel agencies and enjoyed a 32 year career in the travel industry. She currently works at Tritest, Inc., an environmental testing laboratory. Mrs. Grainger is the immediate past President of the NCSU Alumni Association Board of Directors, and has served 12 years on the board. She also serves on the NCSU College of Education Advisory Board, The State Club Board of Directors, and is a past member of the Greater Raleigh Convention & Visitors Bureau Board, and currently a member of The Conference Table, an advocacy group for the Wake County visitor industry. She served on the Park Alumni Center Campaign for Excellence committee, as well as the NCSU Official Class Ring committee, and is currently serving on the 125th Anniversary committee. Mrs. Grainger is in her second term on the Centennial Authority, currently serving as the secretary.

Ken Maxwell
Ken Maxwell received his B.S. in Agricultural Education from NC State in 1984 and Executive MBA from UNC-Chapel Hill in 1998. He is the General Manager in Western North Carolina for Frontier Communications where he oversees the Fortune 500 telecommunication company's operations for more than 100,000 customers. He has spent his career in business development, marketing, management and international trade. Mr. Maxwell currently serves on the Board of Directors for the YMCA of Western North Carolina and the Asheville-Buncombe Technical College Foundation. He is a long time member of the NC State Alumni Association and Wolfpack Club. He is a Caldwell Fellows alum and has been actively involved in the Park scholarship program.

John McCarter
John McCarter retired from GE after more than thirty years, serving in corporate officer roles in GE’s Energy business and its corporate region management. In his final position with GE, he was President and Region Executive, GE Power Systems Sales Europe. He was responsible for commercial activities across the portfolio of GE’s business units dealing with electrical energy production and management, as well as the oil and gas energy industry. For more than five years prior to this posting, McCarter served as President and CEO of GE Latin America, responsible for growing the spectrum of GE’s business lines in South and Central America as well as the Caribbean. McCarter graduated in 1973 with a Bachelor of Science in nuclear engineering from NC State University, and volunteered as GE’s executive liaison for State for more than a decade. He served for many years on the North Carolina State Engineering Foundation board, including two years as President, and was also honored as 2000 Distinguished Engineering Alumnus, NCSU. In addition, he has extensive board experience with various organizations shaping economic, trade and social policy across the Americas.

Dan K. McNeill
Upon the completion of a Bachelor of Science and ROTC instruction, Gen. Dan McNeill (retired) graduated from NC State University and received a commission as an infantry officer in the US Army in 1968. During his 40 years of active service, he enjoyed a myriad of stateside and overseas assignments. In recent years, he served successively as commander of the 82nd Airborne Division, XVIII Airborne Corps, US Army Forces Command, and NATO's International Security Assistance Force. A native of the Duplin County town of Warsaw, Dan now resides in Fayetteville, NC. Since his retirement from the US Army on July 31, 2008, he has begun a second career of service to the community and part-time work in both the private and defense sectors.
Dell Murphy
Dell Murphy is Founder and President of Murphy Family Ventures LLC, a management company that provides professional services to its clients, particularly focused on swine production and real estate development. His latest venture has been in the portable storage industry where he is an owner of 1-800-PACKRAT franchise stores. Mr. Murphy attended Appalachian State University and is a 1990 graduate from NC State University with a degree in Swine Management. He currently serves on the NC Wildlife Commission, the Wolfpack Club Board, and has recently been appointed to serve on the NC Ag and Life Science Research Foundation Board.

Linda J. Noble
Linda J. Noble graduated magna cum laude from the School of Design at NC State University in 1983 with a Bachelor of Environmental Design in Product Design. She is a member of Phi Kappa Phi Honor Society, a member of the NC State University College of Design Guild, a lifetime member of the NC State Alumni Association, and a member of the R. Stanhope Pullen Society. Linda has had a full-time freelance graphic design practice for 25 years.

John Palmour, PhD
Dr. John W. Palmour, Chief Technology Officer – Power & RF, directs and conducts all Power Device and Microwave device development at Cree, Inc. He was one of the co-founders of Cree in 1987, and served on the Board of Directors for the company from 1995 to 2010. Dr. Palmour has been a leader in SiC and GaN electronic device development for the last 25 years, and has demonstrated numerous firsts in these technology areas. He has been responsible for the development of high voltage, high temperature 4H-SiC power diodes and transistors, as well as high frequency GaN HEMTs and MMICs. He also manages the Company's government contract research programs. During his career, he has authored or co-authored more than 300 publications and is a co-inventor on 47 U.S. patents and 158 corresponding foreign patents. Dr. Palmour received his B.S. and Ph.D degrees from North Carolina State University, Raleigh, in 1982 and 1988, respectively, where his major was in Materials Science and Engineering.

Michael Peirson
Michael Peirson received his B.S. in biology from Delaware Valley College in 1970. He worked at the Virginia Institute of Marine Science from 1972 to 1974 in bivalve mollusk research. From 1974 to 1979 he was employed at the research division of the Rohm & Haas Company and was responsible for environmental testing of new agricultural herbicides. In 1979 he enrolled in the doctoral program at NC State University’s College of Physical and Mathematical Sciences (PAMS) under a Sea Grant Fellowship and received his degree in 1983. Later that year, he was hired by the Ballard Fish & Oyster Company to start Cherrystone Aqua-Farms, which has become one of the biggest producers of farm-raised littleneck clams in the country. Dr. Peirson has served on the Virginia Aquaculture Advisory Board, the Farm Bureau Aquaculture Commodity Committee and numerous other state advisory boards. He served as President of the Northampton County (Virginia) Sustainable Development Task Force and represented the County on the state Sustainable Development Board. He served on NC States’s PAMS Foundation Board for 12 years and on the Finance Committee for most of those years.
Freda Porter, PhD
Dr. Freda Porter is President and CEO of Porter Scientific, an Environmental and Information Technology solutions company. She holds a B.S. in Applied Mathematics from the University of North Carolina at Pembroke, an M.S. in Applied Mathematics with a Computer Science focus, from North Carolina State University and a Ph.D. in Computational and Applied Mathematics from Duke University. Dr. Porter (Lumbee) is one of few American Indian women who have earned a doctorate in Mathematical Sciences. Some of her achievements were featured in the 1995 PBS documentary - Breakthrough: The Changing Face of Science in America. She serves on numerous boards and committees including the Board of Trustees of the Smithsonian National Museum of the American Indian, the Board of Trustees of the University of North Carolina at Pembroke, the NC Advisory Commission on Military Affairs, and the Board of Directors for ASCENT: Leading Multicultural Women to the Top.

Ray N. Rouse
Ray N. Rouse is vice chairman of RN Rouse Construction and a 1972 graduate of North Carolina State University with a BS degree in Engineering. He is past chairman and current member of the Centennial Authority and past president and current member of the NC State Student Aid Association (Wolfpack Club). He lived in Goldsboro, NC until 2005 where he served as chairman of the board of trustees of Wayne Community College, chairman of the board of trustees of Wayne Country Day School and chairman of the Wayne County Economic Development Commission. He has served on search committees for a NC State Chancellor, a NC State athletics director and a NC State football coach. He currently lives in Cary, NC, and is married and has four children and four grandchildren.

Jo Anne Sanford
Jo Anne Sanford is a sole practitioner in the Sanford Law Office and is a partner in Blount Street Advisors, a governmental consulting firm in Raleigh. She served on the NC Utilities Commission in the Hunt and Easley administrations from 1995 through 2006, leading it as Chair for ten years of her tenure. She is a nationally recognized expert in regulated utilities, served on numerous state and national boards, and is regularly requested to speak on matters concerning regulatory policy and requirements. Her current professional focus is on regulatory and governmental policies that support sustainability in a low-carbon environment, infrastructure investment, and broadband deployment. Current board service includes the State Employees Credit Union, Sustainable North Carolina, Burning Coal Theatre, Trinity United Methodist Church trustees, Microcell, and NC State’s Graduate School Board of Advisors and SPIA Board. A 1972 graduate of NCSU (Political Science) and a 1975 graduate of the UNC-CH School of Law, she worked from 1975-1995 with the North Carolina Attorney General’s Office in the fields of environmental, insurance, energy and utilities law.

Harold H. Schmitz, PhD
Harold Schmitz is Chief Science Officer for Mars, Incorporated, and a role he has held since 2005. Previously, he held positions within Mars in Scientific and Regulatory Affairs, Fundamental Research, Analytical and Applied Sciences, and Corporate Staff. Before joining Mars in 1993, Dr. Schmitz was a United States Department of Agriculture National Needs research fellow in the Department of Food Science at North Carolina State University. Dr. Schmitz’s professional interests are focused on the food production value chain and its influence on human and companion animal health, and ecological, environmental, social, and cultural sustainability. He has particular interests in understanding the metabolism and function of dietary carotenoids and flavonoids in the context of human health and nutrition, and has authored and co-authored numerous peer-reviewed publications and invited book chapters that reflect this
interest (see below for selected citations). Dr. Schmitz has a keen interest in the contributions that science and technology can make to global society, and especially the essential role that cross-sector collaboration and innovation plays in enabling these contributions. In this context he presently serves on the Executive Committee of the Government-University-Industry Research Roundtable at The National Academies in the United States, and has worked in partnership with the Nobel Prize Winners foundation based in Lindau, Germany since 2007."

**Bing Sizemore**
Bing Sizemore is a Senior Institutional Consultant with Morgan Stanley Smith Barney in Raleigh where he heads the Sizemore Group. The focus of the Sizemore Group is assisting institutional and high net worth individuals achieve their financial objectives. Bing received a BS in Textile Chemistry from NC State in 1971 and then worked in textiles with Cone Mills and Burlington Industries until 1983 when he entered the financial services industry. He currently serves on the Board of Trustees for the North Carolina Symphony, The State Club, Friends of ARTS NC State Advisory Board and the College of Humanities and Social Sciences Advisory Board. He is a life member of the NC State Alumni Association and an avid Wolfpack Club supporter.

**James A. Stewart**
James A. Stewart (Jim) is Owner and President of Stewart Investment Properties, Inc., located in Durham, NC. His firm, founded in 1997, specializes in commercial real estate brokerage and investments. Mr. Stewart earned a B.S. in Mechanical Engineering (1970) and a MBA (2009), both degrees from NC State University. Prior to becoming active in real estate, Mr. Stewart was employed by IBM Corporation serving in many varied capacities in the telecommunications industry from engineering to marketing. He also served for four years on active duty in the U.S. Army. Mr. Stewart is active with the university and in the community. He currently serves as chairman of the board of directors of Mechanics and Farmers Bank and its parent company, M&F Bancorp, Inc. He also serves as chairman of Triangle Community Foundation’s Real Estate Board and has served on the board of the YMCA of the Triangle and the board of advisors of the YMCA of Durham. He currently serves as chairman of the NC State Chancellor’s African American Advisory Council, is a life member of the NC State Alumni Association and is a member of both the Wolfpack Club and the Leonidas Lafayette Polk Society.

**Larry Sykes**
Larry M. Sykes is a native of Franklin County, North Carolina and earned three degrees from the Biological and Agricultural Engineering Department at NC State University: a bachelor’s in 1966, a master’s in 1968 and a doctorate in 1971. Upon completion of his Ph.D. degree he was employed by Philip Morris USA in Richmond, VA where he held various positions until his retirement in early 2004 as Director of Agricultural Programs in the Leaf Department. In this capacity he directed and initiated liaison with the U. S. tobacco production industry concerning tobacco production technology, tobacco production policy and public issues. He oversaw Philip Morris’ grants programs in support of research, extension and academic programs at seven land-grant universities in the southeastern United States. Larry has served as President of the North Carolina 4-H Development Fund and President of the North Carolina Tobacco Foundation where he currently is Chair of the Investment Committee. He is a lifetime member of the NC State Alumni Association and has served as a member of that organization’s Board of Directors. He also was co-chair of the recently completed CALS Capital Campaign as a part of N. C. State’s Achieve Campaign. In 2004 he was recognized as a Distinguished Alumnus by CALS and in 2007 as the Biological and Agricultural Engineering Department’s Outstanding Alumnus.
Dewayne Washington
Dewayne Washington received his B.A. degree from NC State in 2001. While at NC State, Dewayne was a member of the football team from 1990-1993 and was later drafted in the first round by the Minnesota Vikings in 1994. After retiring from the NFL with 12 years of service, Dewayne has participated in various real estate projects assisting with the revitalization of downtown Durham, NC. In 2009 he started Carolina Skills Academy to bring the most comprehensive year-round football skills academy to the Triangle. Currently he is involved in many community activities such as the Durham YMCA Board, NC State Alumni Board, Union Baptist Trustee Board, 100 Black Men Organization and a volunteer coach for Pop Warner football. Dewayne is married to NC State graduate Adama Washington and is the proud father of three children.

Kirsten Weeks
Kirsten Weeks is Sr. Community Relations Manager for Cisco, overseeing the company’s Community Relations programs at several U.S. and global locations, including Research Triangle Park, NC. Prior to joining Cisco in February 2007, Weeks served in multiple communications roles during her four-year tenure with the North Carolina Department of State Treasurer. Prior to joining the Treasurer’s office, Weeks worked for the North Carolina Department of Commerce, and as assistant press secretary for North Carolina Governor Jim Hunt. She also worked as press secretary for the National Partnership for Women and Families (formerly the Women’s Legal Defense Fund), a non-profit advocacy organization in Washington, DC. Weeks is a native North Carolinian. She holds an undergraduate degree in Mass Communication from North Carolina State University. She also holds a master’s degree in Journalism and Mass Communication from the University of North Carolina at Chapel Hill where she was a Roy H. Park Fellow and a master’s degree in Business Administration from Kenan-Flagler Business School. Kirsten, her husband Chris and son John live in Raleigh, NC.

Stephen (Steve) P. Zelnak
Steve Zelnak is Chairman and CEO of Martin Marietta Materials, Inc. He is a graduate of Georgia Tech and received his M.B.A. from University of Alabama. Mr. Zelnak is completing a three-year term on the College of Management Board of Advisors. He has been active in many community organizations and is well known in Raleigh area business circles. He formerly was Chair of North Carolina Citizens for Business and Industry (NCCBI), past Chairman of the NC Department of Community Colleges Foundation, and is on the President's Advisory Committee at Georgia Tech.
Randy Woodson took office as North Carolina State University’s 14th chancellor on April 5, 2010. The chancellor has made key advances through strengthened academic programs, increased research and improved academic reputation, new initiatives, new hires and a new fundraising focus on endowment. Under his leadership, the university has completed a strategic planning process, undertaken an organizational realignment and developed stronger communication throughout the institution.

As a community of teachers and scholars, NC State continues to increase its visibility as a model problem-solving university that is capable of addressing the grand challenges of the people of North Carolina and around the world. The following is a summary of NC State’s most significant achievements under Chancellor Woodson’s leadership, beginning with the goals established in the new strategic plan and followed by accomplishments under each goal.

**Strategic Planning**

The strategic plan conversation began in the fall, when the chancellor launched a campuswide planning process led by Provost Warwick Arden and Faculty Senate Chair Margery Overton. In order to accomplish the task of creating a robust plan, more than 140 university staff, faculty, students and alumni were appointed to nine task forces.

Adopted by the Board of Trustees in April 2011, this strategic plan outlines strategies through which NC State will consider investments, prioritize its commitments and make decisions. The plan identifies five goals and sets accountability guidelines by which the university will measure its growth and success. The goals include:

- **Goal 1**: Enhance the success of our students through educational innovation
- **Goal 2**: Enhance scholarship and research by investing in faculty and infrastructure
- **Goal 3**: Enhance interdisciplinary scholarship to address the grand challenges of society
- **Goal 4**: Enhance organizational excellence by creating a culture of constant improvement
- **Goal 5**: Enhance local and global engagement through focused strategic partnerships

Shortly after the strategic planning began, Chancellor Woodson began a process to realign university operations for greater efficiency and effectiveness. The resulting plan, based on tenets established in the strategic plan process, consolidates several business units, eliminates under-enrolled classes and majors and led to a review of how the sciences – one of NC State’s core strengths – will be taught.
Underscoring those two tasks are budget preparations that have been ongoing for the last two years in anticipation of shrinking state budgets. Chancellor Woodson not only established planning and review teams, but also a core working team designed to manage the procedural aspects of these initiatives as well as communications to the campus, media and general public.

### Goal 1: Student Success

As a land-grant university with a mission of developing global leaders, NC State takes great pride in providing its students with a world-class education, both inside and outside the classroom. Students were involved in cutting-edge research, community leadership and service learning. In addition, it is clear that NC State’s national reputation for being a “best value” in higher education (a combination of quality and affordability) continues to attract students in record numbers.

- Although NC State took steps to limit the size of its freshman class, the university received more than 19,000 freshman applications for admission – the largest number of applications in its history. A freshman class of more than 4,500 increased the student body to more than 34,000. The newest class boasted an average high school GPA of 4.23 and an average SAT score of 1187 (1746 with the writing portion). Approximately 43 percent of the freshmen were in the top 10 percent of their high school class. The class represents 97 of the state’s 100 counties, as well as 42 states and 23 countries.

- NC State awarded 85 associate’s, 3,394 bachelor’s, 1,255 master’s, 170 doctoral and 77 doctor of veterinary medicine degrees during its spring 2011 commencement exercises. When combined with the 3,041 degrees awarded in the fall, 2011 became the largest graduating class in university history.

- Students embraced NC State’s dedication to service starting with the first week of fall classes with events connected to Wolfpack Welcome Week. They packaged more than 405,000 meals for Haitian earthquake victims and donated almost 600 pints of blood to the American Red Cross. In February, about 7,500 people participated in the student-led Krispy Kreme Challenge, which raised $100,000 for the NC Children’s Hospital.

- It’s not unusual for students to come from great distances for an NC State education, but Saul Flores took an unusual approach to getting to the campus. Over the summer, Flores, a senior in graphic design and business administration, completed his “Walk of the Immigrants.” Beginning in Ecuador, he hitchhiked his way through 10 Latin American countries, spanning more than 5,000 miles to raise awareness of the struggles many immigrants face while immigrating to the United States. Flores received significant local and national media attention and was honored by the local Latin community.

- Undergraduates and graduates are involved in significant research at NC State. As a part of a senior design project, a group of biomedical engineering undergraduates was awarded first place in a national biomedical engineering competition for a special hybrid contact lens they created. In response to a charge to observe a real-world problem and
find a way to address it, the group designed and engineered special contact lens for victims of paralysis, which fits over the eye to hold moisture in. An interdisciplinary effort involving aerospace and textile engineering students tackled life-support challenges that the aerospace industry has been grappling with for decades and creating a “tent” that would aid in survival should humans reach Mars. Their story appeared in several national and international publications.

- Students also added to the number of significant national scholarships with a Goldwater and a Udall. Our students have received 36 Goldwater scholarships.

We supported student success in a variety of ways, including identifying and removing barriers that prevent students from maximizing their achievement potential and making progress toward graduation.

- Summer START was piloted successfully. Summer START is designed to assist new freshmen with the transition from high school to college. Program objectives were met; students from several at-risk groups achieved academic and social success which contributed to overall success in their first college year.

- The Preparing Future Leaders (PFL) program offered 136 events, workshops and seminars with a total attendance of 3016: 2263 graduate students, 535 postdoctoral scholars and 218 other participants. PFL serves both graduate students and postdoctoral scholars in three focus areas: career skills, teaching and mentoring and responsible conduct in research.

- Distance Education (DE) provides students an additional option for credit hours and relieves some of the burden on university facilities. DE enrollments increased by 10 percent, with 87,307 student credit hours delivered. More than 2,100 courses and sections were offered through Distance Education, with 25 new courses and 20 new faculty added to the Flexible Access program. As part of the strategic realignment, we are taking steps to make DE even more compatible with student needs and to bolster their progress toward graduation.

- NC State received grants totaling $1.7 million from the North Carolina Energy Office, providing undergraduate and graduate students the opportunity to engage in hands-on experience and training for jobs in North Carolina’s economy through “green” internships and fellowships.

- In addition to green internships and fellowships, the NC State Cooperative Education program (Co-op) maintained formal agreements with more than 600 private and public sector employers in North Carolina and throughout the nation. About 500 students experienced paid internships in companies and potential offers of permanent positions.
Goal 2: Scholarship & Research

The heart of an outstanding university is its faculty. As a solution-driven university, it is imperative that NC State grow excellence in its faculty to enable researchers to think entrepreneurially and drive their research to the market. In 2010-11, faculty achievement has been evident across the university.

- Trudy Mackay and Fred Gould were elected into the National Academy of Sciences. MacKay holds a distinguished place among members of the genetics community for her groundbreaking research. Gould studies the ecology and genetics of insect pests to improve food production and human and environmental health.

- Sarah Ash, Bob Beichner and Michael Walden received awards from the Board of Governors.

- The American Statistical Association (ASA) welcomed its newest class of fellows. Included among these 53 distinguished fellows were Subhashis Ghoshal and John Monahan. Dean Daniel Solomon received an ASA Founders Award. Marie Davidian was elected president of ASA. Davidian also was part of a collaboration with colleagues from Duke and UNC at Chapel Hill that received a $12.5 million grant from the National Cancer Institute to find ways to develop new-and-improved methods for the design and analysis of cancer clinical trials.

- Sastry Pantula was named director of the National Science Foundation’s Division of Mathematical Sciences.

- Dean Louis Martin-Vega was honored with the Institute of Industrial Engineers’ UPS Award for Minority Advancement.

- Jay Levine and his community partners were awarded the C. Peter Magrath Award, a national recognition of an institution’s commitment to community engagement. With the help of faculty and students, Levine worked with the community of Jacksonville to turn a wastewater treatment plant into a science learning center, an aquacultural development site and a community park.

- Craig Sullivan and David Threadgill, were elected Fellows of the American Association for the Advancement of Science (AAAS).

- Natasha Olby received the Hero of Medicine award from the American College of Veterinary Internal Medicine for her work in discovering a gene responsible for a fatal brain disease in American Staffordshire Terriers.

- Maxine Atkinson received the American Sociology Association's 2011 Distinguished Contributions to Teaching Award. This is the society’s highest award for teaching.
NC State was awarded the Howard Hughes Medical Institute Research University Award for undergraduate and K-12 teaching and research. The grant, which seeks to strengthen creative methods of teaching in science and technology, totals $1.5 million. NC State was one of 50 research universities to receive this award.

As might be expected of an institution that houses the first university-run nuclear reactor, several nuclear research projects are being carried out, including 11 faculty members working with the Consortium for Advanced Simulation of Light Water Reactors (CASL). They will use computer models to create innovative approaches to nuclear power, which should result in safer and more cost-effective energy. Meanwhile, NC State researchers have developed a foam material with the potential to remove radioactive contaminants from drinking water. This foam could clean the water without the need for electricity, completely changing the way we safeguard the world’s drinking water supply.

In a state with a significant military presence, NC State has several research partnerships with various branches of the armed services. A Department of Defense grant will support the creation of a HazMat boot for firefighters and other emergency personnel to use when hazardous materials are present. NC State will partner with the Walter Reed Institute of Research to further test the effectiveness of particular molecules, which could potentially fight off antibiotic-resistant infections such as MRSA and MDRAB, which commonly afflict military personnel. The Army Research Office awarded a grant to engage in a cross-disciplinary project to develop rapid response, minimal footprint, military base-camp design systems, for in-theater use by the United States Army.

Goal 3: Interdisciplinary Scholarship Addressing Grand Challenges

There are numerous opportunities at the intersection of NC State’s disciplines and professional fields. We continue to strengthen interdisciplinary programs and lower barriers between disciplines and departments.

As part of the Entrepreneurship Initiative, NC State, with support from Red Hat, launched The Garage, a facility for students engaged in entrepreneurial endeavors. The 2,000-square-foot incubator space will provide a community for students to work within the context of real-world problems and find solutions through critical thinking, creative problem-solving and new-business creation.

The US Department of Interior chose NC State to house one of eight federal hubs for climate change research in the Southeast. The Climate Science Center received $1.5 million in initial funding and will bring as many as a dozen federal employees to the area. It is estimated that the center will provide university scientists with as much as $7.5 million a year in research funding. Six of the university’s 10 colleges will be involved with the center.
• The Edible Schoolyard in Greensboro opened as a landmark effort to transform the way that we learn about and interact with our food by promoting outdoor learning among children in North Carolina.

• NC State veterinarians assisted in the recovery of wildlife following the massive BP oil spill still affecting parts of the Gulf. The team spent several weeks rescuing pelicans and other sea life as a part of their work with the International Wildlife Rehabilitation Council.

• Plant breeding researchers are developing superior plants and germplasms with greater adaptability, reduced need for pesticides, improved environmental quality and greater value for growers and consumers.

• NC State established a B.S. in Fashion and Textile Design program. The unique focus of the program builds on the arts and science foundations at NC State, while addressing the needs of our global textile complex in the design, development and marketing of textile products to meet the global competitiveness challenges of the industry.

**Goal 4: Organizational Excellence**

As a leading land-grant university, NC State plays a special role in the state’s vitality. Our goal is to create a shared vision for NC State that will enable the university to be more deliberate in its approach to its core academic mission and our capacity to innovate. To enable this work, we identified a number of changes.

• To provide the environment and resources needed to enhance the university’s capacity for research and innovation, the Office of Research & Innovation was created from the previously existing Office of Research and Graduate Studies. Similarly, the reporting structures for the chancellor; provost; vice chancellor for extension, engagement and economic development; and vice chancellor for research and innovation were realigned. The changes were designed to improve relationships between scholarship and research, between the classroom and the lab and improve university communication.

• The chancellor established regular, formal meetings for open communication with university leaders and the campus community. Administrative Leadership Meetings were held every other month to engage campus administration in a discussion of emerging topics, such as student success, faculty excellence, organizational excellence, research and the budget. Additionally, several Chancellor Forums were open to the entire campus.

• At the chancellor’s direction, Provost Warwick Arden and Vice Chancellor Charles Leffler led a university realignment for greater efficiency and effectiveness. Implementation began in March and is ongoing.

• Organizational excellence also extends to facility management. NC State opened two significant buildings in 2010-11. Engineering Building III (EB III), a 248,000-square-
foot facility opened, with state-of-the-art laboratories and two wind tunnels, as well as the campus’ first green roof. EB III will house two academic departments: the joint NC State-UNC Department of Biomedical Engineering and the Department of Mechanical and Aerospace Engineering. The new Randall B. Terry, Jr. Companion Animal Veterinary Medical Center, 110,000-square-foot facility, is a national model for excellence in companion animal medicine. The center offers cutting-edge technologies for imaging, cardiac care, cancer treatments, internal medicine and surgery. The Terry Center will accommodate more than 20,000 cases that are referred to the College of Veterinary Medicine every year. The hospital was funded by a $20-million gift from the R.B. Terry Charitable Foundation and $38 million in state appropriated funds. The college remains the only U.S. academic facility offering canine bone marrow transplants and continues to pioneer osseointegrated implants and custom prosthetics in collaboration with the College of Engineering.

**Goal 5: Engagement and Partnerships**

Recognizing the unique role that NC State plays as a driver of economic development for North Carolina, Chancellor Woodson led the effort to encourage, promote and enhance engagement efforts at the statewide and national levels.

- In order to become more acquainted with North Carolina and NC State’s economic reach, Chancellor Woodson traveled across the state last summer, meeting with business leaders and members from all seven of the state’s economic development partnerships. In the spring, he traveled to California, Washington D.C., Georgia, Florida, Virginia and New York, reconnecting with alumni and meeting potential partners and donors.

- In September, North Carolina was awarded $400 million as a “Race to the Top” grant recipient with the help of key university faculty and staff members working in cooperation with the governor’s office.

- The NC State Economic Development Partnership continued to play a prominent role in helping North Carolina capture the 430-job IEM corporate headquarters in RTP, as well as facilitated the continued growth and development of the 225-job HCL America regional headquarters in Regency Cary Park.

- The university continued to grow its relationships with colleges and universities locally, nationally and internationally.
  - NC State announced two new dual-degree programs with nearby Campbell Law School – a joint J.D. and Master’s of Public Administration and a joint J.D. and Master’s of Business Administration. This partnership created the state’s first dual JD/MPA program offered from two separate institutions of higher education.
In January, NC State welcomed SKEMA, one of France’s top business schools, to Centennial Campus. Within the next three years, SKEMA hopes to occupy 30,000 to 40,000 square feet of academic space on Centennial Campus. NC State will explore opportunities for joint academic and study abroad programs.

- Agriculture industry support takes many shapes at NC State. NC MarketReady served 32 farm businesses and 4 cooperatives. NC MarketReady serves as a Rural Cooperative Development Center that helps farmers structure their business to better take advantage of value-added markets by providing cooperative board member training, technical assistance in the form of feasibility studies and equipment funding.

- As part of our work to be more intentional in the pursuit of innovation and job creation, NC State launched the Springboard Innovation Partnership Portal. The goal is to double the number of startup companies it launches annually by 2012.

- Companies continued to turn to NC State for economic recovery. Industrial Extension Service (IES) documented more than 2,000 jobs saved or created, increased sales of $190 million and a $20 million added investment by these businesses. IES also celebrated North Carolina manufacturing with a statewide tour. The tour was the culmination of the 1B4NC initiative in which we promised to produce $1 billion in economic impact for the state and reached the goal one year early.

- In July 2010, the Keystone Centennial Science Center opened, offering tenants a high-tech, low-risk place to commercialize innovative ideas. The facility features a two-story, 72,000-square-foot laboratory and office space.

- As a result of NC State technology and a state grant, Empire Foods, Inc. announced that it would bring 200 jobs to Halifax County. The food processing company, which uses a technology licensed from NC State, plans to create 200 more jobs and invest $2.5 million over the next five years.

- In his first year as chancellor, Woodson worked extensively to continue developing and growing the university’s relationships with current and potential donors. He declared increasing the endowment as the university’s top fund-raising priority. In December, the university announced the largest donation in NC State’s history, $40 million to endow the College of Management, given by Lonnie and Carol Johnson Poole.

- Our economic development partnerships certainly extend to other North Carolina institutions. For example, a partnership with the North Carolina Community College System (NCCCS) delivered Lean Six Sigma training throughout the state. The NCCCS held 22 courses using materials created by NC State faculty and staff. Lean Six Sigma projects completed through this program resulted in more than $8.7M economic impact to the state of NC.
Facilities

While the Higher Education Bond Referendum, authorized in 2000, was completed in 2009, NC State has continued to have an active capital program funded from a widening variety of sources including state appropriations in the form of cash and debt issuance, gifts, debt supported from student fees, receipts and energy savings. Highlights include:

- Engineering Building III
  - Completed 7/2/2010

- Randall B. Terry Companion Animal Veterinary Medical Center
  - Completed 5/4/2011 (Move-in underway)

- James B. Hunt, Jr. Library
  - Under Construction (Anticipated completion 9/14/2012)

- Early College High School
  - In Design (Anticipated completion 2/25/2013)

- Greek Village Phase I Infrastructure
  - Completed 5/25/2010 (First house to start Fall 2011)

- Centennial Campus Student Housing
  - In Design (Construction starts Fall 2011)

- Talley Student Center Addition & Renovation
  - Under Construction (Anticipated completion 11/21/2014)

- The Point
  - Under Construction (Anticipated completion 9/15/2011)

- Carol Poole Golf Clubhouse
  - In Design (Anticipated completion 12/31/2012)

Legislative and Budget Efforts

Chancellor Woodson built strong relationships with the state’s elected leadership during his first year. Through regular visits with North Carolina’s General Assembly and congressional delegation, he has been a champion of the needs and opportunities for NC State, particularly at a time of budget cuts. Additionally, the chancellor has been committed to providing open communication across campus regarding budget decisions through emails, homepage messages and forums.
Rankings and Recognition

NC State continued to rank among the nation’s best universities during the first year of Chancellor Woodson’s tenure as measured by a number of organizations and publications.

- NC State was ranked one of the top 25 colleges by recruiters as a part of a Wall Street Journal study. Placing 19th, NC State was the highest-ranking North Carolina institution and was also named the best value on the list.

- Forbes Magazine released a list of the 10 most innovative business school classes offered in the nation. Listed along with universities like John Hopkins and Georgetown, NC State was represented by its “Product Innovation Lab.” The course brings business, engineering and industrial design professionals together with MBA students to work on sponsored projects from private companies.

- The smart solid-state transformer being developed by the FREEDM Systems Center at NC State was named to Technology Review’s 2011 list of the world’s 10 most important emerging technologies. Smart transformers are more efficient and adaptive than transformers commonly used on the power grid today. The devices could allow electric vehicles to be charged more quickly and utilities to incorporate large amounts of solar and wind power into the grid without blackouts or power surges.

- In spring 2011, NC State was recognized as a “Model of Efficiency” by University Business magazine. Only 11 colleges and universities nationwide received this honor.

- The North Carolina Committee for Employer Support of the Guard and Reserve recognized NC State for its outstanding support of the National Guard and Reserve.


- Other significant rankings included:
  - National Science Foundation, 2010
    - 7th in Industry Research Funding (among universities w/o medical schools)
    - Ranking of Web of World Universities, 2010 (Released in Winter)
    - 27th in Web Presence
  - U.S. News & World Report, Undergraduate 2011 (Released in Fall 2010); Graduate 2010
    - 3rd among colleges of Veterinary Medicine
    - 6th Best Overall Public University Value
    - Nine graduate programs among top 30 public universities

Athletic Excellence
This past year was a successful year for NC State athletics. With a new athletics director, the Wolfpack made huge strides on and off the field.

- In November, the men’s soccer program welcomed Kelly Findley as head coach. He replaced veteran coach George Tarantini, who retired after 25 years.

- The football program won more games than any Wolfpack team since 2002, finishing the season ranked 25th in the Associated Press poll after defeating West Virginia in the 2010 Champs Sports Bowl.

- NC State continues to lead the Atlantic Coast Conference in the number of student-athletes who have received postgraduate scholarships. Three more student-athletes earned these awards. Gymnast Britney Vontz, women’s basketball forward Brittany Stratchan and men’s soccer defender Lucas Carpenter – were named recipients of the Weaver-James-Corrigan Award, an honor bestowed on student-athletes who have performed with distinction in the classroom, community and in their respective sports.

- NC State’s Academic Support Program for Student-Athletes is a leader not only in the region but also the state. Staff presented at regional and national conferences during the past academic year and remains active at the national level, serving on the board and various committees of the National Association of Academic Advisors for Athletics (N4A). Further, NC State remains the administrative home of the N4A National Office.

- Mixed Rifle, Men’s Basketball and Men’s Cross Country were publicly recognized for their 2006-2010 Academic Progress Rate (APR). These teams’ APR scores were in the top ten percent of the country in their respective sports.

- NC State welcomed new men’s basketball coach Mark Gottfried, who quickly assembled a highly experienced coaching staff.

Leadership Changes

During the 2010-2011 academic year, NC State welcomed several new department heads, student leaders and administrators committed to advancing the mission of the university.

- After serving in an interim role for more than 18 months and following a national search, Warwick Arden was officially named Provost and Executive Vice Chancellor.

- NC State Athletics welcomed new Athletics Director Debbie Yow, the first woman to hold the position.

- Jayne Fleener, who was previously dean of Louisiana State University’s College of Education, was named Dean of the College of Education.
Benny Suggs (’69) was named Executive Director of the NC State Alumni Association.

**Selected Presentations**

During his first year as chancellor, Chancellor Woodson made numerous appearances at university and community functions and traveled extensively including hosting Alumni events in 13 cities in North Carolina and across the country. Below is a partial list of the many presentations he made during his first year in office. This list does not include numerous speaking engagements and presentations at university events.

- Charlotte Business Leaders Breakfast, Charlotte, NC, April 2010
- Eastern Region Economic Development Partnership Board Meeting, Kinston, NC, May 2010
- Piedmont Triad Business Leaders Meeting, Greensboro, NC, May 2010
- Southeast Region Economic Development Partnership Board Meeting, Elizabethtown, NC, June 2010
- Research Triangle Region Economic Development Partnership Board Meeting, Raleigh, NC, June 2010
- National Agents Alliance Convention, Raleigh, NC, July 2010
- Charlotte Regional Partnership Meeting, Concord, NC, July 2010
- Northeast Region Economic Development Partnership Board Meeting, Edenton, NC, July 2010
- Chamber Leadership Conference, Greensboro, August 2010
- United States-Brazil Innovation Summit, Washington, D.C., September 2010
- Park Foundation Board, Raleigh, NC, September 2010
- Hillsborough Street Grand Opening, September 2010
- Social Innovation Healthcare Dinner, September 2010
- Scholarship of Engagement Symposium, Raleigh, NC, September 2010
- Borlaug Lecture, Raleigh, NC, October 2010
- National Outreach Scholarship Conference, Raleigh, NC, October 2010
- Downtown Raleigh Alliance, Raleigh, NC, November 2010
- Farm Bureau Annual Conference, Greensboro, NC, December 2010
- Council on Competitiveness, Washington, D.C., December 2010
- Food and Agricultural Leadership Workshop, Washington, D.C., December 2010
- Eastern 4-H Center Building Dedication, Columbia, NC, January 2011
- Kings Mountain Rotary Club Presentation, Kings Mountain, NC, January 2011
- Crop Improvement Foundation Seed Luncheon, McKimmon Center, Raleigh, NC, January 2011
- Rotary Club of West Raleigh Presentation, Raleigh, NC, February 2011
- CASE District 3 Student Ambassador Conference, Raleigh, NC, February 2011
- Emerging Issues Forum, Raleigh, NC, February 2011
Agenda

- Raleigh Host Lions Club, Raleigh, NC, February 2011
- Hispanic Educational Summit, Raleigh, NC, March 2011
- Science Coalition Roundtable, Washington, D.C., March 2011
- Wake County Phi Beta Kappa, Raleigh, NC, April 2011
- Downtown Raleigh Rotary Club, Raleigh, NC, May 2011
- Downtown Raleigh Alliance Breakfast, Raleigh, NC, May, 2011
- Crosby Scholars Invitational, Bermuda Run, NC, May 2011
- North Raleigh Rotary, Raleigh, NC, June 2011
- Engineering Summit for Minority Women Dinner, Raleigh, NC, June 2011
Randy Woodson took office as North Carolina State University’s 14th chancellor on April 5, 2010. In this capacity, he oversees North Carolina’s largest university with over 34,000 students and a budget exceeding $1.3 billion.

Chancellor Woodson is a nationally recognized leader in bridging the gap between vision and action. This recognition most recently was demonstrated through his election to the executive committee of the Association of Public and Land-grant Universities, the national research and advocacy organization of public research universities, land-grant institutions and state university systems. A review of his first two years at NC State demonstrates this leadership through the development and implementation of a strategic plan to enhance NC State’s position as a preeminent technological research university, recognized around the globe for its innovative education and research addressing the grand challenges of society.

Chancellor Woodson has exemplified steady and purposeful leadership in the midst of budget challenges, initiating a realignment of the university for greater efficiency and effectiveness to ensure continued success. Following is a review of the chancellor’s accomplishments from July through December 2011.

Strategic Planning and Realignment

Since the final strategic plan was approved at the Board of Trustees meeting in April 2011, the implementation team has been working to follow and assess progress toward goals. The group has been gathering data to establish benchmarks, laying the foundation for how progress will be tracked and measured. This report is organized around the plan’s five strategic goals.

Announced by the chancellor in March 2011, the purpose of the strategic realignment is to recommend changes that will align with and be supported by the strategic plan, position NC State for greater strength, effectiveness and efficiency and help respond to state budget reductions. The recommendations included the reviews of several areas of the university. With the input and committee service of individuals from across campus, the university has been diligently reviewing key areas of improvement and making progress towards recommendations. Examples include reorganization of extension, engagement and economic development activities, consolidation of equity and diversity offices, a review of academic programs, the realignment of business operations, a complete review of policies and regulations and the implementation of an ongoing process to review administrative processes for improved efficiency and effectiveness. These actions are reflected in this document under the strategic plan goal with which they correspond.
Strategic Goal 1: Student Success

In fall 2011, NC State welcomed a **freshman class of 4,550**, as well as 1,000 transfer students. The class has a weighted high school grade point average of 4.28, an average SAT score of 1191 in critical reading and math and 1754 when the writing portion is included. Forty-eight students had perfect scores on the math portion of the SAT, while 19 students had perfect critical reading scores. Forty-four percent of the expected freshmen were in the top 10 percent of their high school class, and 73 percent of the incoming class was in the top 20 percent. The class hails from 98 of North Carolina’s 100 counties, as well as 44 states and 45 countries. Engineering, First Year College and biological sciences are the most popular programs for incoming freshmen.

Students demonstrated a commitment to service starting off the fall semester giving back. As part of the annual **Service NC State** event, students donated 1,032 units of blood and packaged 103,506 meals for Stop Hunger Now. Additionally, in September, students participated in **Shack-A-Thon** to raise money for Habitat for Humanity. The event raised more than $18,400 for Habitat, while also raising awareness of housing and homelessness issues.

In August, the university celebrated the groundbreaking on the **Talley renovation and expansion project**. This project is a much-needed step in providing adequate space for students on campus. The current center was built in 1972 when the student population was 13,000. NC State now has more than 34,000 students.

To provide a regularly scheduled time for students to ask questions and voice concerns, the chancellor initiated a monthly “**Chat with the Chancellor**.” Monthly chats were held at various locations across campus in areas convenient for students and provided an informal opportunity for them to interact with the chancellor. This effort has improved communication and visibility with students, allowing them to learn more about the chancellor and how he manages his leadership role.

The **National Survey of Student Engagement** demonstrated that NC State students give back, rank faculty better than the national average and are prepared for the real world. Among the survey results, 88 percent of seniors reported talking about career plans often with a faculty mentor. Fifty-seven percent of first year students reported getting prompt feedback on academics, and 30 percent of students by their senior year reported working with a faculty member on a research project other than coursework. By their senior year, 68 percent of NC State students have participated in some form of practicum, internship, field experience, co-op or clinical assignment. Additionally, by the time they are seniors, 71 percent of NC State students have participated in community service or volunteer work.

To **protect future space travelers**, NC State students from the College of Engineering and the College of Textiles designed a 1,900-square-foot inflatable living environment for four to six astronauts. It is made with advanced textiles, including layers of radiation-shielding materials like those in nuclear safety suits, a polyurethane substrate to hold in air and a metallic film to reflect UV rays. Students also tackled another major challenge for a manned mission to Mars: water. They have redesigned the Sabatier reactor, which uses gases to produce water in space, to make it lighter and more compact.
Three NC State Art and Design students designed a **20,000-square-foot pin-up to cover a downtown Raleigh parking deck**. Embedded in the 15 panels of the collage they call "The Fantastic Sky Race" are nearly a dozen images referencing Raleigh, Wake County or North Carolina. The pin-up covers two sides of a two-year-old parking deck at the corner of McDowell and Davie streets in downtown Raleigh.

In response to the strategic realignment recommendations and task force findings, **the Division of Undergraduate Academic Programs is merging with Student Affairs**. The new leadership of this unit will include a Vice Chancellor and Dean for Academic and Student Affairs, for which a search will occur in 2012. The new unit consists of four main divisions: Academic Programs and Services, Arts NC State, Residential Life, and Student Development, Health and Wellness. The merger streamlines student services for more effective mechanisms for student success.

The university broke ground on the **Centennial Campus Housing Student Housing and Dining project**. The project will provide 356 units (1195 beds) in six buildings. It advances the founding concept that Centennial Campus would be a collaborative, living-learning environment. In addition to the much-needed housing, the project will provide the Centennial Campus community with a full-service dining facility.

Construction continued on the **$110,000,000 James B. Hunt, Jr. Library on Centennial Campus**, scheduled for completion in late 2012. This 205,000 square-foot facility will include library study, stack and service space, as well as office, meting and gallery space for the Institute for Emerging Issues.

In December, NC State awarded degrees to more than 3,437 new graduates. With the 4,822 degrees conferred in May, the university awarded a total of **8,259 degrees in 2011**. To celebrate the achievements of faculty and students, NC State alumnus and Nobel Prize Laureate Dr. Rajendra Pachauri delivered the commencement address.

**Strategic Goal 2: Scholarship & Research**

The chancellor established the **Chancellor’s Innovation Fund** to provide short-term funding to enhance the commercial value of NC State research. The fund provides an average of $500,000 to $75,000 for activities to make technology more marketable, such as providing critical data, conducting market research and developing prototypes. The first round of funding went to four projects, which included a vaccine that prevents *Salmonella*, coatings that protect fabrics from UV rays, bandages that release medication to improve wound healing and better bed bug bait.

President Barack Obama recognized two outstanding faculty members. NC State Distinguished University professor of electrical and computer engineering Dr. Jay Baliga was awarded the **National Medal of Technology and Innovation**, the nation’s highest honor for technological achievement. Dr. Baliga is the founding director of the Power Semiconductor Research Center at NC State. This distinguished recognition was made in honor of his work in inventing, developing and commercializing the Insulated Gate Bipolar Transistor (IGBT), which improves energy efficiency by more than 40 percent in an array of products.
Additionally, the White House awarded Dr. Michael Escuti, associate professor of electrical and computer engineering, with the **Presidential Early Career Award for Scientists and Engineers**. This awards program honors researchers for working at the frontiers of science and technology and serving the community through scientific leadership, public education or outreach. Dr. Escuti was honored for his pioneering development of liquid crystal polarizing gratings. He also was recognized for educating students through collaborations with international academic teams and industries, as well as for outreach work in underserved communities.

Dr. Bob Beichner, professor of physics, was honored with the **2011 Harold W. McGraw Jr. Prize in Education** for his contributions as a digital education pioneer. Dr. Beichner was recognized for changing how students learn science in classrooms at more than 100 universities that use his SCALE-UP approach (Student-Centered Activities for Large Enrollment Undergraduate Programs).

Dr. Trudy Mackay, professor of genetics, received the **North Carolina Award for Science**, the state’s highest civilian honor. She was recognized for her contributions to the understanding of health concerns such as diabetes, cancer, alcohol abuse and high blood pressure, among others.

Dean of the College of Engineering Dr. Louis Martin-Vega was inducted into the **National Hall of Fame for Outstanding Hispanic American Science and Technology Professionals**.

Dean of the Poole College of Management Ira Weiss was elected **President of the International Partnership on Business Schools**. This partnership creates a collaborative model for developing a cross-cultural international community of business and management students, alumni and professional staff. IPBS provides a network for sharing and increasing professional knowledge, skills and understanding through international exchange programs.

Dr. Michael Steer, the Lampe Distinguished Professor of electrical and computer engineering, was recognized by *The Oxford American* as one of “**The Most Creative Teachers in the South**.” This recognition highlights a method developed by Dr. Steer for detecting the cell-phone triggers used to detonate roadside bombs.

NC State was awarded a $1.3 million grant to guide the continuing participation of the Raleigh postsecondary partnership in a three-year demonstration funded by the **Bill & Melinda Gates Foundation**. The Partners for Postsecondary Success initiative is part of the Gates Foundation’s postsecondary strategy to double the number of young adults who earn postsecondary credential with labor market value by 2025. NC State is the lead agency for the partnership.

During the period July to December 2011, Sponsored Programs and Regulator Compliance (SPARCS) administered **1,362 proposals totaling $435,864,630**. During this same period, **1,655 awards totaling $164,085,891** were handled. SPARCS ensures regulatory compliance and complies with reporting mandates of all these proposals and awards.
The Office of Technology Transfer and Innovation celebrated research success. The NC State research community filed 184 new invention disclosures, the US Patent and Trademark Office issued 78 new patents to NC State and five new start-ups were launched based on NC State research. As of December 31, 2011 cumulative impacts of NC State research included 157 products launched, 82 start-ups formed and 6,978 jobs created.

The Research Development Office’s Proposal Development Unit assisted with the following proposals that were awarded funding or granted a site visit: the USDOD - Pilot Language Training Center Initiative; the ARPA-E - Camelina to Jetfuel: A Systems Approach; the USDA AFRI - Building a Biofuels Industry (reverse site visit); the NSF IGERT - Genetic Engineering & Society: The Case of Transgenic Pests; and the NSF - Nanotechnology ERC (site visit).

Additionally, the Research Development Office awarded research and innovation seed funding, which assists in developing new and innovative pilot programs that have the potential for future support from government agencies and others, to three interdisciplinary projects in fall 2011. Those projects included the “Evaluation of the Skin-implant Interface in Transdermal Osseointegrated Protheses,” the “Evaluation of the Cytotoxicity and Antibacterial Efficacy of Electrically Generated Silver Ions for Potential Applications in Orthopedic Implants,” and the “Gemetoc Analysis of Medieval Parchment Manuscripts.”

To increase extramural funding from Department of Defense agencies, NC State research personnel developed a plan, which includes tactics such as building strong fundamental research programs to reduce security risks resulting from uncertainty, conducting translational research for technology transfer and considering educational program with national security emphasis.

As part of a recommendation of the strategic realignment, the Office of Extension Engagement and Economic Development was discontinued. Economic development merged to form the Office of Research, Innovation and Economic Development (ORIED). Units within ORIED were re-organized to optimize the use of resources and create synergy among and between units. Additionally, ORIED has partnered with University Communications to create a more unified and integrated strategy for communicating the value and impact of NC State research.

**Strategic Goal 3: Interdisciplinary Scholarship Addressing Grand Challenges**

To complement the outstanding faculty at NC State and recruit additional outstanding faculty to the university, the chancellor established the Chancellor’s Faculty Excellence Fund. The concept blends all five goals of the strategic plan and established a $5 million fund to partner with colleges to bring either individual scholars or small groups (up to three) of scholars selected around strategically important areas to NC State. Emphasis is given to scholars who have diverse disciplinary skills representing more than one academic department and college. Priority is given to tenured or tenure-tracked faculty engaged in active research and undergraduate or graduate programs, cluster hires of individuals who can share resources and physical infrastructure, a senior investigator capable of leading a field of study across campus, hires aligned with strategic research priorities, as well as areas that are interdisciplinary in nature and demonstrate significant cost savings across units.
NC State received a **$25 million grant from the US Department of Agriculture** to lead a national team of researchers in a study of the human norovirus across the food supply chain in order to find effective control measures. The grant is the USDA's largest ever for food safety and will be used by the team to find ways to reduce the number of cases in the US every year. Dr. Lee-Ann Jaykus, a professor in the Department of Food, Bioprocessing and Nutrition Sciences at NC State, is the lead investigator for the five-year project.

Dr. Caterina Gallippi, biomedical engineering professor, received a five-year **National Institutes of Health grant** for muscular dystrophy research. Dr. Gallippi will receive up to $300,000 per year to study changes in muscle composition in Duchenne muscular dystrophy monitoring muscle degeneration from early to late stages of the disease. He will collaborate with professors from UNC who are part of the joint NC State-UNC biomedical engineering department.

A microgravity plant study prepared by an NC State research team led by Dr. Imara Perera was launched into orbit **aboard the final flight of space shuttle Atlantis**. Though the shuttle program is ending, research at the International Space Station continues to explore the frontiers of long-distance space travel. Dr. Perera’s research project explores how plants adapt to changes in gravity at the molecular level.

NC State is playing a lead role in a new multi-disciplinary center that focuses on soft matter research, a branch of materials science with practical applications, from organic solar cells to tissue implants. Recognizing that some of the leading scientists and engineers involved in soft matter research are located in the Research Triangle area, the National Science Foundation has provided a six-year, $13.6 million grant to establish the **Soft Matter Research Center**.

As part of the strategic realignment, a **review of academic science programs** was conducted to determine improved strategies to enhance the natural synergies between the university’s science programs, promote interdisciplinarity and reduce administrative overhead. The review task force was asked to make recommendations for the overall quality and delivery of NC State science programs at the undergraduate and graduate levels as well as in university research and extension activities. The task force identified several problem areas in its preliminary report, including mission and vision disconnects at different levels in science programs, perceived misalignment of resources within mission, a lack of shared or core research facilities, limited support for graduate students, inefficient use of scarce start-up dollars, lack of credit or support for cross-department/college work, curriculum stagnation and proximity of faculty to one another. Preliminary recommendations include keeping existing colleges, exploring suggested departmental realignments, nurturing and allowing biological sciences to flourish at NC State, and responding to needed organizational and cultural shifts (flow of resources and support for interdisciplinary collaboration).
Strategic Goal 4: Organizational Excellence

An academic program review was initiated to make recommendations for strengthening academic programs by considering topics such as program consolidation, focus changes, needs for support and phasing out. As part of this process, a task force has developed and proposed metrics for measuring and tracking effectiveness of current programs. The process included opportunity for campus review and comment. Currently, pilot departments are using proposed metrics to test their functionality. As the task force examines these metrics, it also will be looking for an instrument for ongoing evaluation of program health.

The strategic realignment recommendations included realigning reporting relationships and accountability for management of campus financial and human resources transactions. A business operations realignment and steering team worked diligently to review business operations at the university, completing a work activity analysis. The analysis looked at four major support services: general management and administration, human resources, finance and budget, and contracts and grants. The university welcomed a new Director of Business Operations, Scott Inkley, who will oversee this unit moving forward as staffing and the restructuring of service centers is determined and implemented.

The university reconstituted the administrative process review committee to oversee the review of administrative processes on a sustained basis. Established in August, the committee identified more than 400 “pain points” where bureaucracy could be improved and/or eliminated. These included targets such as facilities modification process, implementation of electronic invoices to financial systems and travel authorization, among others. The committee reviewed the pain points to separate symptoms from core issues and identify and prioritize problematic processes.

The Office of General Counsel is leading a close examination of the university’s policies, rules and regulations after direction from the chancellor to reduce organizational bureaucracy. At the beginning of the process, the university had 613 PRRs, with 55 policies, 364 regulations and 194 rules. As a result of the review, a total of 129 PRRs have been repealed (17 policies, 106 regulations and 6 rules), and approximately 25 included regulations changed to rules. Revisions have been made to 107 (18 policies, 75 regulations and 14 rules), and 37 new PRRs have been established (1 policy, 8 regulations and 28 rules). The current total of PPRs is down to 521 (39 policies, 266 regulations and 216 rules). All PRRs have been reviewed by the appropriate units and have been either revised, consolidated, repealed or determined that no action was needed.

The Office of Equal Opportunity merged with the Office of Diversity and Inclusion to form the Office of Institutional Diversity and Inclusion. This newly merged unit also includes the GLBT Center, Multicultural Student Affairs and the Women’s Center.

In September, the university hosted a visit from President Obama as he promoted his jobs bill. Students, faculty and staff worked efficiently and effectively to deliver a very successful event.

This fall, the university hosted a faculty and staff appreciation tailgate to honor NC State faculty and staff. The event boosted morale in a time when employees have not seen a raise in several years.
The chancellor continued **Administrative Leadership Meetings** once every other month with campus administration. At each meeting, data sheets are distributed to update members of the university’s current progress in strategic areas. Focal topics continued to be areas of interest and importance to the university.

The chancellor also continued **Chancellor Forums** for the entire campus community, providing an opportunity for open communication about events and issues concerning the university.

Additionally, the chancellor continued **annual visits to each college** on campus, meeting with its students, faculty, staff and leadership. These meetings provide an opportunity for the colleges to update the chancellor on their current work and initiatives, as well as share concerns or issues.

Each month, the chancellor communicates to campus and beyond through a **homepage letter**, discussing topics important to university life.

NC State faculty and staff ended 2011 in a giving spirit, raising $586,581 to help those in need through the 2011 **Wolfpack Gives Back Campaign**. The university surpassed its giving total for 2010 and had the most university participants and the highest per capita giving among UNC system schools.

As a campus community, NC State continues to advance substantially toward making sustainability an integral part of the university’s educational and research missions, the campus culture and institutional business decisions. The **Sustainability Strategic Plan** provides a foundation to guide the more effective use of energy, water, and other resources, while inviting students, faculty and staff to work together to advance sustainability. Successes are being realized in the form of an eight percent reduction in campus energy usage compared to last year and 10 percent compared to the 2002-03 baseline; a 47 percent drop in water consumption in 2010-11 compared to the 2001-02 baseline; exponential growth of the Environmental Science Academic Program; investment in Leadership in Energy and Environmental Design (LEED) projects; and nearly $280,000 in avoided landfill costs and recycled material revenue in 2010-11.

NC State is involved in a project to upgrade its utility plants and allow the university to generate its own power. This project is funded through performance-based contracting, a financial mechanism for building renewal projects whereby utility bill savings that result from the installation of new building systems pay for the cost of the project. This combined heat and power system will pay for itself through energy savings over 17-20 years and is the largest performance contracting project in North Carolina history.

**Strategic Goal 5: Engagement and Partnerships**

The chancellor continued to stay engaged with **alumni**, holding first-time alumni events in Asia, Dallas, Texas and New Bern, North Carolina, as well as return visits to Asheville, Charlotte and Greensboro. These trips provided a great opportunity for the chancellor to stay engaged with alumni networks, keeping them up-to-date on current events at their alma mater and encouraging them to stay plugged into the university.
In September, Ginni Rometty, CEO of IBM, visited NC State, providing an opportunity to explore partnership opportunities. NC State has a long history of partnership with IBM that dates back nearly 50 years. Through this partnership, the university has been able to collaborate on numerous research and outreach initiatives. As a result, many NC State graduates have gone on to successful careers at IBM. Indeed, according to IBM, NC State places more graduates at IBM than any other university in the world.

NC State met with CISCO in order to expand our partnership and find areas to grow the collaboration. Discussions focused on how NC State is the largest source of talented students hired by their company.

In October, the chancellor led an NC State delegation to Hong Kong, China and South Korea. The trip included alumni engagement, as well as meetings with corporate leaders and university officials to develop partnerships that expand the impact of an NC State education. With more than 32 partnerships and 44 different memorandums of understanding already in place, NC State’s collaborative efforts in China and South Korea are imperative to meeting the university’s strategic goals in global engagement.

The doors officially opened to the new chancellor’s residence in November. The facility, funded by private donors, will serve as a tool for university events and cultivation opportunities. The new home was designed by the Dean of the College of Design, Marvin Malecha, and promotes sustainable design and North Carolina products.

NC State and the Hillsborough Street Partnership were awarded the 2011 Marvin Collins Planning Award for outstanding project implementation in a large community. This recognition honored the collaborative work on the Hillsborough Street renovation project.

The chancellor led President Ross on his tour of the eastern part North Carolina. As part of this visit, they visited many places in which NC State has a strong presence, including the Cunningham Agriculture Research Station, the Naval Air Systems Command at Cherry Point and the Center for Marine Science and Technology.

NC State hosted a joint education forum with SAS and the Greater Raleigh Chamber of Commerce called “Building a Culture of Innovation through Education.” The forum brought together thought leaders in an opportunity to discuss the future of education in America and North Carolina. Speakers stressed and explored the importance of creativity, discussing how to inspire creativity and innovation among students.

Led by UNC GA, NC State helped to successfully launch all UNC institutions in the Research, Engagement and Capabilities Hub of North Carolina (REACH NC) to facilitate interdisciplinary research and location of subject matter experts across the state.
A new partnership between NC State and the Wake County Public School System is putting students on a fast track to college and solving some of the world’s most pressing problems. The **Wake NC State Early College High School** opened this past fall with an inaugural class of 55 students specializing in science, technology, engineering and mathematics (STEM) fields. Part of the school’s mission is to address disparities in STEM fields by attracting students from populations traditionally under-represented in STEM jobs such as minorities, females and the economically challenged. The school offers a five-year program during which students can earn college credit and receive substantial exposure to the resources and opportunities of a university community.

NC State’s **Economic Development Partnership** (EDP) worked to bring and expand companies and jobs to North Carolina. Semprius, an advanced manufacturing semiconductor enterprise, committed to an expansion of $89.7 million in capital investment and the creation of 256 jobs at an average annual wage rate of $45,565. The tax base expansion and employment generation will ensue at both the Durham headquarters and research and development facility as well as at a new production facility currently under construction in Henderson. The EDP staff collaborated over an 18-month span with the NC Solar Center, the NC Department of Commerce, the Henderson-Vance County Chamber of Commerce, the Vance County Economic Development Commission and the Research Triangle Regional Partnership to convince Semprius officials to grow their dynamic renewable energy firm in North Carolina.

**Lord Corporation** announced a $20 million, 117-job expansion of their headquarters/research facility in Cary. The positions have an average annual compensation of $81,487. Lord Corp. has engaged NC State in collaborating with faculty members on a number of joint ventures (NSF Industry-University Cooperative Research Center planning for a Composite Materials Sustainment Center and other collaborative efforts) to promote a wide array of academic/business/governmental program and project partnerships.

The EDP unit connected with the NC Solar Center and NC Department of Commerce to attract **Greenspring Energy**, a Timonium, Maryland-based clean/efficient energy enterprise, to Charlotte, with 35 new jobs and a $5 million investment.

As a result of the discontinuance of the Office of Extension Engagement and Economic Development, extension activities remain with the respective colleges with university-wide coordination in the provost’s office. Continuing Education moved to the office of the provost. Outreach, engagement and leadership programs moved to the office of the provost.

Six new partners were added to **Centennial Campus**.

At the conclusion of fiscal year 2011, the university’s undergraduate **alumni giving participation rate was 12.1 percent**, a significant increase over the 10.5 percent in the previous year.
Athletic Excellence

Student-athletes continued to excel in the classroom. Among the ACC Honor Roll honorees were 213 NC State students. This was the most selections for NC State in the 55-year history of the ACC Honor Roll. Requirements for making the list include participation in a varsity-level sport and a GPA of 3.0 or higher.

The football program made a successful appearance in the 2011 Belk Bowl in Charlotte, defeating the University of Louisville. Quarterback Mike Glennon was named MVP and cornerback David Amerson set a new ACC record with 13 interceptions in a single season, two of which came during the bowl game.

The NC State Men’s Cross Country team won both the conference and regional team championship titles, as well as finished 10th in the nation at the NCAA Championships. The Wolfpack had two All-Americans, senior Ryan Hill and redshirt sophomore Andrew Colley. Additionally, Coach Rollie Gieger was named ACC Men’s Cross Country Coach of the Year. Counting five awards as ACC Coach of the Year in track and field, he has been named ACC Coach of the Year 33 times.

The NC State Women’s Cross Country team placed second in regionals and 23rd in the nation.

The Professional Golf Management program finished first at the PGA Jones Cup. The PGA Jones Cup, presented by Golf Pride, is named for the first PGA Golf Management Program Director at Mississippi State University, Dr. S. Roland Jones. The event serves as a platform for participants to demonstrate professionalism, integrity, character and camaraderie, all characteristics of Dr. Jones.

Rankings and Recognition

U.S. News and World Report ranked NC State at 3rd Best Value among all national public universities.

Glassdoor, a jobs website, ranked NC State number 10 in a list of “Best Colleges to Work For.” Rankings were based on employee sentiment.

Bloomberg BusinessWeek ranked NC State’s Poole College of Management’s Jenkins Part-time MBA Program 30th in the nation. The ranking was based on student satisfaction, academic quality and post-graduation outcomes. In the south alone, the program ranked 5th.

NC State ranked 99th among U.S. universities for the impact of its scientific research according to the Leiden Rankings. Leiden University in the Netherlands, one of Europe’s foremost research universities, has been collecting data and ranking universities for over 25 years. This ranking measures the scientific performance of 500 major universities worldwide — specifically the scientific impact of universities and their involvement in scientific collaboration. Additionally, we ranked 49th among US universities for scientific output, which is measured by the number of research papers published in the sciences and social sciences. Of the 50 US universities with the highest publication output, NC State ranked 23rd for the extent of its collaborative research.
Leadership Changes

Barbara Mulkey was appointed Chair of the Board of Trustees.

Philip Freelon was appointed by the Board of Governors to the Board of Trustees.

Jimmy Clark replaced Gayle Lanier as a member of the Board of Trustees.

Bob Mattocks replaced Steve Warren as a member of the Board of Trustees.

Dr. Paul Lunn was named Dean of the College of Veterinary Medicine. He will officially begin in February 2012.

Dr. James Zuiches retired in December after serving since March 2006 as NC State’s Vice Chancellor for Extension, Engagement and Economic Development.

The deans of the Colleges of Agriculture and Life Sciences and Natural Resources, Dean Johnny Wynne and Dean Robert Brown, announced their retirement to be effective in 2012.

Selected Presentations

• New Bern Alumni Event, New Bern, NC, July 2011
• New Bern Business Leaders Luncheon, New Bern, NC, July 2011
• Asheville Alumni Event, Asheville, NC, July 2011
• Charlotte Alumni Event, Charlotte, NC, August 2011
• GEM Consortium President’s Roundtable, Washington, DC, August 2011
• Greensboro Alumni Event, Greensboro, NC, August 2011
• UNC-CH Chancellor’s Retreat, Chapel Hill, NC, August 2011
• 9/11 Memorial Event, Raleigh, NC, September 2011
• President Obama’s Jobs Bill Visit Welcome, Raleigh, NC, September 2011
• US/Brazil Innovation Learning Lab, Raleigh, NC, September 2011
• Triangle Area Research Directors Council, Raleigh, NC, September 2011
• Park Foundation Board, Raleigh, NC, September 2011
• Urban Land Institute Forum, Raleigh, NC, September 2011
• IBM Forum and Luncheon, Raleigh, NC, September 2011
• Wake Education Partnership Education Summit, Raleigh, NC, October 2011
• US-India Higher Education Summit, Washington, DC, October 2011
• Industry Leaders Breakfast, Hong Kong, China, October 2011
• Hong Kong Alumni Event, Hong Kong, China, October 2011
• Shanghai Alumni Event, Shanghai, China, October 2011
• Seoul Alumni Event, Seoul, Korea, October 2011
• SAS/NC State Creativity Conference, Raleigh, NC, November 2011
• APLU Plenary Session Keynote Address, San Francisco, CA, November 2011
• NCSU/UNC Public Forum, Cary, NC, November 2011
• Dallas Alumni Event, Dallas, TX, December 2011
Cary Rotary Club, Cary, NC, December 2011
The Chancellor’s Report  
April 2012

**NC State Receives Presidential Award for Community Service**
For its commitment to volunteering, service-learning and civic engagement, NC State received the Presidential Award, the highest federal recognition a college or university can receive, for its commitment to community service. NC State was among 642 schools named to the 2012 President’s Higher Education Community Service Honor Roll, but was among only five Presidential Awardees nationwide and one of two in the “general community service” category. The award was presented by the Corporation for National and Community Service and the U.S. Department of Education at the annual meeting of the American Council on Education. The President's Higher Education Community Service Honor Roll, launched in 2006, annually highlights the role colleges and universities play in solving community problems and placing more students on a lifelong path of civic engagement. The award recognizes institutions that achieve meaningful, measureable outcomes in the communities they serve. The NC State commitment to service can be seen in the 330,000 service hours performed by more than 21,000 students during the 2010-2011 academic year for an estimated $7 million value.

**NC State Professor Receives Award for Excellence from Board of Governors**
Dr. Stephen P. Reynolds, Alumni Distinguished Undergraduate Professor of Physics at NC State, has been honored with an Award for Excellence in Teaching from the Board of Governors. One educator from each UNC system campus wins the annual award, which comes with a prize of $7,500 and a bronze medallion. The Board of Governors Award for Excellence in Teaching is the most prestigious award given to faculty for teaching excellence and was created in 1994 to underscore the importance of teaching and encourage, recognize and reward outstanding teaching. A third-generation college professor, Reynolds has taught at all levels at the university, from nontechnical physics and astronomy to specialized courses for advanced graduate students. Reynolds joined the NC State faculty in 1985 and was charged with founding a research group in astrophysics. That group, now numbering nine faculty, is known worldwide for expertise in high-energy astrophysics, with a particular focus on supernovae and their remnants.

**NC State Students Receive Goldwater Scholarship**
Four NC State students were selected to receive the Barry M. Goldwater Scholarship for Excellence in Education, the most prestigious award in the U.S. conferred upon undergraduates studying the sciences. The Goldwater Scholarship Program was established by Congress in 1986 to honor Senator Barry M. Goldwater and to provide a continuing source of highly qualified scientists, mathematicians and engineers. Universities are allowed to nominate only four undergraduate students per year. NC State is one of only four universities nationwide to have four Goldwater Scholars. Other area schools awarded were Duke with two scholars and UNC-Chapel Hill with one scholar. NC State’s scholars are: Richard Deans, Chemistry major and Park Scholar; Ian Thomas Hill, Biochemistry and Polymer & Color Chemistry major and Park Scholar; Heidi Klumpe, Chemical Engineering and Biochemistry major and Park Scholar; and Brinda Monian, Chemical Engineering and Biochemistry major and Caldwell Fellow.
NC State Celebrates 125th Anniversary with Birthday Bash and Year-Long Celebration

On March 7, 2012, NC State celebrated the 125th anniversary of the General Assembly’s creation of the North Carolina Agriculture and Mechanic Arts in Raleigh. After opening with 72 students and six faculty members in a single building, NC State now educates more than 34,000 students and employs more than 7,500 faculty and staff on a campus covering 2,100 acres. In light of our 125 year-long commitment to transforming academic excellence into economic development and outreach in the state of North Carolina, NC State has declared a year of celebration to be marked by numerous special events and three signature celebrations. On April 2, an NC State Birthday Bash was held for the entire campus community. This signature event took place in Reynolds Coliseum and included music, free cake and Howling Cow ice cream, prizes and a vintage photo booth. The ensuing year-long commemoration of NC State’s legacy as a land-grant institution will bring the Wolfpack Family closer together as we celebrate our rich history and heritage.

Museum’s New Nature Research Center to Highlight NC State Faculty

Four key leadership positions at the Museum of Natural Sciences’ new Nature Research Center (NRC) are filled by scientists with faculty appointments in NC State’s College of Agriculture and Life Sciences, College of Physical and Mathematical Sciences and College of Humanities Social Sciences. The museum opens on April 20 and will offer internship opportunities and research experience to both graduate and undergraduate students. As a center of education and research, the NRC will promote science, technology, engineering and mathematics education for a wide array of diverse audiences. Because the NRC is focused on communicating with the public about science, NC State faculty may be able to leverage the NRC’s resources to address outreach requirements included in grant applications.

Harrelson Lecture Given by Facebook Co-Founder

Hickory, NC native Chris Hughes spoke about how social media has transformed the communication landscape when he gave NC State’s Harrelson Lecture on Monday, April 2 in Stewart Theatre. The lecture featured the publisher and editor-in-chief of The New Republic and co-founder of the social media platform Facebook, where Hughes first worked as Facebook’s spokesperson and later led the product and user experience team. Hughes also served as director of online organizing for President Barack Obama’s campaign in 2007-08. The campaign’s new-media strategy revolutionized the use of the web as a political tool, helping the raise more than $500 million through more than two million small donations.

Service Close to Home

A total of 2,000 volunteers registered to participate in the annual Service Raleigh event on March 24. University and community volunteers spread out across central North Carolina to participate in over 60 service projects. Teams built compost bins, cleared hiking trails, sorted donated furniture, assessed the conditions of neighborhood sidewalks and restored natural habitats for wildlife and scientific research. Organizations that hosted projects this year included the American Red Cross, North Carolina Museum of Natural Sciences, Ronald McDonald House of Durham and Trees Across Raleigh. Service Raleigh began in 1998 as a collaborative project between Student Government and Park Scholarships. The event has grown to become the largest student-coordinated service endeavor in the Triangle area.
AGENDA

CALL TO ORDER
Reading of Conflicts of Interest Inquiry

1. CONSENT AGENDA TAB 4.1

* Approval of Minutes from February 16, 2012 meeting 4.1A

Committee members will act on a motion to approve minutes as presented.

***END OF CONSENT AGENDA ITEMS***

2. SPECIAL INFORMATIONAL REPORT TAB 4.2

* Annual Financial Audit Report 4.2A
Finance and Business
Charles D. Leffler, Vice Chancellor for Finance and Business
Beth Wood, State Auditor, Office of State Auditor
Ted Price, Financial Audit Manager, Office of State Auditor
Mary Crumpler, Financial Audit Supervisor, Office of State Auditor

3. REQUESTED ACTION TAB 4.3

* Approval of Internal Audit Plan for Fiscal Year 2013 4.3A
Internal Audit
Cecile Hinson, Director

Committee members will act on a motion to approve revised Internal Audit Charter as presented.

4. INFORMATIONAL REPORTS TAB 4.4

* Internal Audit Update 4.4A
Internal Audit
Cecile Hinson, Director

✓ Denotes full Board approval required
* 2020 Enrollment Plan
Provost Office

Dr. Warwick Arden, Provost and Executive Vice Chancellor

* Budget Outlook
Office of Finance and Business
Charles D. Leffler, Vice Chancellor for Finance and Business
Provost Office

Dr. Warwick Arden, Provost and Executive Vice Chancellor

* 2012 Legislative Priorities
Chancellor’s Office
Kevin Howell, Assistant to the Chancellor for External Affairs

* Update of Centers & Institutes
Research, Innovation and Economic Development
Dr. Terri Lomax, Vice Chancellor for Research, Innovation and Economic Development

* University Debt Update
Treasurer’s Office
Lori Johnson, Director, Strategic Debt Management

ADJOURN
Agenda Item / Issue: 4.1A

Approval of Minutes from February 16, 2012 meeting

Requested / Required Action:

Committee Approval

Suggested Motion:

Approve minutes as presented.
Meeting of Audit, Finance and Planning Committee  
North Carolina State University  
Board of Trustees  
February 16, 2012  

Chair Owens opened the meeting at 1:10 p.m. in the Winslow Hall Conference Room. Committee members present for the meeting were:

Mr. James Owens, Chair  
Mr. John Sall  
Ms. Chandler Thompson  
Mr. Norris Tolson  
Ms. Susan Ward  

Others present were:

Chancellor W. Randy Woodson  
Ms. Barbara Mulkey, Chair, Board of Trustees  
Dr. Warwick Arden, Provost and Executive Vice Chancellor  
Mr. Charles Cansler, University Controller, Controller’s Office  
Ms. Eileen Goldgeier, General Counsel, Office of General Counsel  
Ms. Tabitha Groelle, University Program Specialist, Treasurer’s Office  
Ms. Kathryn Hart, Associate Vice Chancellor for Finance and Business and University Treasurer  
Mr. Michael Harwood, Associate Chancellor for Centennial Campus Development  
Ms. Cecile Hinson, Director of Internal Audit  
Dr. Marc Hoit, Vice Chancellor, Office of Information Technology  
Mr. Kevin Howell, Assistant to the Chancellor, External Affairs  
Mr. Dennis Kekas, Associate Vice Chancellor for Centennial Campus Partnership and Outreach  
Mr. Stephen Keto, Associate Vice Chancellor for Finance and Resource Management  
Mr. Mick Kulikowski, Assistant Director, University Communications  
Dr. Duane Larick, Dean, Graduate School  
Mr. Charles Leffler, Vice Chancellor for Finance and Business  
Dr. Terri Lomax, Vice Chancellor for Research, Innovation and Economic Development  
Ms. Kimberly J. Miller, Assistant Controller, Controller’s Office  
Mr. Jodan Moore, Photographer, Agromeck  
Mr. Jay Price, Reporter, News and Observer  
Dr. Thomas Stafford, Vice Chancellor for Student Affairs  
Ms. Jill Tasaico, Director, Foundations Accounting and Investments  
Ms. PJ Teal, Secretary of the University and Assistant to the Chancellor  

Chair Owens 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 Committee at this meeting. Being none, the meeting continued.

Mr. Tolson made a motion to approve the minutes from the November 17, 2011 meeting as presented. Mr. Sall seconded. They were approved unanimously.
Chancellor Woodson discussed the recent action of Board of Governors and the approved tuition increase and the five year catch up. The total increase for FY 2013 for undergraduate resident tuition and fees was $679.35, an increase of 9.8%.

Ms. Cecile Hinson presented the revised Internal Audit Charter. The original Charter was approved in 2007 and is updated and approved each year as needed. The revised Charter includes an updated mission statement and changes in the scope of work. Mr. Owens made a motion to approve the Plan, Mr. Sall seconded. The Committee unanimously approved the revised Internal Audit Charter.

Ms. Hinson then gave an update of the Internal Audit Division activities since the November Committee meeting including a status against the current year's audit plan and summaries of investigations, audits and consults both completed and in progress. She discussed the results of one investigation involving summer salaries and contracts and grants. Several procedures have been put into place resulting from the investigation including, changes to PRR, changes to University certificates, and additional training for faculty and staff.

The State Auditor, Beth Wood, and her team, were unavailable to come to the meeting, but will be present at the April Committee meeting. Mr. Charles Cansler provided a brief overview of the University’s financial position as of June 30, 2011. He noted that the auditors’ comments highlighted the significance of no reportable findings being provided as well as the efforts of institutional staff in these accomplishments.

Mr. Michael Harwood and Mr. Dennis Kekas gave a status report of activities on Centennial Campus. Mr. Harwood discussed development to date which includes 34 buildings with almost 3 million square feet of space, of which 1.2 million is lease-able. New projects recently completed are the Chancellor’s residence, and the Innovation Café. Projects currently under way include James B. Hunt Jr. Library as well as student and residential housing. Future plans are an expansion to The Shores, and adding College of Engineering Buildings IV and V.

Mr. Kekas noted that there have been ten new partners since January 2011 using more than 68,000 square feet of space. There are several growing partners that have added 32,000 square feet of space to their existing leases. There are several new opportunities for the campus to grow. He also described the “Living Laboratory” on Centennial Campus.

Ms. Kathy Hart reminded the Committee of their responsibility to annually review NC State University’s associated entities. She reported that a copy of the audit for each associated entity had been provided to UNC – General Administration as required, and copies were available at the table for the Board to review if desired. All audited entities had unqualified opinions.
Ms. Hart’s report included the quarterly performance of the NC State Investment Fund through December 31, 2011, noting a market value of $368 million and a one year return of 2.3%. The return was lower than the benchmark and staff are continually performing due diligence about on-going performance.

Dr. Hoit gave a progress report on an investigation regarding security breech of material left on a scanner that was used on campus in 2004. The scanner and all data has been recovered. Any persons affected by this possible breech will be contacted. Procedures to prevent this type of incident were put into place in 2010.

With no further business, Mr. Sall made a motion to adjourn, Ms. Ward seconded, the Committee adjourned at 2:35 p.m.

Submitted by ___________________________________
            Secretary to the Committee

Approved _____________________________________
            Chair of the Committee
Agenda Item / Issue: 4.2A

Annual Financial Audit Report

Requested / Required Action:

None required.

Suggested Motion:

None required.

Responsible University Unit:

Finance and Business

University Presenter/Contact:

Charles D. Leffler, Vice Chancellor for Finance and Business
STATE OF
NORTH CAROLINA

NORTH CAROLINA STATE UNIVERSITY
RALEIGH, NORTH CAROLINA
FINANCIAL STATEMENT AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2011

OFFICE OF THE STATE AUDITOR
BETH A. WOOD, CPA
STATE AUDITOR

A Constituent Institution of the University of North Carolina System and a Component Unit of the State of North Carolina
NORTH CAROLINA STATE UNIVERSITY

RALEIGH, NORTH CAROLINA

FINANCIAL STATEMENT AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2011

BOARD OF GOVERNORS

THE UNIVERSITY OF NORTH CAROLINA

THOMAS W. ROSS, PRESIDENT

BOARD OF TRUSTEES

S. LAWRENCE DAVENPORT, CHAIRMAN

ADMINISTRATIVE OFFICERS

DR. W. RANDOLPH WOODSON, CHANCELLOR

CHARLES D. LEFFLER, VICE CHANCELLOR FOR FINANCE AND BUSINESS
AUDITOR’S TRANSMITTAL

The Honorable Beverly E. Perdue, Governor
The General Assembly of North Carolina
Board of Trustees, North Carolina State University

We have completed a financial statement audit of North Carolina State University for the year ended June 30, 2011, and our audit results are included in this report. You will note from the independent auditor’s report that we determined that the financial statements are presented fairly in all material respects.

The results of our tests disclosed no deficiencies in internal control over financial reporting that we consider to be material weaknesses in relation to our audit scope or any instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

North Carolina General Statutes require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

Beth A. Wood, CPA
State Auditor
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INDEPENDENT AUDITOR’S REPORT

Board of Trustees
North Carolina State University
Raleigh, North Carolina

We have audited the accompanying financial statements of North Carolina State University, a constituent institution of the multi-campus University of North Carolina System, which is a component unit of the State of North Carolina, and its discretely presented component units, as of and for the year ended June 30, 2011, which collectively comprise the University’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University’s management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the NC State Investment Fund, Inc., which represent 16 percent, 23 percent, and 5 percent, respectively, of the assets, net assets, and revenues of the University; nor the financial statements of the North Carolina State University Foundation, Inc. and the NC State Student Aid Association, Inc., the University’s discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the North Carolina State University Foundation, Inc. and the NC State Student Aid Association, Inc. were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of North Carolina State University and its discretely presented component units as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.
INDEPENDENT AUDITOR’S REPORT (CONCLUDED)

As discussed in Note 18 to the financial statements, the University implemented Governmental Accounting Standards Board Statement No. 59, Financial Instruments Omnibus, during the year ended June 30, 2011.

In accordance with Government Auditing Standards, we have also issued our report dated November 2, 2011 on our consideration of the University’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management’s Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Beth A. Wood, CPA
State Auditor

November 2, 2011
INTRODUCTION

Management’s Discussion and Analysis of the financial report provides an overview of the accompanying basic financial statements. It includes comparative financial analysis with discussion of significant changes from the prior year. The overview also includes information on currently known facts, decisions, or conditions affecting the financial affairs of the University.

FINANCIAL HIGHLIGHTS

NC State University’s net assets increased by 7.6% to $1.63 billion in fiscal year 2011. Net assets represent the University’s equity, the assets less the liabilities. The primary causes of this increase included the acquisition of capital assets net of related debt of $73.2 million, a $14.0 million rise in endowed professorship balances, and an increase of $11.5 million in unrestricted balances.

Revenues increased by 6.8% to $1.26 billion in fiscal year 2011. Revenues represent amounts received or accrued that are either operating or nonoperating on the accompanying financial statements. This change was primarily due to increases in tuition and fees, contracts and grants, and sales and services income. While state appropriations only increased by $6.4 million, appropriations remain the largest factor in the University’s revenues. Tuition and fees increased by $26.3 million due to higher billing rates. These rate increases were also accompanied by higher levels of financial aid. Grants and contracts increased during the year by $23.9 million, with federal, nongovernmental and state grants and contracts all showing growth. Sales and services income increased $8.0 million across all types of sales activities, including dining, athletics, and other education related sales.

Operating expenses in fiscal year 2011 were up by $63.7 million, a 5.7% increase compared to fiscal year 2010. Operating expenses represent amounts paid or accrued for operating purposes. By function, Instruction, Research, Public Service, and Financial Aid showed the largest increases, primarily caused by higher spending on salaries, supplies, and scholarships.

USING THE FINANCIAL STATEMENTS

The University’s financial statements are used to evaluate financial position as of June 30th and the results of operations for the fiscal year then ended. The Statement of Net Assets provides information relative to the evaluation of financial position. The Statement of Revenues, Expenses, and Changes in Net Assets provides information relative to the evaluation of the results of operations. Its ending net assets agree to the total net assets on the Statement of Net Assets.

The financial statements also include a Statement of Cash Flows. This statement is used to identify the University’s sources and uses of cash. The ending cash on the Statement of Cash Flows agrees to the total cash reported on the Statement of Net Assets. Also, this statement

3
reconciles the net operating loss reported in the Statement of Revenues, Expenses, and Changes in Net Assets to the net cash used by operating activities.

In using the financial statements, the Notes to the Financial Statements accompanying the financial statements should be read in conjunction with the financial statements. The notes provide information regarding the significant accounting principles applied in the financial statements, authority for and associated risk of deposits and investments, detailed information on long-term liabilities, detailed information on accounts receivable, accounts payable, revenues and expenses, required information on pension plans and other post employment benefits, insurance against losses, commitments and contingencies, and accounting changes. If necessary, the disclosures include a discussion of adjustments to prior periods and events subsequent to the University’s financial statement period. Overall, these disclosures provide information to better understand details, risk, and uncertainty associated with amounts reported in the financial statements.

Comparative Condensed Financial Statement Information

Statement of Net Assets

The Statement of Net Assets provides information regarding the University’s assets, liabilities, and net assets as of June 30, 2011. Asset and liability balances are classified as either current or noncurrent. Assets classified as current are those that are available to pay for current liabilities or current year expenditures. Liabilities classified as current are those that are due and payable in the next fiscal year. The net asset balances are classified as either invested in capital assets (net of related debt), restricted or unrestricted. In addition, net assets classified as restricted are classified as either nonexpendable or expendable. Overall, the Statement of Net Assets provides information to evaluate the financial strength of the University and its ability to meet current and long-term obligations.

Following is a comparative analysis on the condensed balances reported in the Statement of Net Assets as of June 30, 2011, and 2010.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>$361,631,958</td>
<td>$333,598,950</td>
<td>$28,033,048</td>
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<td>Capital Assets, Net</td>
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<td>1,451,692,968</td>
<td>135,502,990</td>
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<td>Other Noncurrent Assets</td>
<td>456,314,973</td>
<td>409,366,770</td>
<td>46,948,203</td>
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<td><strong>Total Assets</strong></td>
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<td>2,194,658,688</td>
<td>210,484,241</td>
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<tr>
<td><strong>Liabilities</strong></td>
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<tr>
<td>Current Liabilities</td>
<td>124,000,320</td>
<td>98,270,439</td>
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<td>Noncurrent Liabilities</td>
<td>651,340,776</td>
<td>582,135,211</td>
<td>69,205,565</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<td>680,405,650</td>
<td>94,935,446</td>
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<tr>
<td><strong>Net Assets</strong></td>
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<tr>
<td>Invested in Capital Assets, Net of Related Debt</td>
<td>1,233,161,475</td>
<td>1,159,910,462</td>
<td>73,251,013</td>
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<tr>
<td>Restricted</td>
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<tr>
<td>Nonexpendable</td>
<td>77,977,945</td>
<td>71,087,600</td>
<td>6,890,345</td>
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<td>Expendable</td>
<td>140,828,579</td>
<td>116,907,131</td>
<td>23,921,448</td>
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<tr>
<td>Unrestricted</td>
<td>177,832,834</td>
<td>166,347,845</td>
<td>11,484,989</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>$1,629,801,833</td>
<td>$1,514,253,038</td>
<td>$115,548,795</td>
</tr>
</tbody>
</table>

4
The following graph illustrates the assets, liabilities, and net assets of the University as of June 30, 2011, as compared to June 30, 2010.

Assets totaled $2.41 billion, an increase of $210.5 million over the prior year. This change in assets includes capital asset growth of $135.5 million, an increase in other noncurrent assets of $46.9 million, and an increase in current assets of $28.0 million.

The capital asset growth of $135.5 million is due to construction funding from capital grants and gifts, new capital financing and spending of prior year capital improvement monies. NC State received $51.0 million in capital grants in 2011, primarily from the state’s bond/certificates of participation (COPs) program, $67.9 million in notes payable and commercial paper capital financing, and $5.1 million in capital gifts.

The $46.9 million increase in other noncurrent assets is primarily due to an increase in investments of $74.7 million, consisting primarily of proceeds of the new Energy Conservation Loan and increases in market values and foundations deposits. In addition, endowment investments increased by $18.3 million, primarily because of improvements in market values and gifts. These increases were partially offset by decreases in noncurrent cash, which was caused by smaller amounts remaining of the 2010 bond and notes payable proceeds remaining in cash in 2011 and higher amounts of restricted cash moved to current cash to cover current liabilities.

Current assets increased by $28.0 million in fiscal year 2011. This increase was primarily the result of an increase in unrestricted cash of $10.5 million and in restricted cash of $12.9 million. Unrestricted cash growth was primarily in auxiliaries cash, such as Veterinary Medicine, Communication Technology, and also various sales and services trust funds. Changes in restricted cash, classified as current assets, primarily result from the movement of noncurrent cash to cover current liabilities for capital and debt purposes. Current capital and
debt liabilities were higher in 2011 and more cash was moved to current restricted cash. Current receivables also increased by $2.3 million, mainly in general accounts receivables and intergovernmental (federal) receivables.

Liabilities totaled $775.3 million, an increase of $94.9 million over the prior year. The increase in liabilities is attributable to an increase in current liabilities of $25.7 million and an increase in noncurrent liabilities of $69.2 million.

Current liabilities totaled $124.0 million. These liabilities include accounts payable and accrued liabilities, due to other entities, deferred revenue, and the current portion of University debt. Current liabilities increased $25.7 million, primarily caused by $10.0 million of new commercial paper debt and increased accounts payable and accrued liabilities. The largest factors in the $9.3 million increase in accounts payable and accrued liabilities were in construction payables and contract retainage.

Noncurrent liabilities totaled $651.3 million, and include accounts payable, deposits payable, funds held for other entities, funds held in trust in the investment pool, long-term debt, compensated absences and the hedging derivative liability. Noncurrent liabilities increased $69.2 million as a result of multiple factors. In December 2010, the University issued a $56.1 million installment financing contract to provide funds for energy conservation measures including combined heat and power cogeneration installation. The liability for funds held in trust for pool participants increased by $25.9 million due to increased pool participation and increases in market value of investments held. Also, the funds held for others liability increased by $2.7 million primarily due to affiliated foundation deposits in the University’s cash accounts with the State Treasurer. The long-term portion of bonds payable dropped by $15.4 million due to regular bond payments and amounts moved to the current portion of long-term debt. Other noncurrent liabilities increased or decreased by smaller, approximately off-setting amounts.

Net assets totaled $1.63 billion, an increase of $115.5 million over the prior year. Invested in plant, net of related debt, grew by $73.2 million as the University obtained new capital resources, including debt financing and capital grants and gifts, and spent capital reserves. Unrestricted net assets rose by $11.5 million, a 6.9% increase. Restricted expendable net assets rose $23.9 million, including a $9.3 million increase in endowed professorships. Restricted nonexpendable net assets also went up by $6.9 million, including a $4.7 million increase in endowed professorships. The growth in endowment professorship net assets was primarily attributable to gifts and improvement in market values of related investments.

The University’s current assets are more than sufficient to cover current liabilities, with a ratio of 2.9 times compared to 3.4 times in the prior year. The University’s total assets are significantly more than the University’s liabilities with a ratio of 3.1 times as compared to 3.2 times in the prior year. These financial ratios are indicators of NC State’s financial strength and its ability to meet current and long-term obligations.

Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets provides information regarding the University’s activities for the year ending June 30, 2011. The activity balances
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

are classified as operating, nonoperating, or other. Activities classified as operating include all revenues of the University except those considered nonoperating or those associated with funds received to enhance capital assets or permanent endowments. Operating expenses are all expenses except those related to interest expense on financing activities, loss on disposal of capital assets, and investment expenses (shown as net against investment income). Activities classified as nonoperating include state appropriations, noncapital gifts and grants revenue, investment income (net of investment expenses), and gains or losses on disposal of capital assets. Activities classified as other include capital gifts or grants and additions to permanent endowments. Overall, the Statement of Revenues, Expenses, and Changes in Net Assets provides information to evaluate the University's management of operations and maintenance of financial strength.

Following is a comparative analysis on the condensed balances reported in the Statement of Revenues, Expenses, and Changes in Net Assets for the fiscal years ended June 30, 2011, and 2010.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Increase/ (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Tuition and Fees, Net</td>
<td>$197,091,556</td>
<td>$170,813,363</td>
<td>$26,278,193</td>
</tr>
<tr>
<td>Federal Appropriations</td>
<td>16,842,963</td>
<td>18,490,582</td>
<td>(1,637,619)</td>
</tr>
<tr>
<td>Grants and Contracts</td>
<td>223,507,300</td>
<td>190,584,152</td>
<td>33,923,148</td>
</tr>
<tr>
<td>Sales and Services, Net</td>
<td>176,956,180</td>
<td>168,927,911</td>
<td>8,028,269</td>
</tr>
<tr>
<td>Other</td>
<td>15,206,546</td>
<td>15,935,453</td>
<td>(728,907)</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>629,604,545</td>
<td>573,741,461</td>
<td>55,863,084</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>743,089,319</td>
<td>712,602,591</td>
<td>30,486,728</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>124,591,377</td>
<td>111,260,760</td>
<td>13,330,617</td>
</tr>
<tr>
<td>Services</td>
<td>180,218,528</td>
<td>170,470,891</td>
<td>9,747,637</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>46,911,355</td>
<td>40,609,010</td>
<td>6,302,345</td>
</tr>
<tr>
<td>Utilities</td>
<td>37,853,283</td>
<td>36,023,202</td>
<td>1,830,081</td>
</tr>
<tr>
<td>Depreciation</td>
<td>56,449,786</td>
<td>54,464,008</td>
<td>1,985,778</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>1,189,113,648</td>
<td>1,125,430,462</td>
<td>63,683,186</td>
</tr>
<tr>
<td>Net Operating Loss</td>
<td>(559,509,103)</td>
<td>(551,689,001)</td>
<td>(7,820,102)</td>
</tr>
<tr>
<td>Nonoperating Revenues (Expenses)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>478,423,298</td>
<td>472,039,507</td>
<td>6,383,791</td>
</tr>
<tr>
<td>State Aid - Federal Economic Recovery Funds</td>
<td>20,651,218</td>
<td>19,891,167</td>
<td>760,051</td>
</tr>
<tr>
<td>Noncapital Grants - Federal Student Financial Aid</td>
<td>29,675,741</td>
<td>24,581,555</td>
<td>5,094,186</td>
</tr>
<tr>
<td>Other Noncapital Grants and Gifts</td>
<td>75,777,496</td>
<td>68,201,515</td>
<td>7,575,981</td>
</tr>
<tr>
<td>Investment Income</td>
<td>19,971,035</td>
<td>17,101,221</td>
<td>2,869,814</td>
</tr>
<tr>
<td>Other</td>
<td>(11,265,535)</td>
<td>(11,978,920)</td>
<td>410,385</td>
</tr>
<tr>
<td><strong>Net Nonoperating Revenues</strong></td>
<td>612,930,253</td>
<td>589,836,045</td>
<td>23,094,208</td>
</tr>
<tr>
<td>Gain (Loss) Before Other Revenue</td>
<td>53,421,150</td>
<td>38,147,044</td>
<td>15,274,106</td>
</tr>
<tr>
<td>Capital Appropriations, Gifts, and Grants</td>
<td>56,089,827</td>
<td>42,680,320</td>
<td>13,409,507</td>
</tr>
<tr>
<td>Additions to Permanent Endowments</td>
<td>6,037,818</td>
<td>4,463,474</td>
<td>1,574,344</td>
</tr>
<tr>
<td><strong>Increase in Net Assets</strong></td>
<td>$115,548,795</td>
<td>$85,290,838</td>
<td>$30,257,957</td>
</tr>
</tbody>
</table>
Operating and Nonoperating Activities

The following illustrates the relationships of operating and nonoperating revenue sources and expense functions to total revenue/expenses for the fiscal year 2011 and 2010, and the consistency of relationships between the two years.

### Operating and Nonoperating Revenues

<table>
<thead>
<tr>
<th>Title</th>
<th>% to Total 2011</th>
<th>% to Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>38%</td>
<td>40%</td>
</tr>
<tr>
<td>State Aid - Federal Economic Recovery Funds</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Research Contracts and Grants</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Sales and Services</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Noncapital Grants and Gifts</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Federal Appropriations</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Operating and Nonoperating Expenses

<table>
<thead>
<tr>
<th>Title</th>
<th>% to Total 2011</th>
<th>% to Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Research</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Public Service</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Operations &amp; Maintenance of Plant</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Academic Support</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Student Services</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Operating and Nonoperating Revenues

The following graphs illustrate the University's operating and nonoperating revenues/expenses by source/function.

Operating and Nonoperating Expenses

Total revenues (operating and nonoperating) increased $80.0 million or 6.8% compared to the prior year. State appropriations rose by $6.4 million or 1.4% from the prior year. However, state appropriations were still $9.3 million below the pre-recession 2008 level, and there were no capital appropriations, compared with $38.0 million in 2008. The University did receive $20.7 million in federal economic recovery funds from the State, up $0.8 million from 2010. Student tuition and fees increased $26.3 million as rates increased for all students. The University continued to grow its research mission, with research contracts and grants increasing $23.9 million or 12.0%. Federal student financial aid was up $5.1 million as
student need for aid continued higher. Also, noncapital gifts were up $6.5 million as foundations and individuals increased support for University programs. Investment income grew $2.9 million as market values of investments improved.

Total expenses (operating and nonoperating) showed a moderate rise in 2011, increasing $64.7 million or 5.7% compared to the prior year. Salaries and benefits increased $30.5 million or 4.3%, with Instruction and Auxiliary Enterprises showing the largest increases. Spending on supplies also rose in 2011. The $13.3 million supplies increase included large increases in information technology, database access and library and educational supplies, with spending increases highest in Research, Academic Support and Institutional Support. Services increased $9.8 million with the largest increases in Instruction and Public Service, including spending on contracts, sub-contracts, rental of real property, maintenance agreements and travel. With the increased tuition and fees, the scholarship expense increased by $6.3 million or 15.5%.

Other Activity

Other activity totaled $62.1 million, up $15.0 million from the prior year. Capital grants increased by $13.4 million, primarily in State bond/COPs aid. Because of budget limitations, the University had no new capital appropriations. Additions to permanent endowments rose by $1.6 million to $6.0 million as the economy and markets showed some improvement.

Capital Assets and Long-Term Debt Activities

Capital Assets

The University capitalizes assets that have a value or cost equal to or greater than $5,000 at the date of acquisition and an expected useful life of more than one year except for internally generated software which is capitalized when the value or cost is $1,000,000 or greater and other intangible assets which are capitalized when the value or cost is $100,000 or greater. Repairs and renovations that do not extend the life of the building beyond the expected useful life at acquisition, nor increase the future service potential of the building are expensed and not capitalized.

Machinery and equipment are depreciated over their estimated useful lives, generally 4 to 22 years beginning in the year of acquisition. Buildings and general infrastructure are depreciated over their estimated useful lives, generally 10 to 50 years for buildings and 15 to 75 years for general infrastructure beginning in the year that the construction is completed or, if purchased after construction, when acquired. Computer software is depreciated over a useful life of 2 to 15 years. Land, construction in progress, and computer software in development are nondepreciable capital assets. When a construction project is completed, the capital project costs are moved from the construction in progress account to either Buildings or General Infrastructure as appropriate.
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

As shown in the following table, the University increased its net capital assets by $135.5 million during fiscal year 2011.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Increase/ (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$36,587,946</td>
<td>$38,285,610</td>
<td>($1,697,664)</td>
</tr>
<tr>
<td>Construction in</td>
<td>138,800,118</td>
<td>162,025,112</td>
<td>(23,224,994)</td>
</tr>
<tr>
<td>Progress</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Software</td>
<td>4,944,249</td>
<td>2,385,000</td>
<td>2,559,249</td>
</tr>
<tr>
<td>in Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>1,590,876,263</td>
<td>1,426,874,142</td>
<td>164,002,121</td>
</tr>
<tr>
<td>Machinery and</td>
<td>285,672,390</td>
<td>262,528,573</td>
<td>23,143,817</td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Infrastructure</td>
<td>179,061,165</td>
<td>160,499,489</td>
<td>18,561,676</td>
</tr>
<tr>
<td>Computer Software</td>
<td>2,291,073</td>
<td>2,166,073</td>
<td>125,000</td>
</tr>
<tr>
<td>Total Capital Assets</td>
<td>2,238,233,304</td>
<td>2,054,763,999</td>
<td>183,469,305</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(651,637,346)</td>
<td>(693,071,031)</td>
<td>(41,433,685)</td>
</tr>
<tr>
<td>Net Capital Assets</td>
<td>$1,587,195,958</td>
<td>$1,451,692,968</td>
<td>$135,502,990</td>
</tr>
</tbody>
</table>

In addition to costs incurred, the University had $109.1 million in outstanding commitments for construction projects as of June 30, 2011.

During fiscal year 2011 NC State continued to build new facilities and work on renovations to modernize campus. Funding for these improvements came from funds provided by University debt financing and NC bonds and certificates of participation.

Following are some of the major construction projects that were completed or were in progress as of June 30, 2011.

The Randall B. Terry, Jr. Companion Animal Veterinary Medical Center was completed in fiscal year 2011. The Terry Center is one of the nation’s largest veterinary hospitals and more than twice the size of the original hospital at 110,000 square feet. With state-of-the-art technology throughout, the hospital will examine and treat more than 20,000 patients annually. Some of the Center’s design features include: 30 exam rooms and 10 surgery suites, both doubling the old hospital’s capacity. With three dedicated emergency exam rooms, an expanded ICU and patient visitation area, pneumatic tube system, teaching space in each pavilion and a spacious pharmacy specializing in sterile compounds for pet health care needs, the Terry Center will be a national leader in pet health care and instruction for years to come.

The new 248,000 square foot Engineering Building III opened in September 2010. This state-of-the-art facility houses the Department of Mechanical and Aerospace Engineering and the Joint NC State-UNC Department of Biomedical Engineering. The new building contains some 80 laboratories, two wind tunnels, a flight test cell, anechoic chambers and classrooms and offices for faculty and graduate students. It also has the first “green” roof on Centennial Campus and is part of the University’s efforts to reduce greenhouse gas emissions by including drought resistant plants on the roof. This feature is projected to save an estimated 25-50 percent on heating and cooling costs. With the addition of this building, two-thirds of all the University’s College of Engineering students are now on Centennial Campus.
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

As part of the continuing growth of Centennial Campus, another parking deck was completed off of Partners Way drive, between EBI and Partners I. The four story, 181,447 square foot building was designed to hold 800 parking spaces for the expanding Centennial Campus.

Safety renovations to E.S. King Village were completed. These renovations consisted of providing new fire sprinkler systems and an extensive telecom infrastructure to 17 residence halls that service the University’s married, graduate and non-traditional undergraduate students. New exterior underground fire mains, underground telecommunication duct banks, and sprinkler risers and telecommunication systems are now in each building providing safer and more updated living conditions for students.

The University also upgraded several of its 4-H buildings in 2011. A major new conference center in Tyrell Co. in Eastern NC is expected to be the University’s first “green” LEED-certified building. The new building offers a gymnasium, kitchen, dining facilities, an office and three classrooms in its 21,000 square feet area. The center’s green features include insulation made from recycled denim, recycled ceramic tile, concrete exterior panels and bamboo flooring. Lighting is controlled by sensors, windows are treated to allow light in but keep heat out and a rain garden helps filter runoff from the building. An efficient geothermal system heats and cools the building helping this building to be an environmentally friendly way to serve the youth and adults of North Carolina.

More information about the University’s long-range capital plan is located at http://www.ncsu.edu/facilities/construction_info/index.htm.

Long-Term Debt Activities

The University incurs long-term debt to finance construction projects, to purchase equipment using lease arrangements and to provide for accumulated unused vacation benefits for employees. As shown in the following chart, the University increased its long-term debt by $44.1 million during fiscal year 2011.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Payable</td>
<td>$311,337,360</td>
<td>$323,109,579</td>
<td>($11,772,219)</td>
</tr>
<tr>
<td>Capital Leases Payable</td>
<td>246,764</td>
<td>388,055</td>
<td>(141,291)</td>
</tr>
<tr>
<td>Notes Payable</td>
<td>80,056,251</td>
<td>23,650,703</td>
<td>56,405,548</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>55,460,852</td>
<td>55,817,030</td>
<td>(356,178)</td>
</tr>
<tr>
<td>Total Long-term Liabilities</td>
<td>$447,101,227</td>
<td>$402,965,367</td>
<td>$44,135,860</td>
</tr>
</tbody>
</table>

Long-term liabilities rose by $44.1 million, primarily due to the issue of a $56.1 million tax-exempt installment financing contract in December 2010. The financing was issued to provide funds for energy conservation at two steam and chilled water central distribution facilities. With no new bonds in fiscal year 2011, bonds payable decreased by some $11.8 million in principal payments. Compensated absences and capital leases showed small decreases.
Economic Factors That Will Affect the Future

The State of North Carolina has not been spared the severe state revenue shortfalls experienced by almost all states as a result of the nation’s 2009 recession and economic decline. The North Carolina General Assembly passed a 2011-12 Appropriation Bill that reduced NC State University’s state appropriated funds by $79.3 million and provided no direct offset through a tuition increase as it had done for 2010-11. However, the University did receive $11.1 million in state appropriated funds related to projected enrollment increases for the 2011-12 academic year. And, while no significant additional reduction in state appropriations was included for the second year of the 2011-13 biennium, continued growth in the state’s unemployment rate could certainly cause the General Assembly to reconsider the 2012-13 appropriations.

As early as Spring 2009 the NC State University administration started to plan for an anticipated major reduction in state appropriated funds for the 2011-13 biennium. Prior to FY 2009-10, the administration made the decision to reduce recurring budgets by 10% to accommodate both the recurring state-directed 5% reduction and any one-time reversions during 2009-10. While some portion of the remaining funds from the 10% reduction were reallocated in FY 2010-11 on a recurring basis to fund 25 new faculty positions, the majority of this reduction balance was available to lessen the impact of the FY 2011-12 funding loss on the core academic programs and services. The final reduction allocated to the campus exempted the student financial aid budget and protected utilities, library, and college budgets with a lower percentage reduction while administrative units received an approximately 40-50% larger percentage reduction.

State revenues for fiscal year 2011-12 are tracking at the currently appropriated level but it is too early in the fiscal year to ignore the potential for additional state budget reversions or reductions. The University administration has held sufficient unallocated resources to cover up to a 2% additional reversion of state funds without adversely impacting campus budgets. Enrollment still remains strong although severe reductions in need-based state funded student financial aid programs could have a more long term negative impact on enrollment and, at a minimum, will cause an increase in student debt. NC State University was recently designated by US News and World Report, as the #3 “best value” among public universities which is a tribute to our faculty and staff and the willingness of the General Assembly and the Governor to aggressively support North Carolina’s higher education system.

This careful budget planning and allocation of budget reductions over the preceding years has NC State well positioned for the coming decade. The NC State University Board of Trustees adopted a new 2011-2020 strategic plan that specifies five major goals to promote and preserve the core mission of North Carolina’s premiere Land Grant University. The plan has a strong focus on the science, technology, education, and mathematics disciplines and places a high priority on operational efficiency. To complement the strategic plan the administration has begun implementing an aggressive realignment of academic programs, support services, and business operations at all levels of the university.
## North Carolina State University
### Statement of Net Assets
#### June 30, 2011

<table>
<thead>
<tr>
<th>Assets</th>
<th>Amount (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Current Assets:</td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>203,211,185</td>
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<tr>
<td>Restricted Cash and Cash Equivalents</td>
<td>91,121,258</td>
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<tr>
<td>Restricted Short-Term Investments</td>
<td>20</td>
</tr>
<tr>
<td>Receivables, Net (Note 4)</td>
<td>47,633,889</td>
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<tr>
<td>Due from Primary Government</td>
<td>9,238,807</td>
</tr>
<tr>
<td>Due from State of North Carolina Component Units</td>
<td>2,545,697</td>
</tr>
<tr>
<td>Inventories</td>
<td>5,012,900</td>
</tr>
<tr>
<td>Notes Receivable, Net (Note 4)</td>
<td>2,868,242</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>361,631,998</td>
</tr>
<tr>
<td>Noncurrent Assets:</td>
<td></td>
</tr>
<tr>
<td>Restricted Cash and Cash Equivalents</td>
<td>72,627,926</td>
</tr>
<tr>
<td>Endowment Investments</td>
<td>161,402,165</td>
</tr>
<tr>
<td>Other Investments</td>
<td>205,086,977</td>
</tr>
<tr>
<td>Deferred Outflow of Resources (Note 9)</td>
<td>9,015,452</td>
</tr>
<tr>
<td>Notes Receivable, Net (Note 4)</td>
<td>8,162,453</td>
</tr>
<tr>
<td>Capital Assets - Nondepreciable (Note 5)</td>
<td>180,332,413</td>
</tr>
<tr>
<td>Capital Assets - Depreciable, Net (Note 5)</td>
<td>1,405,863,545</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>2,043,510,931</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>2,405,142,929</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Amount (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities (Note 6)</td>
<td>51,185,186</td>
</tr>
<tr>
<td>Due to Primary Government</td>
<td>5,867,979</td>
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<tr>
<td>Unearned Revenue</td>
<td>37,422,160</td>
</tr>
<tr>
<td>Interest Payable</td>
<td>4,044,322</td>
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<tr>
<td>Short-Term Debt (Note 7)</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Long-Term Liabilities - Current Portion (Note 8)</td>
<td>15,480,873</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>124,000,320</td>
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<tr>
<td>Noncurrent Liabilities:</td>
<td></td>
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<tr>
<td>Accounts Payable (Note 6)</td>
<td>1,456,434</td>
</tr>
<tr>
<td>Deposits Payable</td>
<td>791,658</td>
</tr>
<tr>
<td>Funds Held for Others</td>
<td>35,581,407</td>
</tr>
<tr>
<td>U. S. Government Grants Refundable</td>
<td>5,757,955</td>
</tr>
<tr>
<td>Funds Held in Trust for Pool Participants</td>
<td>167,117,316</td>
</tr>
<tr>
<td>Hedging Derivative Liability (Note 9)</td>
<td>9,015,452</td>
</tr>
<tr>
<td>Long-Term Liabilities (Note 8)</td>
<td>431,620,554</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>651,340,776</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>775,341,096</td>
</tr>
</tbody>
</table>
# North Carolina State University

**Statement of Net Assets**

**June 30, 2011**

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in Capital Assets, Net of Related Debt</td>
<td>1,233,161,475</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
</tr>
<tr>
<td>Nonexpendable:</td>
<td></td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>10,394,760</td>
</tr>
<tr>
<td>Endowed Professorships</td>
<td>52,713,342</td>
</tr>
<tr>
<td>Departmental Uses</td>
<td>6,497,146</td>
</tr>
<tr>
<td>Loans</td>
<td>7,146,605</td>
</tr>
<tr>
<td>Other</td>
<td>1,227,092</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>22,776,099</td>
</tr>
<tr>
<td>Research</td>
<td>15,685,651</td>
</tr>
<tr>
<td>Endowed Professorships</td>
<td>41,629,279</td>
</tr>
<tr>
<td>Departmental Uses</td>
<td>28,325,427</td>
</tr>
<tr>
<td>Loans</td>
<td>1,572,978</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>15,521,948</td>
</tr>
<tr>
<td>Debt Service</td>
<td>7,555,774</td>
</tr>
<tr>
<td>Other</td>
<td>7,761,423</td>
</tr>
</tbody>
</table>

Unrestricted                                                               177,832,834

Total Net Assets                                                          $ 1,629,801,833

The accompanying notes to the financial statements are an integral part of this statement.
North Carolina State University  
Statement of Revenues, Expenses, and Changes in Net Assets  
For the Fiscal Year Ended June 30, 2011  

<table>
<thead>
<tr>
<th>REVENUES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues:</td>
<td></td>
</tr>
<tr>
<td>Student Tuition and Fees, Net (Note 11)</td>
<td>$ 197,091,556</td>
</tr>
<tr>
<td>Federal Appropriations</td>
<td>16,942,963</td>
</tr>
<tr>
<td>Federal Grants and Contracts</td>
<td>123,803,140</td>
</tr>
<tr>
<td>State and Local Grants and Contracts</td>
<td>38,068,044</td>
</tr>
<tr>
<td>Nongovernmental Grants and Contracts</td>
<td>61,636,116</td>
</tr>
<tr>
<td>Sales and Services, Net (Note 11)</td>
<td>176,956,180</td>
</tr>
<tr>
<td>Interest Earnings on Loans</td>
<td>217,702</td>
</tr>
<tr>
<td>Other Operating Revenues, Net (Note 11)</td>
<td>14,988,844</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>629,604,545</strong></td>
</tr>
</tbody>
</table>

| EXPENSES                                       |       |
| Operating Expenses:                            |       |
| Salaries and Benefits                          | 743,089,319   |
| Supplies and Materials                         | 124,591,377  |
| Services                                       | 180,218,528  |
| Scholarships and Fellowships                   | 46,911,355   |
| Utilities                                      | 37,863,283   |
| Depreciation                                   | 56,449,786   |
| **Total Operating Expenses**                   | **1,189,113,648** |
| Operating Loss                                 | **(559,509,103)** |

| NONOPERATING REVENUES (EXPENSES)               |       |
| State Appropriations                           | 478,423,298   |
| State Aid - Federal Economic Recovery Funds    | 20,651,218    |
| Noncapital Grants - Student Financial Aid      | 29,675,741    |
| Other Noncapital Grants                        | 25,196,153    |
| Noncapital Gifts                               | 50,581,343    |
| Investment Income (Net of Investment Expense of $552,553) | 19,971,035   |
| Interest and Fees on Debt                     | (12,614,636)  |
| Federal Interest Subsidy on Debt              | 1,436,654     |
| Other Nonoperating Expenses                   | (390,551)     |
| **Net Nonoperating Revenues**                  | **612,930,253** |
| **Income Before Other Revenues and Expenses**  | **53,421,150** |

| NET ASSETS                                     |       |
| Net Assets - July 1, 2010                      | **1,514,253,036** |
| Net Assets - June 30, 2011                     | **$ 1,629,801,833** |

The accompanying notes to the financial statements are an integral part of this statement.
North Carolina State University

Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>Exhibit A-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page 1 of 2</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received from Customers</td>
<td>$ 612,672,371</td>
</tr>
<tr>
<td>Payments to Employees and Fringe Benefits</td>
<td>(742,186,159)</td>
</tr>
<tr>
<td>Payments to Vendors and Suppliers</td>
<td>(343,093,189)</td>
</tr>
<tr>
<td>Payments for Scholarships and Fellowships</td>
<td>(46,911,355)</td>
</tr>
<tr>
<td>Loans Issued</td>
<td>(650,929)</td>
</tr>
<tr>
<td>Collection of Loans</td>
<td>1,557,512</td>
</tr>
<tr>
<td>Interest Earned on Loans</td>
<td>854,206</td>
</tr>
<tr>
<td>Other Receipts</td>
<td>14,988,844</td>
</tr>
</tbody>
</table>

Net Cash Used by Operating Activities        | (502,768,699)  |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>478,423,298</td>
</tr>
<tr>
<td>State Aid - Federal Economic Recovery Funds</td>
<td>20,651,218</td>
</tr>
<tr>
<td>Noncapital Grants - Student Financial Aid</td>
<td>29,675,741</td>
</tr>
<tr>
<td>Other Noncapital Grants</td>
<td>23,075,036</td>
</tr>
<tr>
<td>Noncapital Gifts</td>
<td>50,927,590</td>
</tr>
<tr>
<td>Additions to Endowments</td>
<td>6,037,818</td>
</tr>
<tr>
<td>Federal Family Education Loan Receipts</td>
<td>534,363</td>
</tr>
<tr>
<td>Federal Family Education Loan Disbursements</td>
<td>(587,527)</td>
</tr>
<tr>
<td>William D. Ford Direct Lending Receipts</td>
<td>109,149,597</td>
</tr>
<tr>
<td>William D. Ford Direct Lending Disbursements</td>
<td>(109,138,925)</td>
</tr>
<tr>
<td>Related Activity Agency Receipts</td>
<td>33,824,053</td>
</tr>
<tr>
<td>Related Activity Agency Disbursements</td>
<td>(31,114,114)</td>
</tr>
<tr>
<td>External Participation in Investment Fund Receipts</td>
<td>15,404,216</td>
</tr>
<tr>
<td>External Participation in Investment Fund Disbursements</td>
<td>(524,748)</td>
</tr>
<tr>
<td>Other Payments</td>
<td>(21,186)</td>
</tr>
</tbody>
</table>

Net Cash Provided by Noncapital Financing Activities | 626,316,430  |

CASH FLOWS FROM CAPITAL FINANCING AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Capital Debt</td>
<td>67,880,548</td>
</tr>
<tr>
<td>Capital Grants</td>
<td>50,524,475</td>
</tr>
<tr>
<td>Capital Gifts</td>
<td>3,911,940</td>
</tr>
<tr>
<td>Proceeds from Sale of Capital Assets</td>
<td>405,655</td>
</tr>
<tr>
<td>Acquisition and Construction of Capital Assets</td>
<td>(179,223,545)</td>
</tr>
<tr>
<td>Principal Paid on Capital Debt and Leases</td>
<td>(12,726,291)</td>
</tr>
<tr>
<td>Interest and Fees Paid on Capital Debt and Leases</td>
<td>(13,773,389)</td>
</tr>
<tr>
<td>Federal Interest Subsidy on Debt Received</td>
<td>1,436,654</td>
</tr>
<tr>
<td>Other Payments</td>
<td>(310,368)</td>
</tr>
</tbody>
</table>

Net Cash Used by Capital Financing and Related Financing Activities | (81,874,321)  |

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Sales and Maturities of Investments</td>
<td>7,658,365</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,546,782</td>
</tr>
<tr>
<td>Purchase of Investments and Related Fees</td>
<td>(71,248,847)</td>
</tr>
</tbody>
</table>

Net Cash Used by Investing Activities         | (62,040,700)  |

Net Decrease in Cash and Cash Equivalents     | (20,367,290) |
Cash and Cash Equivalents - July 1, 2010      | 367,327,659  |
Cash and Cash Equivalents - June 30, 2011     | $ 366,960,369 |
North Carolina State University  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2011  

RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED BY OPERATING ACTIVITIES

Operating Loss $ (559,509,103)

Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:

Depreciation Expense 56,449,786
Allowances, Write-Offs, and Amortizations 216,742

Changes in Assets and Liabilities:

Receivables (Net) (1,645,804)
Due from Primary Government (64,506)
Inventories (237,242)
Accounts Payable and Accrued Liabilities 673,411
Due to Primary Government 430,699
Unearned Revenue 1,132,711
Compensated Absences (356,178)
Deposits Payable 140,785

Net Cash Used by Operating Activities $ (502,768,699)

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Current Assets:

Cash and Cash Equivalents $ 203,211,185
Restricted Cash and Cash Equivalents 91,121,258

Noncurrent Assets:

Restricted Cash and Cash Equivalents 72,627,926

Total Cash and Cash Equivalents - June 30, 2011 $ 366,960,369

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Assets Acquired through a Gift $ 1,232,744
Change in Fair Value of Investments 45,761,221
Loss on Disposal of Capital Assets (934,095)
Amortization of Bond Premium/Discounts (662,219)

The accompanying notes to the financial statements are an integral part of this statement.
# North Carolina State University Foundations

## Statement of Financial Position

**June 30, 2011**

<table>
<thead>
<tr>
<th></th>
<th>North Carolina State University Foundation, Inc.</th>
<th>NC State Student Aid Association, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$8,002,145</td>
<td>$17,729,468</td>
</tr>
<tr>
<td>Investments</td>
<td>9,109,363</td>
<td>29,969,732</td>
</tr>
<tr>
<td>Investments with University Investment Pool</td>
<td>74,231,298</td>
<td></td>
</tr>
<tr>
<td>Cash Surrender Value of Life Insurance</td>
<td>225,079</td>
<td>105,203</td>
</tr>
<tr>
<td>Real Estate Held for Resale</td>
<td>3,275,936</td>
<td>7,807,679</td>
</tr>
<tr>
<td>Receivables, Net</td>
<td>373,105</td>
<td>320,688</td>
</tr>
<tr>
<td>Pledges Receivable/Promises</td>
<td>20,027,613</td>
<td>28,307,596</td>
</tr>
<tr>
<td>Externally Managed Irrevocable Trust</td>
<td>20,155,285</td>
<td></td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td></td>
<td>46,184</td>
</tr>
<tr>
<td>Notes/Loans Receivable, Net</td>
<td></td>
<td>46,350</td>
</tr>
<tr>
<td>Deferred Charges</td>
<td></td>
<td>245,881</td>
</tr>
<tr>
<td>Property and Equipment, Net</td>
<td>4,522,245</td>
<td>50,824,541</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>139,922,069</td>
<td>135,403,302</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>1,465,112</td>
<td>467,795</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>90,708</td>
<td>3,417,545</td>
</tr>
<tr>
<td>Interest Payable</td>
<td></td>
<td>123,354</td>
</tr>
<tr>
<td>Deposits Payable</td>
<td></td>
<td>1,715</td>
</tr>
<tr>
<td>Funds Held for Others</td>
<td>614,485</td>
<td></td>
</tr>
<tr>
<td>Interest Rate Swap Fair Value Liability</td>
<td>17,392,000</td>
<td>2,566,777</td>
</tr>
<tr>
<td>Split Interest Agreement Obligations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes Payable</td>
<td></td>
<td>1,279,564</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td></td>
<td>43,270,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>19,562,305</td>
<td>51,126,750</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>8,538,040</td>
<td>18,919,073</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>46,995,411</td>
<td>31,710,735</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>64,826,313</td>
<td>33,646,744</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>$120,359,764</td>
<td>$84,276,552</td>
</tr>
</tbody>
</table>

The accompanying notes to the financial statements are an integral part of this statement.
## North Carolina State University Foundations

### Statement of Activities

**For the Fiscal Year Ended June 30, 2011**

### Exhibit B-2

<table>
<thead>
<tr>
<th>CHANGES IN UNRESTRICTED NET ASSETS</th>
<th>North Carolina State University Foundation, Inc.</th>
<th>NC State Student Aid Association, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues, Gains and Losses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 12,268</td>
<td>$ 8,180,221</td>
</tr>
<tr>
<td>Changes in Pledges Receivable</td>
<td>(251,261)</td>
<td></td>
</tr>
<tr>
<td>Donated Services and Noncash Contributions</td>
<td>577,030</td>
<td>2,105,985</td>
</tr>
<tr>
<td>Student Housing Rents</td>
<td></td>
<td>2,728,684</td>
</tr>
<tr>
<td>Investment Income</td>
<td>88,848</td>
<td>438,189</td>
</tr>
<tr>
<td>Net Unrealized and Realized Gains on Long-Term Investments</td>
<td>1,532,643</td>
<td>3,923,470</td>
</tr>
<tr>
<td>Unrealized Gain on Swap Contracts</td>
<td></td>
<td>416,224</td>
</tr>
<tr>
<td>Net Asset Reclassification - Underwater Endowments</td>
<td>3,178,876</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3,373,250</td>
<td>1,568,918</td>
</tr>
<tr>
<td><strong>Total Unrestricted Revenues, Gains and Losses</strong></td>
<td>8,509,624</td>
<td>19,360,651</td>
</tr>
</tbody>
</table>

| Net Assets Released from Restrictions: |                                                 |                                        |
| Satisfaction of Program Restrictions | 7,024,027                                       | 6,246,761                             |
| Facility Improvements               |                                                |                                        |
| **Total Net Assets Released from Restrictions** | 7,024,027                          | 6,246,761                             |

| **Total Unrestricted Revenues, Gains, Losses and Other Support** | 15,533,651 | 25,607,412 |

| Expenses: |                                                 |                                        |
| University Support | 6,541,686                                       | 8,664,657                             |
| University Facilities Support | 2,509,062                                      | 6,246,781                             |
| Student Housing |                                                | 3,026,630                             |
| Management and General | 293,474                                         | 719,187                              |
| Fund Raising | 1,246,679                                        | 2,914,603                             |
| **Total Expenses** | 10,590,901                                      | 21,771,638                            |

| Increase in Unrestricted Net Assets | 4,842,750 | 3,835,574 |

| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS |                                                 |                                        |
| Contributions | 8,003,695                                       | 2,279,827                             |
| Changes in Pledges Receivable | 839,952                                          | 106,956                              |
| Investment Income | 36,315                                           | 104,083                              |
| Net Unrealized and Realized Gains on Long-Term Investments | 11,365,801 | 367,350 |
| Unrealized Gain on Swap Contracts |                                                |                                        |
| Net Asset Reclassification - Underwater Endowments | (3,178,876) | 3,740,939 |
| Vaughn Towers Revenue |                                                |                                        |
| Other | (808,500)                                        | 113,672                              |
| **Net Assets Released from Restrictions:** |                                                 |                                        |
| Satisfaction of Program Restrictions | (7,024,027)                                      | (6,246,761)                           |
| Facility Improvements |                                                |                                        |
| **Increase in Temporarily Restricted Net Assets** | 9,228,360 | 486,366 |

| CHANGES IN PERMANENTLY RESTRICTED NET ASSETS |                                                 |                                        |
| Contributions | 15,138,585                                       | 349,469                              |
| Changes in Pledges Receivable | 6,962,168                                       |                                        |
| Investment Income | 112,127                                         |                                        |
| Net Unrealized and Realized Gains on Long-Term Investments | 260,684 |                                        |
| Change in Value of Split Interest Agreements | (386,736)                                        |                                        |
| Other | 701,090                                          |                                        |
| **Increase in Permanently Restricted Net Assets** | 22,787,916 | 349,469 |

| Increase in Net Assets | 36,959,026 | 4,671,409 |
| Net Assets at Beginning of Year | 83,400,738 | 70,605,143 |
| **Net Assets at End of Year** | $ 120,359,764 | $ 84,276,552 |
NOTE 1  -  SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity - The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. North Carolina State University is a constituent institution of the multi-campus University of North Carolina System, which is a component unit of the State of North Carolina and an integral part of the State's Comprehensive Annual Financial Report.

The accompanying financial statements present all funds belonging to the University and its component units. While the Board of Governors of the University of North Carolina System has ultimate responsibility, the Chancellor, the Board of Trustees, and the Board of Trustees of the Endowment Fund have delegated responsibilities for financial accountability of the University's funds. The University's component units are either blended or discretely presented in the University's financial statements. The blended component units, although legally separate, are, in substance, part of the University's operations and therefore, are reported as if they were part of the University. Discretely presented component units' financial data are reported in separate financial statements because of their use of different GAAP reporting models and to emphasize their legal separateness.

Blended Component Units - Although legally separate, the NC State Investment Fund, Inc. (Investment Fund) and the NC State University Partnership Corporation (Corporation), component units of the University, are reported as if they were part of the University.

The Investment Fund is governed by a Members Board consisting of six ex officio directors and five elected representatives. The Investment Fund's purpose is to support the University by operating an investment fund for charitable nonprofit foundations, associations, trusts, endowments, and funds that are organized and operated primarily to support the University. The Investment Fund is a governmental external investment pool. Because the majority of the Members Board of the Investment Fund consists of University administrators and board members and the Investment Fund's primary purpose is to benefit North Carolina State University, its financial statements have been blended with those of the University.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Corporation is governed by a Board of Directors appointed by the Chancellor of the University. The Corporation’s purpose is to support and benefit the University with the aims of creating new knowledge and improving the lives of the people of North Carolina. The Corporation formed NC State University Centennial Development, LLC on January 25, 2002 to develop, construct, own, finance, manage and otherwise deal with a nonprofit hotel, golf course, conference center and related meeting facilities on Centennial Campus as outlined in the Campus Master Plan. In addition, the Corporation formed NC State Upfit, LLC on October 27, 2006 to develop, construct, own, finance, manage and otherwise upfit facilities and other infrastructure on Centennial Campus, and it formed NC State Residence, LLC on October 27, 2006 to develop, construct, own, finance, manage and otherwise deal with a nonprofit chancellor’s residence on Centennial Campus. Also, the Corporation formed NC State CBC Land I, LLC on June 1, 2007 to acquire, develop, own, lease, hold, manage, sell, and otherwise exercise all right of ownership of land and flex lab facilities on Centennial Biomedical Campus. Additionally, the Corporation formed NC State American Home, LLC on August 8, 2007 and changed its name to Bell Tower Holdings LLC on December 14, 2009. The purposes of Bell Tower Holdings LLC are to acquire, develop, own, lease, hold, manage, sell and otherwise exercise all right of ownership of real property and enter into any related agreements for assisting with the acquisition, development, financing, construction, management and operation of real property. On March 31, 2008 the Corporation formed NC State CC Holding I, LLC to acquire, develop, own, lease, hold, manage, sell and otherwise exercise all right of ownership of land and facilities on Centennial Campus. Because the Corporation’s Board is appointed by the Chancellor and its sole purpose is to support and benefit the University, the Corporation and the LLCs are considered part of the University for financial reporting purposes.

Separate financial statements for the Investment Fund and for the Corporation and the LLCs may be obtained from the Foundations Accounting and Investments Office, Campus Box 7207, Raleigh, NC 27695, or by calling (919) 513-7149. Other related foundations and similar non-profit corporations for which the University is not financially accountable are not part of the accompanying financial statements.

**Discretely Presented Component Units** - The North Carolina State University Foundation, Inc. (Foundation) and NC State Student Aid Association, Inc. (Athletic Club) are legally separate not-for-profit corporations and are reported as discretely presented component units based on the nature and significance of their relationship to the University.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Foundation and Athletic Club are legally separate, tax-exempt component units of the University. These entities act primarily as fund-raising organizations to supplement the resources that are available to the University in support of its programs. Separate Boards of Directors govern these entities independent of the University’s Board of Trustees. Although the University does not control the timing or amount of receipts from these entities, the majority of resources, or income thereon that these entities hold and invest is restricted to the activities of the University by the donors. Because these restricted resources held by these entities can only be used by, or for the benefit of the University, these entities are considered component units of the University and are reported in separate financial statements because of the difference in their reporting model, as described below.

The Foundation and Athletic Club are private not-for-profit organizations that report their financial results under Financial Accounting Standards Board (FASB) Statements. As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board (GASB) revenue recognition criteria and presentation features. No modifications have been made to their financial information in the University’s financial reporting entity for these differences.

During the year ended June 30, 2011, the Foundation distributed $9,435,763 to the University for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Foundations Accounting and Investments Office, Campus Box 7207, Raleigh, NC 27695, or by calling (919) 513-7149.

During the year ended June 30, 2011, the Athletic Club distributed $8,131,217 to the University for both restricted and unrestricted purposes. Complete financial statements for the Athletic Club can be obtained from the NC State Student Aid Association, PO Box 37100, Raleigh, NC 27627, or by calling (919) 865-1500.

B. Basis of Presentation - The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB.

Pursuant to the provisions of GASB Statement No. 34, Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments, as amended by GASB Statement No. 35, Basic Financial Statements - and Management’s Discussion and Analysis - for Public Colleges and Universities, the full scope of the University’s activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the University does not apply FASB pronouncements issued after November 30, 1989, unless the GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.

C. Basis of Accounting - The financial statements of the University have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Nonexchange transactions, in which the University receives (or gives) value without directly giving (or receiving) equal value in exchange includes State appropriations, certain grants, and donations. Revenues are recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

D. Cash and Cash Equivalents - This classification includes undeposited receipts, petty cash, cash on deposit with private bank accounts, money market accounts, cash on deposit with fiscal agents, and deposits held by the State Treasurer in the Short-Term Investment Fund. The Short-Term Investment Fund maintained by the State Treasurer has the general characteristics of a demand deposit account in that participants may deposit and withdraw cash at any time without prior notice or penalty.

E. Investments - Investments generally are reported at fair value, as determined by quoted market prices or estimated amounts determined by management if quoted market prices are not available. Because of the inherent uncertainty in the use of estimates, values that are based on estimates may differ from the values that would have been used had a ready market existed for the investments. The net increase (decrease) in the fair value of investments is recognized as a component of investment income.

Money market funds, real estate not held by a governmental external investment pool, and other asset holdings are reported at cost, if purchased, or at fair value or appraised value at date of gift, if donated. Private equity funds consist primarily of investments that are not readily marketable. Investments in these categories, which are managed externally, are valued utilizing the most current information provided by the general partner.

Endowment investments include the principal amount of gifts and bequests that, according to donor restrictions, must be held in perpetuity or for a specified period of time, along with any accumulated investment
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

earnings on such amounts. Further, endowment investments also include amounts internally designated by the University for investment in an endowment capacity (i.e. quasi-endowments), along with accumulated investment earnings on such amounts. Land and other real estate held as investments by endowments are reported at fair value, consistent with how investments are generally reported. However, real estate held as quasi-endowments or principally for other than investments purposes are reported at cost.

F. Receivables - Receivables consist of tuition and fees charged to students and charges for auxiliary enterprises’ sales and services. Receivables also include amounts due from the federal government, State and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. Receivables are recorded net of estimated uncollectible amounts.

G. Inventories - Inventories, consisting of expendable supplies and merchandise for resale, are valued at cost using the first-in, first-out method. Exceptions are the bookstore, which uses the retail inventory method, and physical plant, which uses the moving weighted average method.

H. Capital Assets - Capital assets are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. The value of assets constructed includes all material direct and indirect construction costs. Interest costs incurred are capitalized during the period of construction.

The University capitalizes assets that have a value or cost in excess of $5,000 at the date of acquisition and an estimated useful life of more than one year except for internally generated software which is capitalized when the value or cost is $1,000,000 or greater and other intangible assets which are capitalized when the value or cost is $100,000 or greater. Library books are generally not considered to have a useful life of more than one year unless part of a collection and are expensed in the year of acquisition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 75 years for general infrastructure, 10 to 50 years for buildings, 4 to 22 years for equipment, and 2 to 15 years for computer software.

The University does not capitalize its collections. These collections adhere to the University’s policy to maintain for public exhibition, education, or research; protect, keep unencumbered, care for, and preserve; and requires proceeds from their sale to be used to acquire other collection items. Accounting principles generally accepted in the United States of America permit collections maintained in this manner to be charged to operations at time of purchase rather than be capitalized.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. **Restricted Assets** - Certain resources are reported as restricted assets because restrictions on asset use change the nature or normal understanding of the availability of the asset. Resources that are not available for current operations and are reported as restricted include resources restricted for the acquisition or construction of capital assets and resources legally segregated for the payment of principal and interest as required by debt covenants.

J. **Funds Held in Trust for Pool Participants** - Funds held in trust for pool participants represent the external portion of the University’s governmental external investment pool more fully described in Note 2.

K. **Noncurrent Long-Term Liabilities** - Noncurrent long-term liabilities include principal amounts of bonds payable, notes payable, capital lease obligations, and compensated absences that will not be paid within the next fiscal year.

Bonds payable are reported net of unamortized premiums or discounts. The University amortizes bond premiums/discounts over the life of the bonds using the straight-line method. Losses on refunding and issuance costs on bonds payable are not material to the accompanying financial statements and are expenses in the year incurred.

L. **Compensated Absences** - The University’s policy is to record the cost of vacation leave when earned. The policy provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward each January 1 or for which an employee can be paid upon termination of employment. When classifying compensated absences into current and noncurrent, leave is considered taken using a last-in, first-out (LIFO) method. Also, any accumulated vacation leave in excess of 30 days at year-end is converted to sick leave. Under this policy, the accumulated vacation leave for each employee at June 30 equals the leave carried forward at the previous December 31 plus the leave earned, less the leave taken between January 1 and June 30.

In addition to the vacation leave described above, compensated absences include the accumulated unused portion of the special annual leave bonuses awarded by the North Carolina General Assembly. The bonus leave balance on December 31 is retained by employees and transferred into the next calendar year. It is not subject to the limitation on annual leave carried forward described above and is not subject to conversion to sick leave.

There is no liability for unpaid accumulated sick leave because the University has no obligation to pay sick leave upon termination or retirement. However, additional service credit for retirement pension benefits is given for accumulated sick leave upon retirement.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

M. Net Assets - The University’s net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt - This represents the University’s total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted Net Assets - Nonexpendable - Nonexpendable restricted net assets include endowments and similar type assets whose use is limited by donors or other outside sources, and, as a condition of the gift, the principal is to be maintained in perpetuity.

Restricted Net Assets - Expendable - Expendable restricted net assets include resources for which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

Unrestricted Net Assets - Unrestricted net assets include resources derived from student tuition and fees, sales and services, unrestricted gifts, royalties, and interest income.

Restricted and unrestricted resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at the University. For projects funded by tax-exempt debt proceeds and other sources, the debt proceeds are always used first.

N. Scholarship Discounts - Student tuition and fees revenues and certain other revenues from University charges are reported net of scholarship discounts in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. The scholarship discount is the difference between the actual charge for goods and services provided by the University and the amount that is paid by students or by third parties on the students’ behalf. Student financial assistance grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as nonoperating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the University has recorded a scholarship discount.

O. Revenue and Expense Recognition - The University classifies its revenues and expenses as operating or nonoperating in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. Operating revenues and expenses generally result from providing services and
producing and delivering goods in connection with the University's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as (1) student tuition and fees, (2) sales and services of auxiliary enterprises, (3) certain federal, state, and local grants and contracts that are essentially contracts for services, and (4) interest earned on loans. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions. Revenues from nonexchange transactions and state appropriations that represent subsidies or gifts to the University, as well as investment income, are considered nonoperating since these are either investing, capital, or noncapital financing activities. Capital contributions are presented separately after nonoperating revenues and expenses.

P. Internal Sales Activities - Certain institutional auxiliary operations provide goods and services to University departments, as well as to its customers. These institutional auxiliary operations include activities such as Central Stores, the Creamery, Telecommunications, Physical Plant, and Motor Pool. In addition, the University has other miscellaneous sales and service units that operated either on a reimbursement or charge basis. All internal sales activities to University departments from auxiliary operations and sales and service units have been eliminated in the accompanying financial statements. These eliminating are recorded by removing the revenue and expense in the auxiliary operations and sales and service units and, if significant, allocating any residual balances to those departments receiving the goods and services during the year.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits - Unless specifically exempt, the University is required by North Carolina General Statute 147-77 to deposit moneys received with the State Treasurer or with a depository institution in the name of the State Treasurer. In addition, the University of North Carolina Board of Governors, pursuant to G.S. 116-36.1, requires the University to deposit its institutional trust funds, except for funds received for services rendered by health care professionals, with the State Treasurer. Although specifically exempted, the University may voluntarily deposit endowment funds, special funds, revenue bond proceeds, debt service funds, and funds received for services rendered by health care professionals with the State Treasurer. Special funds consist of moneys for intercollegiate athletics and agency funds held directly by the University.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At June 30, 2011, the amount shown on the Statement of Net Assets as cash and cash equivalents includes $365,031,425 which represents the University’s equity position in the State Treasurer’s Short-Term Investment Fund. The Short-Term Investment Fund (a portfolio within the State Treasurer’s Investment Pool, an external investment pool that is not registered with the Securities and Exchange Commission and does not have a credit rating) had a weighted average maturity of 1.9 years as of June 30, 2011. Assets and shares of the Short-Term Investment Fund are valued at amortized cost, which approximates fair value. Deposit and investment risks associated with the State Treasurer’s Investment Pool (which includes the State Treasurer’s Short-Term Investment Fund) are included in the State of North Carolina’s Comprehensive Annual Financial Report. An electronic version of this report is available by accessing the North Carolina Office of the State Controller’s Internet home page http://www.osc.nc.gov/ and clicking on “Proceed directly to OSC’s index page,” then “Reports,” or by calling the State Controller’s Financial Reporting Section at (919) 981-5454.

Cash on hand at June 30, 2011 was $226,991. The carrying amount of the University’s deposits not with the State Treasurer was $1,701,953 and the bank balance was $1,742,215. Custodial credit risk is the risk that in the event of a bank failure, the University’s deposits may not be returned to it. The University follows the Cash Management Plan (Plan) approved by the North Carolina Office of the State Controller. As provided by the Plan, all funds belonging to the University are deposited with the State Treasurer pursuant to G.S. 147-77 and G.S. 147-69.1. As provided by the Plan, imprest checking accounts are established with outside banks when considered effective in meeting management objectives. All imprest checking accounts are authorized by the University Treasurer and are limited to the minimum amount needed for sanctioned purposes. In addition, pursuant to G.S. 116-36(e), the University invests certain endowment funds with outside bank accounts. The University does not have a deposit policy for custodial credit risk. As of June 30, 2011, the University’s bank balance was exposed to custodial credit risk as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninsured and Uncollateralized</td>
<td>$13,463</td>
</tr>
<tr>
<td>Uninsured and Collateral Held by Pledging Bank's</td>
<td></td>
</tr>
<tr>
<td>Trust Department not in University's Name</td>
<td>$903,182</td>
</tr>
<tr>
<td>Total</td>
<td>$916,645</td>
</tr>
</tbody>
</table>

B. Investments - The University is authorized by The University of North Carolina Board of Governors pursuant to G.S. 116-36.2 and Section 600.2.4 of the Policy Manual of the University of North Carolina to invest its special funds and funds received for services rendered by health care professionals in the same manner as the State Treasurer is required to invest, as discussed below.
G.S. 147-69.1(c), applicable to the State's General Fund, and G.S. 147-69.2, applicable to institutional trust funds, authorize the State Treasurer to invest in the following: obligations of or fully guaranteed by the United States; obligations of certain federal agencies; repurchase agreements; obligations of the State of North Carolina; time deposits of specified institutions; prime quality commercial paper; and asset-backed securities with specified ratings. Also, G.S. 147-69.1(c) authorizes the following: specified bills of exchange or time drafts and corporate bonds and notes with specified ratings. G.S. 147-69.2 authorizes the following: general obligations of other states; general obligations of North Carolina local governments; and obligations of certain entities with specified ratings.

In accordance with the bond resolutions, bond proceeds and debt service funds are invested in obligations that will by their terms mature on or before the date funds are expected to be required for expenditure or withdrawal.

G.S. 116-36(e) provides that the trustees of the Endowment Fund shall be responsible for the prudent investment of the Fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the Endowment Fund to be invested.

Investments of the endowment funds including those invested in the Investment Fund, a University component unit, are subject to and restricted by G.S. 36E "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) and any requirements placed on them by contract or donor agreements.

Investments of various funds may be pooled unless prohibited by statute or by terms of the gift or contract. The University utilizes investment pools to manage investments and distribute investment income.

Investments are subject to the following risks.

*Interest Rate Risk:* Interest rate risk is the risk the University may face should interest rate variances affect the fair value of investments. The University does not have a formal policy that addresses interest rate risk.

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University does not have a formal policy that addresses credit risk.

*Long-Term Investment Pool:* This is an internal investment pool that is utilized for the investment of the endowment funds. Fund ownership is measured using the unit value method. Under this method, each
participating fund’s investment balance is determined based on market value. The investment strategy, including the selection of investment managers, is based on the directives of the University’s Endowment Board.

The following table presents the fair value of investments by type and investments subject to interest rate risk at June 30, 2011, for the Long-Term Investment Pool.

**Long-Term Investment Pool**

*(Excludes Amounts Reported in the Investment Fund)*

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pooled Investments - BNY Mellon</td>
<td>$316,018</td>
</tr>
</tbody>
</table>

**Investment Fund** - The Investment Fund began operations in April 1999 and is classified as a non-rated 2a7-like governmental external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment company Act of 1940. The Investment Fund is utilized as one of the investment managers for the Long-Term Investment Pool and the North Carolina State University Foundation, Inc., a discretely presented component unit in the accompanying financial statements (the Investment Fund’s internal participants). Other affiliated organizations not included in the University’s reporting entity represent the pool’s external participants. The external portion of the pool is presented in the accompanying financial statements as “Funds Held in Trust for Pool Participants.”

The Investment Fund is not subject to any formal oversight other than that provided by the Investment Fund Members Board or its Board of Directors. The Members Board is responsible for adopting investment objectives and policies and for monitoring policy implementation and investment performance. The Members Board has chosen not to make individual security selection decisions. The Board of Directors has the responsibility to oversee the allocation of the Investment Fund’s portfolio among the asset classes, investment vehicles, and investment managers.

BNY Mellon is the custodian for the pool and provides the University with quarterly statements defining income and fair value information, which is then allocated among the fund’s participants. Each participant holds Master Trust Units of the Fund. The unit price fluctuates based on the investment experience of the investment pool. There are no
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

involuntary participants in the pool. The University has not provided or obtained any legally binding guarantees during the period to support the value for the pool’s investments. The annual financial report for the external investment pool may be obtained from the Foundations Accounting and Investment Office, Campus Box 7207, Raleigh, NC 27695 or by calling (919) 513-7149 or at http://www.fis.ncsu.eduFOUNDATIONS ACCOUNTING/INVESTMENT-FUND/.

The following table presents the fair value of investments by type and investments subject to interest rate risk at June 30, 2011, for the Investment Fund.

**Investment Fund**

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNC Investment Fund</td>
<td>$342,879,105</td>
</tr>
<tr>
<td>Private Equity Limited Partnerships</td>
<td>$27,359,413</td>
</tr>
<tr>
<td>Total Investment Fund</td>
<td>$370,238,518</td>
</tr>
</tbody>
</table>

**UNC Investment Fund, LLC** - At June 30, 2011, the University’s investments include $342,879,105 which represents the University’s equity position in the UNC Investment Fund, LLC (System Fund). The System Fund is an external investment pool that is not registered with the Securities and Exchange Commission and does not have a credit rating. Asset and ownership interests of the System Fund are determined on a market unit valuation basis each month. Investment risks associated with the System Fund are included in audited financial statements of the UNC Investment Fund, LLC which may be obtained from UNC Management Company, Inc., 1400 Environ Way, Chapel Hill, NC 27517.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Non-Pooled Investments - The following table presents the fair value of investments by type and investments subject to interest rate risk at June 30, 2011, for the University’s non-pooled investments.

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Investment Maturities (in Years)</th>
<th>Fair Value</th>
<th>Less Than 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market Mutual Funds</td>
<td>$ 46,153,931</td>
<td>$ 46,153,931</td>
<td></td>
</tr>
<tr>
<td>Other Securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in Real Estate</td>
<td>23,670,492</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Stocks</td>
<td>291,899</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collections and Mineral Rights</td>
<td>49,602</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Non-Pooled Investments</td>
<td>$ 70,165,924</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At June 30, 2011, the University’s non-pooled investments had the following credit quality distribution for securities with credit exposure (based on Moody’s and S&P ratings):

<table>
<thead>
<tr>
<th>Money Market Mutual Funds</th>
<th>AAA</th>
<th>Aaa</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 46,153,931</td>
<td>$ 46,153,931</td>
<td></td>
</tr>
</tbody>
</table>

Total Investments - The following table presents the fair value of the total investments at June 30, 2011:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Securities</td>
<td></td>
</tr>
<tr>
<td>Money Market Mutual Funds</td>
<td>$ 46,153,931</td>
</tr>
<tr>
<td>Other Securities</td>
<td></td>
</tr>
<tr>
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<td>27,359,413</td>
</tr>
<tr>
<td>Pooled Investments</td>
<td>316,018</td>
</tr>
<tr>
<td>Domestic Stocks</td>
<td>291,899</td>
</tr>
<tr>
<td>Collections and Mineral Rights</td>
<td>49,602</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$ 440,720,460</td>
</tr>
</tbody>
</table>

Total investments include $74,231,298 held in the “Investment Fund” for the North Carolina State University Foundation, Inc. This amount is excluded from the University prepared financial statements and included in the accompanying component unit financial statements.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 - Endowment Investments

Investments of the University’s endowment funds are pooled, unless required to be separately invested by the donor. If a donor has not provided specific instructions, State law permits the Board of Trustees to authorize for expenditure the net appreciation, realized and unrealized, of the investments of the endowment funds. Under the “Uniform Prudent Management of Institutional Funds Act” (UPMIFA), authorized by the North Carolina General Assembly on March 19, 2009, the Board may also appropriate expenditures from eligible nonexpendable balances if deemed prudent and necessary to meet program outcomes and for which such spending is not specifically prohibited by the donor agreements. However, a majority of the University’s endowment donor agreements prohibit spending of nonexpendable balances and therefore the related nonexpendable balances are not eligible for expenditure. During the year, the Board did not appropriate expenditures from eligible nonexpendable endowment funds.

Investment return of the University’s endowment funds is predicated on the total return concept (yield plus appreciation). Annual payouts from the University pooled endowment funds are determined by applying 4% (the Board approved spending rate) to the average market value of the long term investment pool (for a 20 quarter period), divided by the number of investment units in the pool to determine the “average spending amount” per unit of investment. The individual endowment fund payout or spending budget is then determined by applying the “average spending amount” to the number of investment units held by the individual endowment fund. To the extent that the total return for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the University uses accumulated income and appreciation from restricted, expendable net asset endowment balances to make up the difference. At June 30, 2011, endowment net assets of $104,160,523 were available to be spent, of which $85,997,481 was restricted to specific purposes.

During the current fiscal year, the University experienced positive investment gains, but not sufficient to recoup prior year losses. As a result, at June 30, 2011, $385,359 of eroded corpus has been reported against the nonexpendable endowment as compared to $2,862,123 at the prior fiscal year end.
NOTE 4 - RECEIVABLES

Receivables at June 30, 2011, were as follows:

<table>
<thead>
<tr>
<th>Current Receivables:</th>
<th>Gross Receivables</th>
<th>Loss Allowance for Doubtful Accounts</th>
<th>Net Receivables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>$4,101,175</td>
<td>$2,172,501</td>
<td>$1,928,674</td>
</tr>
<tr>
<td>Accounts</td>
<td>25,928,329</td>
<td>2,502,815</td>
<td>23,425,514</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>21,932,561</td>
<td>21,932,561</td>
<td>21,932,561</td>
</tr>
<tr>
<td>Interest on Loans</td>
<td>320,327</td>
<td>278,858</td>
<td>41,469</td>
</tr>
<tr>
<td>Federal Interest Subsidy on Debt</td>
<td>305,671</td>
<td>305,671</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Receivables</strong></td>
<td><strong>$52,588,063</strong></td>
<td><strong>$4,954,174</strong></td>
<td><strong>$47,633,889</strong></td>
</tr>
</tbody>
</table>

Notes Receivable:

Notes Receivable - Current:
- Federal Loan Programs $2,589,043 $7,559 $2,581,484
- Institutional Student Loan Programs 288,329 1,571 286,758
- **Total Notes Receivable - Current** $2,877,372 $9,130 $2,868,242

Notes Receivable - Noncurrent:
- Federal Loan Programs $8,678,389 $588,231 $8,090,158
- Institutional Student Loan Programs 227,655 135,360 92,295
- **Total Notes Receivable - Noncurrent** $8,906,044 $723,591 $8,182,453

NOTE 5 - CAPITAL ASSETS

A summary of changes in the capital assets for the year ended June 30, 2011, is presented as follows:

<table>
<thead>
<tr>
<th>Balance</th>
<th>Increase</th>
<th>Decrease</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2010</td>
<td>Increases</td>
<td>Decreases</td>
<td>June 30, 2011</td>
</tr>
<tr>
<td>Capital Assets, Nondepreciable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$38,285,610</td>
<td>0</td>
<td>$1,697,664</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>162,025,112</td>
<td>104,736,370</td>
<td>127,561,364</td>
</tr>
<tr>
<td>Computer Software in Development</td>
<td>2,385,000</td>
<td>2,595,349</td>
<td>4,964,349</td>
</tr>
<tr>
<td><strong>Total Capital Assets, Nondepreciable</strong></td>
<td><strong>202,095,722</strong></td>
<td><strong>107,295,719</strong></td>
<td><strong>129,409,028</strong></td>
</tr>
<tr>
<td>Capital Assets, Depreciable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>1,426,874,142</td>
<td>164,889,885</td>
<td>887,774</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>262,523,573</td>
<td>31,672,690</td>
<td>8,528,843</td>
</tr>
<tr>
<td>General Infrastructure</td>
<td>160,499,489</td>
<td>18,562,626</td>
<td>950</td>
</tr>
<tr>
<td>Computer Software</td>
<td>2,166,073</td>
<td>125,000</td>
<td>2,291,073</td>
</tr>
<tr>
<td><strong>Total Capital Assets, Depreciable</strong></td>
<td><strong>1,852,068,277</strong></td>
<td><strong>215,250,181</strong></td>
<td><strong>9,417,567</strong></td>
</tr>
</tbody>
</table>
| Loss Accumulated Depreciation for:
| Buildings | 389,075,357 | 34,856,265 | 473,209 | 423,458,413 |
| Machinery and Equipment | 178,180,473 | 16,833,990 | 8,019,262 | 187,004,201 |
| General Infrastructure | 34,581,246 | 4,472,152 | 39,354,082 | 39,354,082 |
| Computer Software | 223,155 | 287,349 | 1,210,704 | 1,210,704 |
| **Total Accumulated Depreciation** | **603,071,031** | **56,440,766** | **5,483,471** | **651,037,366** |
| **Total Capital Assets, Depreciable, Net** | **1,248,997,246** | **158,809,395** | **934,096** | **1,406,853,545** |
| Capital Assets, Net | $1,451,669,968 | $266,096,114 | $139,593,124 | $1,587,195,958 |
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2011, were as follows:

<table>
<thead>
<tr>
<th>Current Accounts Payable and Accrued Liabilities</th>
<th>Balance</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$32,460,351</td>
<td></td>
</tr>
<tr>
<td>Accrued Payroll</td>
<td>10,779,048</td>
<td></td>
</tr>
<tr>
<td>Contract Retainage</td>
<td>6,439,090</td>
<td></td>
</tr>
<tr>
<td>Intergovernmental Payables</td>
<td>19,199</td>
<td></td>
</tr>
<tr>
<td>Severance Payable</td>
<td>1,105,469</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>382,029</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Accounts Payable and Accrued Liabilities</strong></td>
<td><strong>$51,185,186</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent Accounts Payable and Accrued Liabilities</th>
<th>Balance</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severance Payable</td>
<td>$881,434</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>575,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Noncurrent Accounts Payable and Accrued Liabilities</strong></td>
<td><strong>$1,456,434</strong></td>
<td></td>
</tr>
</tbody>
</table>

NOTE 7 - SHORT-TERM DEBT - COMMERCIAL PAPER PROGRAM

The University has available Commercial Paper Program financing for short-term credit up to $100,000,000 to finance capital construction projects. The University’s available funds are pledged to the Commercial Paper Program financing with the anticipation of converting to general revenue bond financing in the future. As of June 30, 2011, $10,000,000 in Tax-Exempt Commercial Paper was outstanding.

Short-term debt activity for the year ended June 30, 2011, was as follows:

<table>
<thead>
<tr>
<th>Balance July 1, 2010</th>
<th>Draws</th>
<th>Repayments</th>
<th>Balance June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Paper Program</td>
<td>$0</td>
<td>$10,000,000</td>
<td>$0</td>
</tr>
</tbody>
</table>

NOTE 8 - LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities - A summary of changes in the long-term liabilities for the year ended June 30, 2011, is presented as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Bonds Payable</td>
<td>$314,850,000</td>
<td>$0</td>
<td>$11,110,000</td>
<td>$303,740,000</td>
</tr>
<tr>
<td>Add Premium</td>
<td>$229,579</td>
<td></td>
<td>662,219</td>
<td>7,597,360</td>
</tr>
<tr>
<td><strong>Total Revenue Bonds Payable</strong></td>
<td><strong>323,109,579</strong></td>
<td></td>
<td><strong>11,772,219</strong></td>
<td><strong>311,337,360</strong></td>
</tr>
<tr>
<td>Notes Payable</td>
<td>23,650,703</td>
<td>57,880,548</td>
<td>1,475,000</td>
<td>80,056,251</td>
</tr>
<tr>
<td>Capital Leases Payable</td>
<td>388,055</td>
<td>141,291</td>
<td>246,764</td>
<td>122,634</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>55,817,030</td>
<td>33,578,724</td>
<td>33,934,902</td>
<td>55,406,852</td>
</tr>
<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td><strong>402,965,367</strong></td>
<td></td>
<td><strong>47,323,412</strong></td>
<td><strong>447,101,227</strong></td>
</tr>
</tbody>
</table>

Additional information regarding capital lease obligations is included in Note 10.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B. Revenue Bonds Payable - The University was indebted for revenue bonds payable for the purposes shown in the following table:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Series</th>
<th>Interest Rate/ Range</th>
<th>Final Maturity Date</th>
<th>Original Amount of Issue</th>
<th>Principal Amount Paid Through June 30, 2011</th>
<th>Principal Outstanding June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refund Housing System Series I &amp; M</td>
<td>2002B</td>
<td>4.4% - 5%</td>
<td>01/01/2014</td>
<td>$9,800,000</td>
<td>$5,420,000</td>
<td>$3,380,000</td>
</tr>
<tr>
<td>Housing System Projects/Deck Field Projects</td>
<td>2003A</td>
<td>3% - 5%</td>
<td>01/01/2018</td>
<td>26,735,000</td>
<td>875,000</td>
<td>25,860,000</td>
</tr>
<tr>
<td>Housing System Projects/Deck Field Projects</td>
<td>2003B</td>
<td>3.48% swap*</td>
<td>01/01/2027</td>
<td>45,660,000</td>
<td>2,305,000</td>
<td>43,355,000</td>
</tr>
<tr>
<td>Various Construction Projects</td>
<td>2005A</td>
<td>4.6% - 5%</td>
<td>01/01/2025</td>
<td>81,615,000</td>
<td>14,000,000</td>
<td>67,615,000</td>
</tr>
<tr>
<td>Various Construction Projects</td>
<td>2008A</td>
<td>3.825% w-ap*</td>
<td>01/01/2028</td>
<td>66,660,000</td>
<td></td>
<td>66,660,000</td>
</tr>
<tr>
<td>Various Construction Projects</td>
<td>2008B</td>
<td>3% - 5%</td>
<td>01/01/2020</td>
<td>26,655,000</td>
<td>7,660,000</td>
<td>19,995,000</td>
</tr>
<tr>
<td>Various Construction Projects</td>
<td>2010A</td>
<td>3% - 5%</td>
<td>01/01/2022</td>
<td>18,660,000</td>
<td></td>
<td>18,660,000</td>
</tr>
<tr>
<td>Various Construction Projects</td>
<td>2010B</td>
<td>5.079% - 6.627%**</td>
<td>01/01/2035</td>
<td>59,560,000</td>
<td></td>
<td>59,560,000</td>
</tr>
<tr>
<td>Total Revenue Bonds Payable (principal only)</td>
<td></td>
<td></td>
<td></td>
<td>$334,000,000</td>
<td>$10,260,000</td>
<td>$303,740,000</td>
</tr>
<tr>
<td>Plus Unamortized Premium</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7,597,360</td>
</tr>
<tr>
<td>Total Revenue Bonds Payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$311,337,360</td>
</tr>
</tbody>
</table>

* For variable rate debt, interest rates in effect at June 30, 2011 are included. For variable rate debt with interest rate swaps, the synthetic fixed rates are included.

** The University has elected to treat these bonds as federally taxable "Build America Bonds" for the purposes of the American Recovery and Reinvestment Act and to receive a cash subsidy from the U.S. Treasury equal to 35% of the interest payable on these bonds. For these bonds, the interest rate included is the taxable rate, which does not factor in the cash subsidy from the U.S. Treasury.

C. Demand Bonds - Included in bonds payable are several variable rate demand bond issues. Demand bonds are securities that contain a "put" feature that allows bondholders to demand payment before the maturity of the debt upon proper notice to the University's remarketing or paying agents.

With regards to the following demand bonds, the University has entered into take out agreements, which would convert the demand bonds not successfully remarkeeted into another form of long-term debt.

North Carolina State University at Raleigh Variable Rate - General Revenue Bonds, Series 2003B: On June 20, 2003 the University issued tax-exempt variable rate revenue demand bonds in the amount of $45,660,000 that have a final maturity date of October 1, 2027. The bonds are subject to mandatory sinking fund redemption that began on October 1, 2004. The University's proceeds of this issuance were used to pay a portion of the costs of certain improvements on the campus of the University, to refund certain debt previously incurred for that purpose, and to pay the costs incurred in connection with the issuance of the 2003B bonds.

While bearing interest at a weekly rate, the bonds are subject to purchase on demand with seven days notice and delivery to the paying agent, The Bank of New York Mellon. Upon notice from the paying agent, the Remarketing Agent, Wachovia Bank, N.A., has agreed to exercise its best efforts to remarket the bonds for which a notice of purchase has been received.
Under a Standby Bond Purchase Agreement (Agreement) between the Board of Governors of the University of North Carolina and Bayerische Landesbank, a Liquidity Facility has been established for the Trustee (The Bank of New York Mellon) to draw amounts sufficient to pay the purchase price and accrued interest on bonds delivered for purchase when remarketing proceeds or other funds are not available. This Agreement requires a commitment fee equal to 0.13% of the available commitment, payable quarterly in arrears, beginning on July 1, 2003 and on each October 1, January 1, April 1, and July 1 thereafter until the expiration date or the termination date of the Agreement.

Under the Agreement, any bonds purchased through the Liquidity Facility become Liquidity Provider Bonds and shall, from the date of such purchase and while they are Liquidity Provider Bonds, bear interest at the Liquidity Provider rate (the greater of the bank prime commercial lending rate and federal funds rate plus 0.5%). Upon remarketing of Liquidity Provider Bonds and the receipt of the sales price by the Liquidity Provider, such bonds are no longer considered Liquidity Provider Bonds. Payment of the interest on the Liquidity Provider Bonds is due the first business day of each month in which Liquidity Provider Bonds are outstanding. At June 30, 2011, there were no Liquidity Provider Bonds held by the Liquidity Facility. The original Liquidity Facility expiration date has been extended and is scheduled to expire on November 30, 2015, unless otherwise extended based on the terms of the Agreement.

Upon expiration or termination of the Agreement, the University is required to redeem (purchase) the Liquidity Provider Bonds held by the Liquidity Facility in 12 quarterly installments, beginning the first business day of January, April, July or October, whichever first occurs on or following the Purchase Date along with the accrued interest at the Liquidity Provider rate. In the event the entire issue of $43,355,000 of demand bonds was “put” and not resold, the University would be required to pay $15 million a year for three years under this agreement assuming a 3.25% interest rate.

**North Carolina State University at Raleigh Variable Rate General Revenue Bonds, Series 2008A:** On July 10, 2008, the University issued tax-exempt variable rate revenue demand bonds in the amount of $66,605,000 that have a final maturity date of October 1, 2028. The bonds are subject to mandatory sinking fund redemption that begins on October 1, 2014. The University’s proceeds of this issuance were used to pay a portion of the costs of certain improvements on the campus of the University, to refund certain debt previously incurred for that purpose, and to pay the costs incurred in connection with the issuance of the 2008A bonds.
While bearing interest at a weekly rate, the bonds are subject to purchase on demand with seven days notice and delivery to the paying agent, The Bank of New York Mellon. Upon notice from the paying agent, the Remarketing Agent, Citigroup Global Markets, Inc., has agreed to exercise its best efforts to remarket the bonds for which a notice of purchase has been received.

Under a Standby Bond Purchase Agreement (Agreement) between the Board of Governors of the University of North Carolina and Bank of America, N.A., a Liquidity Facility has been established for the Trustee (The Bank of New York Mellon) to draw amounts sufficient to pay the purchase price and accrued interest on bonds delivered for purchase when remarketing proceeds or other funds are not available. This agreement requires a commitment fee equal to 0.20% of the available commitment, payable quarterly in arrears, beginning on October 1, 2008 and on each October 1, January 1, April 1, and July 1 thereafter until the expiration date or the termination date of the Agreement.

Under the Agreement, any bonds purchased through the Liquidity Facility become Bank Bonds and shall, from the date of such purchase and while they are Bank Bonds, bear interest at the Base Rate (the greater of the bank prime commercial lending rate and the federal funds rate plus 3.0%) for 30 days. For the period of 31 through 60 days after purchase, the Bank Bonds bear interest at the Base Rate plus 1.0%. Upon remarketing of Bank Bonds and the receipt of the sales price by the Liquidity Provider, such bonds are no longer considered Bank Bonds. Payment of the interest on the Bank Bonds is due the first business day of each month in which Bank Bonds are outstanding. At June 30, 2011, there were no Bank Bonds held by the Liquidity Facility. The original Liquidity Facility expiration date has been extended and is scheduled to expire on October 10, 2013, unless otherwise extended based on the terms of the Agreement.

After the purchase of the Bank Bonds, or expiration or termination of the Agreement, the University is required to redeem (purchase) the Bank bonds held by the Liquidity Facility in six semi-annual installments, beginning the first business day of the month which next occurs on or following 61 days after the Purchase Date along with accrued interest at the Bank Bond rate plus 2.0%. In the event the entire issue of $66,605,000 of demand bonds was “put” and not resold, the University would be required to pay $24 million a year for three years under this agreement assuming a 5.25% interest rate.
D. **Annual Requirements** - The annual requirements to pay principal and interest on the long-term obligations at June 30, 2011, are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Interest Rate Swaps, Net</th>
<th>Notes Payable</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$12,465,000</td>
<td>$9,517,687</td>
<td>$2,724,393</td>
<td>$55,131</td>
<td>$4,631,142</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>$13,185,000</td>
<td>$9,005,040</td>
<td>$2,724,393</td>
<td>1,473,227</td>
<td>3,412,067</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$13,830,000</td>
<td>$8,458,825</td>
<td>$2,724,393</td>
<td>1,860,775</td>
<td>3,340,561</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$13,470,000</td>
<td>$7,866,620</td>
<td>$2,724,393</td>
<td>2,130,857</td>
<td>3,254,782</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$13,155,000</td>
<td>$7,303,668</td>
<td>$2,664,041</td>
<td>2,412,294</td>
<td>3,156,872</td>
<td></td>
</tr>
<tr>
<td>2017-2021</td>
<td>$71,525,000</td>
<td>$29,327,467</td>
<td>11,150,741</td>
<td>18,537,168</td>
<td>13,760,571</td>
<td></td>
</tr>
<tr>
<td>2022-2026</td>
<td>$85,080,000</td>
<td>$20,283,920</td>
<td>6,003,779</td>
<td>31,734,441</td>
<td>8,465,667</td>
<td></td>
</tr>
<tr>
<td>2027-2031</td>
<td>$65,675,000</td>
<td>$13,019,841</td>
<td>274,413</td>
<td>21,760,358</td>
<td>1,459,061</td>
<td></td>
</tr>
<tr>
<td>2032-2036</td>
<td>$15,355,000</td>
<td>$2,385,939</td>
<td>274,413</td>
<td>21,760,358</td>
<td>1,459,061</td>
<td></td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td>$303,740,000</td>
<td>$107,169,007</td>
<td>$31,018,546</td>
<td>$80,056,251</td>
<td>$41,480,723</td>
<td></td>
</tr>
</tbody>
</table>

Interest on the variable rate 2003B general revenue bonds is calculated at 0.08% at June 30, 2011.
Interest on the variable rate 2008A general revenue bonds is calculated at 0.09% at June 30, 2011.
Interest rates are reset each week by the remarketing agent based upon University credit ratings and market conditions.

This schedule also includes the debt service requirements for debt associated with interest rate swaps. More detailed information about interest rate swaps is presented in Note 9 Derivative Instruments.

E. **Notes Payable** - The University was indebted for notes payable for the purposes shown in the following table:

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>Interest Rate/Ranges</th>
<th>Final Maturity Date</th>
<th>Original Amount of Issue</th>
<th>Principal Paid through June 30, 2011</th>
<th>Compounded Interest</th>
<th>Principal Outstanding June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>BB&amp;T</td>
<td>4.97%</td>
<td>06/01/2030</td>
<td>$19,700,703</td>
<td>$0</td>
<td>$0</td>
<td>$19,700,703</td>
</tr>
<tr>
<td>Bank of America</td>
<td>4.07%</td>
<td>08/17/2028</td>
<td>$36,060,010</td>
<td>$0</td>
<td>1,150,538</td>
<td>57,210,548</td>
</tr>
<tr>
<td>Suntrust</td>
<td>Variable</td>
<td>12/31/2011</td>
<td>$5,000,000</td>
<td>$2,525,000</td>
<td></td>
<td>2,475,000</td>
</tr>
<tr>
<td>Fifth Third Bank</td>
<td>Variable</td>
<td>11/30/2011</td>
<td>$670,000</td>
<td></td>
<td></td>
<td>670,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$81,630,713</td>
<td>2,525,000</td>
<td>1,150,538</td>
<td>80,056,251</td>
</tr>
</tbody>
</table>

**NOTE 9 - DERIVATIVE INSTRUMENTS**

Derivative instruments held at June 30, 2011 are as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Notional Amount</th>
<th>Change in Fair Value</th>
<th>Fair Value at June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hedging Derivative Instruments Cash Flow Hedges</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay-Fixed Interest Rate Swap 2003 B Bonds</td>
<td>$24,655,000</td>
<td>Deferred Outflow of Resources</td>
<td>$768,346</td>
</tr>
<tr>
<td>Pay-Fixed Interest Rate Swap 2008 A Bonds</td>
<td>$50,000,000</td>
<td>Deferred Outflow of Resources</td>
<td>$611,730</td>
</tr>
<tr>
<td></td>
<td>$1,380,076</td>
<td></td>
<td>(9,015,452)</td>
</tr>
</tbody>
</table>

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Hedging derivative instruments held at June 30, 2011 are as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Objective</th>
<th>Notional Amount</th>
<th>Effective Date</th>
<th>Maturity Date</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay-Fixed Interest Rate Swap</td>
<td>Hedge Changes in Cash</td>
<td>$ 24,655,000</td>
<td>06/20/03</td>
<td>10/01/27</td>
<td>Pay 3.54% Receive 75% LIBOR</td>
</tr>
<tr>
<td></td>
<td>Flows on General Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2003B Series Bonds</td>
<td></td>
<td></td>
<td></td>
<td>Pay 3.862% Receive</td>
</tr>
<tr>
<td>Pay-Fixed Interest Rate Swap</td>
<td>Hedge Changes in Cash</td>
<td>50,000,000</td>
<td>09/01/08</td>
<td>10/01/26</td>
<td>SIFMA</td>
</tr>
<tr>
<td></td>
<td>Flows on General Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2008A Series Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As of June 30, 2011, the synthetic interest rates on the swapped portion of the 2003B and 2008A bonds were 3.48% and 3.862%, respectively. The fair value of the pay-fixed interest rate swaps was estimated using the market value method. This method calculates the market price of traded instruments.

**Future Swaps:** The University has also entered into a future dated interest rate swap agreement for $22,382,500 to be effective March 1, 2017, on the General Revenue Series 2008A bonds.

**Hedging Derivative Risks**

**Credit Risk:** At June 30, 2011, the University was not exposed to credit risk on its interest rate swaps because the swaps had negative fair values. However, should interest rates change and the fair value of the swap becomes positive, the University would be exposed to credit risk in the amount of the derivative’s positive fair value. The swap agreements require termination should the University’s or the counterparty’s credit rating fall below either Baa2 as issued by Moody’s or BBB as issued by S&P or Fitch. Also, under the terms of the swap agreements, should one party become insolvent or otherwise default on its obligations, provisions permit the nondefaulting party to accelerate and terminate all outstanding transactions. To mitigate the potential for credit risk, if the counterparty’s credit quality falls below A3 as determined by Moody’s or A- as determined by S&P, the swap will be collateralized by the counterparty with cash, U.S. government or agency securities. If the counterparty is required to collateralize, then the collateral will be posted with a third party custodian or secured party. The swaps agreements entered into by the University are held with separate counterparties. All the counterparties are rated A or better.

**Interest Rate Risk:** The University is exposed to interest rate risk on its interest rate swaps. The fair values of these instruments are highly sensitive to interest rate changes. Because rates have changed since the effective dates of the swaps, both of the swaps have a negative fair value as of June 30, 2011. The negative fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating lower synthetic interest rates.
Because the coupons on the University’s variable-rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value increases. The fair values are the market values as of June 30, 2011. Both of the swaps outstanding have termination dates greater than 15 years. As the yield curve rises, the value of the swaps will increase and as rates fall, the value of the swaps will decrease.

*Basis Risk:* The University is exposed to basis risk on the swaps when the variable payment received is based on an index other than Securities Industry on Financial Markets Association (SIFMA). Should the relationship between London Interbank Offerings Rate (LIBOR) and SIFMA move to convergence, the expected cost savings may not be realized. The current outstanding swaps and the related bonds reset rates weekly and pay monthly. As of June 30, 2011, the SIFMA rate was .09%, whereas 75% of LIBOR was .14%.

*Termination Risk:* The University or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. If any of the swaps are terminated, the associated variable-rate bonds would no longer carry synthetic interest rates. Also, if at the time of termination the swap has a negative fair value, the University would be liable to the counterparty for that amount.

*Rollover Risk:* By definition, the University is exposed to rollover risk because the swap related to the 2008A bonds terminates October 1, 2026, two years before the related bonds mature on October 1, 2028. It is not the intent of the University, at this time, to re-hedge the bonds.

**Note 10 - Lease Obligations**

**A. Capital Lease Obligations** - Capital lease obligations relating to equipment are recorded at the present value of the minimum lease payments. Future minimum lease payments under capital lease obligations consist of the following at June 30, 2011:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$122,634</td>
</tr>
<tr>
<td>2013</td>
<td>75,626</td>
</tr>
<tr>
<td>2014</td>
<td>57,524</td>
</tr>
<tr>
<td>2015</td>
<td>894</td>
</tr>
</tbody>
</table>

Total Minimum Lease Payments $256,588

Amount Representing Interest (0.939% Rate of Interest) $9,824

Present Value of Future Lease Payments $246,764
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Machinery and equipment acquired under capital lease amounted to $543,933 at June 30, 2011. Depreciation for the capital assets associated with capital leases is included in depreciation expense.

B. Operating Lease Obligations - The University entered into operating leases for equipment and property rental. Future minimum lease payments under noncancelable operating leases consist of the following at June 30, 2011:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$5,616,793</td>
</tr>
<tr>
<td>2013</td>
<td>4,340,842</td>
</tr>
<tr>
<td>2014</td>
<td>3,800,838</td>
</tr>
<tr>
<td>2015</td>
<td>3,502,208</td>
</tr>
<tr>
<td>2016</td>
<td>3,265,104</td>
</tr>
<tr>
<td>2017-2021</td>
<td>15,645,226</td>
</tr>
<tr>
<td>2022-2026</td>
<td>15,125,000</td>
</tr>
<tr>
<td>2027-2029</td>
<td>6,806,250</td>
</tr>
</tbody>
</table>

Total Minimum Lease Payments $58,102,261

Rental expense for all operating leases during the year was $6,432,650.

NOTE 11 - REVENUES

A summary of eliminations and allowances by revenue classification is presented as follows:

<table>
<thead>
<tr>
<th>Gross Revenues</th>
<th>Internal Sales Eliminations</th>
<th>Loss Scholarship Discounts</th>
<th>Loss Allowance for Uncollectibles</th>
<th>Net Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>$269,042,648</td>
<td>$598,220</td>
<td>$71,413,631</td>
<td>$197,001,556</td>
</tr>
<tr>
<td>Other Operating Revenues</td>
<td>$21,218,713</td>
<td>$6,187,898</td>
<td>$0</td>
<td>$4,968,844</td>
</tr>
<tr>
<td>Sales and Services</td>
<td>$243,270,442</td>
<td>$50,845,452</td>
<td>$15,203,280</td>
<td>$176,956,180</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 12 - OPERATING EXPENSES BY FUNCTION

The University's operating expenses by functional classification are presented as follows:

<table>
<thead>
<tr>
<th>Function</th>
<th>Salaries and Benefits</th>
<th>Supplies and Materials</th>
<th>Services</th>
<th>Scholarships and Fellowships</th>
<th>Utilities</th>
<th>Depreciation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$302,813,760</td>
<td>$30,324,864</td>
<td>$32,009,991</td>
<td></td>
<td>$3,066</td>
<td>$0</td>
<td>$365,518,611</td>
</tr>
<tr>
<td>Research</td>
<td>152,056,512</td>
<td>18,972,064</td>
<td>45,847,439</td>
<td></td>
<td>668,644</td>
<td>218,194,610</td>
<td></td>
</tr>
<tr>
<td>Public Service</td>
<td>85,492,527</td>
<td>9,468,331</td>
<td>27,412,953</td>
<td></td>
<td>394,849</td>
<td>122,747,500</td>
<td></td>
</tr>
<tr>
<td>Academic Support</td>
<td>49,614,810</td>
<td>18,594,679</td>
<td>17,736,223</td>
<td></td>
<td>37,675</td>
<td>76,915,187</td>
<td></td>
</tr>
<tr>
<td>Student Services</td>
<td>14,438,311</td>
<td>1,924,103</td>
<td>5,252,571</td>
<td></td>
<td>191,277</td>
<td>21,896,682</td>
<td></td>
</tr>
<tr>
<td>Institutional Support</td>
<td>53,665,781</td>
<td>6,255,464</td>
<td>13,085,678</td>
<td></td>
<td>66,151</td>
<td>75,977,074</td>
<td></td>
</tr>
<tr>
<td>Operations and Maintenance of Plant</td>
<td>35,131,441</td>
<td>6,573,499</td>
<td>7,274,093</td>
<td></td>
<td>30,825,190</td>
<td>70,804,223</td>
<td></td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>1,214,629</td>
<td>291,207</td>
<td>240,448</td>
<td>46,911,355</td>
<td>48,657,639</td>
<td>123,339,186</td>
<td></td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>55,209,548</td>
<td>32,207,166</td>
<td>30,455,841</td>
<td></td>
<td>5,466,631</td>
<td>69,649,786</td>
<td></td>
</tr>
</tbody>
</table>

Total Operating Expenses $743,089,319 $124,591,377 $180,218,828 $46,911,355 $37,853,283 $56,449,786 $1,189,113,648

NOTE 13 - PENSION PLANS

A. Retirement Plans - Each permanent full-time employee, as a condition of employment, is a member of either the Teachers' and State Employees' Retirement System or the Optional Retirement Program. Eligible employees can elect to participate in the Optional Retirement Program at the time of employment, otherwise they are automatically enrolled in the Teachers' and State Employees' Retirement System.

The Teachers’ and State Employees’ Retirement System is a cost-sharing multiple-employer defined benefit pension plan established by the State to provide pension benefits for employees of the State, its component units, and local boards of education. The plan is administered by the North Carolina State Treasurer.

Benefit and contribution provisions for the Teachers’ and State Employees’ Retirement System are established by North Carolina General Statutes 135-5 and 135-8 and may be amended only by the North Carolina General Assembly. Employer and member contribution rates are set each year by the North Carolina General Assembly based on annual actuarial valuations. For the year ended June 30, 2011, these rates were set at 4.93% of covered payroll for employers and 6% of covered payroll for members.

For the current fiscal year, the University had a total payroll of $639,010,773, of which $304,348,067 was covered under the Teachers’ and State Employees’ Retirement System. Total employer and employee contributions for pension benefits for the year were $15,004,360 and $18,260,884, respectively.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Required employer contribution rates for the years ended June 30, 2010, and 2009, were 3.57% and 3.36%, respectively, while employee contributions were 6% each year. The University made 100% of its annual required contributions for the years ended June 30, 2011, 2010, and 2009, which were $15,004,360, $10,741,148, and $10,536,565, respectively.

The Teachers’ and State Employees’ Retirement System’s financial information is included in the State of North Carolina’s Comprehensive Annual Financial Report. An electronic version of this report is available by accessing the North Carolina Office of the State Controller’s Internet home page http://www.osc.nc.gov/ and clicking on “Proceed directly to OSC’s index page,” then “Reports,” or by calling the State Controller’s Financial Reporting Section at (919) 981-5454.

The Optional Retirement Program (Program) is a defined contribution retirement plan that provides retirement benefits with options for payments to beneficiaries in the event of the participant’s death. Administrators and eligible faculty of the University may join the Program instead of the Teachers’ and State Employees’ Retirement System. The Board of Governors of The University of North Carolina is responsible for the administration of the Program and designates the companies authorized to offer investment products or the trustee responsible for the investment of contributions under the Program and approves the form and contents of the contracts and trust agreements.

Participants in the Program are immediately vested in the value of employee contributions. The value of employer contributions is vested after five years of participation in the Program. Participants become eligible to receive distributions when they terminate employment or retire.

Participant eligibility and contributory requirements are established by General Statute 135-5.1. Employer and member contribution rates are set each year by the North Carolina General Assembly. For the year ended June 30, 2011, these rates were set at 6.84% of covered payroll for employers and 6% of covered payroll for members. The University assumes no liability other than its contribution.

For the current fiscal year, the University had a total payroll of $639,010,773, of which $220,275,074 was covered under the Optional Retirement Program. Total employer and employee contributions for pension benefits for the year were $15,066,815 and $13,216,504, respectively.

B. Deferred Compensation and Supplemental Retirement Income Plans - IRC Section 457 Plan - The State of North Carolina offers its permanent employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 through the North Carolina
Public Employee Deferred Compensation Plan (the Plan). The Plan permits each participating employee to defer a portion of his or her salary until future years. The deferred compensation is available to employees upon separation from service, death, disability, retirement, or financial hardships if approved by the Board of Trustees of the Plan. The Board, a part of the North Carolina Department of Administration, maintains a separate fund for the exclusive benefit of the participating employees and their beneficiaries, the North Carolina Public Employee Deferred Compensation Trust Fund. The Board also contracts with an external third party to perform certain administrative requirements and to manage the trust fund's assets. All costs of administering and funding the Plan are the responsibility of the Plan participants. No costs are incurred by the University. The voluntary contributions by employees amounted to $2,761,099 for the year ended June 30, 2011.

IRC Section 401(k) Plan - All members of the Teachers' and State Employees' Retirement System and the Optional Retirement Program are eligible to enroll in the Supplemental Retirement Income Plan, a defined contribution plan, created under Internal Revenue Code Section 401(k). All costs of administering the Plan are the responsibility of the Plan participants. No costs are incurred by the University except for a 5% employer contribution for the University's law enforcement officers, which is mandated under General Statute 143-166.30(e). Total employer contributions on behalf of University law enforcement officers for the year ended June 30, 2011, were $127,444. The voluntary contributions by employees amounted to $4,522,261 for the year ended June 30, 2011.

IRC Section 403(b) and 403(b)(7) Plans - Eligible University employees can participate in tax sheltered annuity plans created under Internal Revenue Code Sections 403(b) and 403(b)(7). The employee's eligible contributions, made through salary reduction agreements, are exempt from federal and State income taxes until the annuity is received or the contributions are withdrawn. These plans are exclusively for employees of universities and certain charitable and other nonprofit institutions. All costs of administering and funding these plans are the responsibility of the Plan participants. No costs are incurred by the University. The voluntary contributions by employees amounted to $11,454,047 for the year ended June 30, 2011.

C. **Federal Employment Retirement** - The Federal Retirement System is a multiple-employer retirement system and is composed of three retirement programs: the Civil Service Retirement System (CSRS) for participants employed prior to January 1, 1987, the Federal Employees Retirement System for Participants (FERS) employed after January 1, 1987, and the Civil Service Retirement Offset System for re-employed CSRS employees.
North Carolina Cooperative Extension employees with federal appointments prior to January 1, 1987 participate in the Civil Service Retirement System. Currently, 54 employees participate in CSRS. Participating employees and the University are required by federal statute to contribute 7% of salary to CSRS. In addition, the CSRS employees may contribute to the Thrift Savings Plan (a defined contribution plan managed by the Federal Retirement Thrift Investment Board) up to the IRS annual elective limits with no agency matching contributions. Total employee and employer contributions for CSRS for the year ended June 30, 2011, were $376,475 and $402,638, respectively. Employees covered under CSRS contributed $18,639 to the Thrift Savings Plan.

Under the Federal Employees Retirement System (FERS), employees are required to contribute 0.8% of salary and the University 11.2%. Currently, seven employees participate in FERS. In addition, the FERS employees may contribute to the Thrift Savings Plan up to the IRS annual elective limits with an agency matching contribution of up to 5% of the employee’s contribution. Total employee and employer contributions for the year ended June 30, 2011, were $5,379 and $77,825, respectively. For employees covered under FERS, the total employee and employer contributions to the Thrift Savings Plan for the year ended June 30, 2011, were $76,703 and $33,230, respectively.

**NOTE 14  -  OTHER POSTEMPLOYMENT BENEFITS**

**A. Health Benefits** - The University participates in the Comprehensive Major Medical Plan (the Plan), a cost-sharing, multiple-employer defined benefit health care plan that provides postemployment health insurance to eligible former employees. Eligible former employees include long-term disability beneficiaries of the Disability Income Plan of North Carolina and retirees of the Teachers’ and State Employees’ Retirement System or the Optional Retirement Program. Coverage eligibility varies depending on years of contributory membership service in their retirement system prior to disability or retirement.

The Plan’s benefit and contribution provisions are established by *North Carolina General Statute* 135-7 and Chapter 135, Article 3A, of the General Statutes and may be amended only by the North Carolina General Assembly. The Plan does not provide for automatic post-retirement benefit increases.

By General Statute, a Retiree Health Benefit Fund (the Fund) has been established as a fund in which accumulated contributions from employers and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and applicable beneficiaries. By statute, the Fund is administered by the Board of Trustees of the Teachers’ and State Employees’ Retirement System and contributions to
the fund are irrevocable. Also by law, Fund assets are dedicated to providing benefits to retired and disabled employees and applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to the Fund. Contribution rates to the Fund, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly.

For the current fiscal year the University contributed 4.9% of the covered payroll under the Teachers’ and State Employees’ Retirement System and the Optional Retirement Program to the Fund. Required contribution rates for the years ended June 30, 2010, and 2009, were 4.5% and 4.1%, respectively. The University made 100% of its annual required contributions to the Plan for the years ended June 30, 2011, 2010, and 2009, which were $25,706,534, $23,250,220, and $21,576,756, respectively. The University assumes no liability for retiree health care benefits provided by the programs other than its required contribution.

Additional detailed information about these programs can be located in the State of North Carolina’s Comprehensive Annual Financial Report. An electronic version of this report is available by accessing the North Carolina Office of the State Controller’s Internet home page http://www.ncosc.net/ and clicking on “Proceed directly to OSC’s index page,” then “Reports,” or by calling the State Controller’s Financial Reporting Section at (919) 981-5454.

B. Disability Income - The University participates in the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan, to provide short-term and long-term disability benefits to eligible members of the Teachers’ and State Employees’ Retirement System and the Optional Retirement Program. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes, and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases.

Disability income benefits are funded by actuarially determined employer contributions that are established by the General Assembly. For the fiscal year ended June 30, 2011, the University made a statutory contribution of 0.52% of covered payroll under the Teachers’ and State Employees’ Retirement System and the Optional Retirement Program to the DIPNC. Required contribution rates for the years ended June 30, 2010, and 2009, were 0.52% and 0.52%, respectively. The University made 100% of its annual required contributions to the DIPNC for the years ended June 30, 2011, 2010, and 2009, which were $2,728,040, $2,686,692, and $2,736,564, respectively. The University assumes no liability for long-term disability benefits under the Plan other than its contribution.
Additional detailed information about the DIPNC is disclosed in the State of North Carolina’s Comprehensive Annual Financial Report.

NOTE 15 - RISK MANAGEMENT

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled via a combination of methods, including participation in State-administered insurance programs, purchase of commercial insurance, and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The risk of tort claims of up to $1,000,000 per claimant is retained under the authority of the State Tort Claims Act. In addition, the State provides excess public officers’ and employees’ liability insurance up to $10,000,000 per occurrence, via contract with a private insurance company. The University pays the premium, based on a composite rate, directly to the private insurer.

The University is required to maintain fire and lightning coverage on all state-owned buildings and contents through the State Property Fire Insurance Fund (Fund), an internal service fund of the State. Such coverage is provided at no cost to the University for operations supported by the State’s General Fund. Other operations not supported by the State’s General Fund are charged for the coverage. Losses covered by the Fund are subject to a $5,000 per occurrence deductible. University departments, as an individual business decision, may also purchase through the Fund primary extended coverage for buildings and contents. Coverage may also be purchased through the Fund for theft, vandalism, sprinkler leakage, or all-risk perils. University departments also have the option to purchase all-risk coverage for computers and “miscellaneous equipment” on a scheduled basis. Flood insurance may also be purchased through the Fund for qualifying assets. Receipts-supported auxiliary units insure assets for additional perils coverage, as per the options noted above, in addition to the fire and lightning perils. General-funded departments and units insure for the perils of fire and lightning with the exception of certain coastal properties which are also insured for extended coverage perils and the peril of flood.

All State-owned vehicles are covered by a liability insurance program administered through a private insurance company and handled by the North Carolina Department of Insurance. The liability coverage limits for losses are $1,000,000 per claim and $10,000,000 per occurrence. The University pays premiums to the North Carolina Department of Insurance for the coverage.

The University is protected for losses from employee dishonesty and computer fraud. This coverage is with a private insurance company and is procured.
through the State’s Agent of Record and approved by the North Carolina Department of Insurance. The University is charged a premium by the private insurance company. Coverage limit is $1,000,000 per occurrence. The applicable deductible is $25,000 per occurrence.

The University purchased other authorized coverage from private insurance companies through the North Carolina Department of Insurance and the State’s Agent of Record. The types of insurance policies purchased include: medical professional liability, veterinary professional liability, fine arts property, master crime, inland marine property for musical instruments, campers accident and sickness, athletic accident, boiler and machinery, watercraft, oceanographic equipment, and nuclear energy liability.

University employees and retirees are provided comprehensive major medical care benefits. Coverage is funded by contributions to the State Health Plan (Plan), a discretely presented component unit of the State of North Carolina. The Plan has contracted with third parties to process claims.

The North Carolina Workers’ Compensation Program provides benefits to workers injured on the job. All employees of the State and its component units are included in the program. When an employee is injured, the University’s primary responsibility is to arrange for and provide the necessary treatment for work related injury. The University is responsible for paying medical benefits and compensation in accordance with the North Carolina Workers’ Compensation Act. The University retains the risk for workers’ compensation.

Term life insurance (death benefits) of $25,000 to $50,000 is provided to eligible workers. This Death Benefit Plan is administered by the State Treasurer and funded via employer contributions. The employer contribution rate was .16% for the current fiscal year.

Additional details on the State-administered risk management programs are disclosed in the State’s Comprehensive Annual Financial Report, issued by the Office of the State Controller.

**NOTE 16 - COMMITMENTS AND CONTINGENCIES**

**A. Commitments** - The University has established an encumbrance system to track its outstanding commitments on construction projects and other purchases. Outstanding commitments on construction contracts were $109,062,102 at June 30, 2011.

The University has amended the Use Agreement for the RBC Center with the Centennial Authority (a related party) and therein agreed to make scheduled capital contributions totaling $6,000,000 to the Authority’s Building Enhancement Fund over a 15 year period. The total outstanding commitment on this agreement is $4,950,000 as of June 30, 2011.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B. Pending Litigation and Claims - As previously reported, the Environmental Protection Agency (EPA) filed a civil action against the University pursuant to the Comprehensive Environmental Response, Compensation and Liability Act. The complaint sought relief that would cause the University to enter into remediation of a hazardous waste site known as “Lot86.” The University is involved in ongoing discussions and negotiations with the EPA concerning the appropriate means for addressing the remediation. A Consent Decree executed by North Carolina State University and the EPA has been approved by the Court. Remedial clean-up pursuant to the Consent Decree continues. The remediation costs remaining are estimated to be approximately $1,600,000.

As previously reported, the NC School Boards Association, et. al. filed a civil action against various state officials in their official capacity seeking a judicial determination as to whether the state constitution requires certain monetary payments collected by state agencies to be paid to the local county school funds. On July 1, 2005, the NC Supreme Court held in favor of the school boards with regard to parking fines. The matter was remanded back to the trial court for disposition in accordance with the Superior Court’s decision. On August 8, 2008, the Wake County Superior Court issued judgment that the estimated amounts collected from January 1, 1996, to June 30, 2005, by UNC Campuses belong and should have been paid to the public schools of the State by payment to the State’s Civil Penalty and Forfeiture Fund. The manner in which the judgment will be settled is uncertain and is to be determined by the North Carolina General Assembly. At issue for NC State University is approximately $6,749,207 in transportation fines collected since January 1, 1996, to June 30, 2005. Of this amount, the University has transferred $2,273,817 to the Office of State Budget and Management, leaving approximately $4,475,390 still outstanding. Since July 2005, the University has been forwarding transportation fine collections, less collection costs, to the Office of State Budget and Management on a monthly basis.

As previously reported, on September 16, 2005, Ward Transformer Company, Inc. and related entities (collectively the “Ward Performing Parties”) entered into a Settlement Agreement with the United States Environmental Protection Agency (“EPA”). In the Agreement, the Ward Performing Parties agreed to fund and carry out a removal action to address PCB contamination at and in the vicinity of the 11 acre Ward Transformer facility on Mount Herman Road near the Raleigh-Durham International Airport. It is currently estimated that the removal action will involve the excavation and onsite treatment or offsite disposal of approximately 60,000 cubic yards, or about 220,000 tons, of PCB contaminated soils. Current estimates indicate that the costs may be in the range upwards of $20 million. The Ward Performing Parties have notified NC State that they believe that the University is responsible for
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

some of the PCB contamination because NC State allegedly had Ward repair and refurbish transformers during the 1960’s through the 1990’s. On March 24, 2010, the Court granted the University’s Motion to Dismiss based on the 11th Amendment sovereign immunity. However, this case is still open pending an appeal by the plaintiffs.

The University is a party to other litigation and claims in the ordinary course of its operations. Since it is not possible to predict the ultimate outcome of these matters, no provision for any liability has been made in the financial statements. University management is of the opinion that the liability, if any, for any of these matters will not have a material adverse effect on the financial position of the University.

NOTE 17 - RELATED PARTIES


These organizations serve as the primary fundraising arm of the University through which individuals, corporations, and other organizations support University programs by providing scholarships, fellowships, faculty salary supplements, and unrestricted funds to specific colleges and the University’s overall academic environment. As described in Note I to the financial statements, the North Carolina State University Foundation, Inc. and the NC State Student Aid Association, Inc. are considered component units of the University for reporting purposes and their financial statements are presented separately as part of the University’s financial statements. The University’s financial statements do not include the assets, liabilities, net assets, or operational transactions of the other foundations, except for support from each organization to the University. This support of the foundations, excluding amounts from the North Carolina State University Foundation, Inc. and the NC State Student Aid Association, Inc. approximated $26,328,557 for the year ended June 30, 2011.

Nonprofit Corporation - The Centennial Authority (Authority) was created by the 1995 General Assembly (Senate Bill 606) for the purpose of studying, designing, planning, constructing, owning, promoting, financing, and operating a regional facility on land owned by the State. Prior to this act, the General Assembly authorized the construction by the University of a facility to be
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

known as the “Entertainment and Sports Arena” (ESA). This facility serves as a regional sports entertainment center and is available for cultural performances, sporting events, and other activities of the University or of other entities (the Centennial Center project). With the 1995 legislation, the Centennial Center project was transferred to the Authority.

The Authority entered into a Ground Lease with the State of North Carolina to lease land for the ESA for a period of 99 years at an annual rent of $1. The University entered into a Use Agreement with the Authority. Both parties agreed that the University shall be the primary and preferred user of all areas of the ESA. The University is required to pay the greater of 10% of gross ticket revenues or $47,783 for each men’s and $20,899 for each women’s basketball game to compensate the Authority for facility rental and operating expenses. Rent and expense payments for miscellaneous events will be negotiated on an event by event basis based on the availability of the ESA and the anticipated attendance.

In fiscal year 2003, a naming rights agreement was executed to change the name of the ESA to the “RBC Center.” As a result of this agreement, the University will receive $13,184,000 over a ten-year period beginning in fiscal year 2003.

In fiscal year 2008, the University entered into a Capital Improvement Plan Agreement with the Authority to pay $6,000,000 in quarterly installments over the next 15 years.

NOTE 18 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

For the fiscal year ended June 30, 2011, the University implemented the following pronouncement issued by GASB:

GASB Statement No. 59, Financial Instruments Omnibus.

GASB Statement No. 59 updates the disclosure and reporting requirements for certain financial instruments and external investment pools.

NOTE 19 - SUBSEQUENT EVENTS

On September 19, 2011, the University borrowed $10,000,000 through the commercial paper financing program. These funds provide interim funding for the expansion and renovation of the Talley Student Center.
NOTE 20 - DISCRETELY PRESENTED COMPONENT UNITS

The University’s discretely presented component units use the accounting and reporting standards promulgated by FASB. Selected disclosures from the discretely presented component units’ audited financial statements follow:

North Carolina State University Foundation, Inc.

ENDOWMENT

The Foundation’s endowment consists of approximately 490 individual funds established for a variety of purposes related to the mission of the University. The endowment includes both donor-restricted endowments and funds designated by the Foundation Board to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The majority of the Foundation’s signed endowment gift agreements with donors have donor-imposed restrictions which stipulate that principal shall not be used to fund spending.

Interpretation of Relevant Law:

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was adopted in North Carolina as NC General Statute 36E effective March 17, 2009. UPMIFA defines a prudence standard for management and investment of institutional funds. As a result of the Foundation’s interpretation of UPMIFA, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment that are required by the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation’s endowment spending policy.

Funds with Deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift value. These deficiencies generally result from unfavorable market fluctuations which produce unrealized losses to the fund. Deficiencies of this nature are reported in unrestricted net assets, and were $180,239 as of June 30, 2011.

Investment Return Objectives and Risk Parameters:

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a stable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods as well as board-designated funds. The endowment assets are invested through the NCSIF in a manner that is intended to produce results that exceed a
70% S&P 500 Index/30% Barclays Aggregate Bond Index benchmark over rolling five and ten year periods while assuming a moderate level of investment risk.

Spending Policy:

The Foundation has a policy of appropriating for programmatic spending each year 4.0% of its endowment fund’s average market value over the prior 20 quarters through the fiscal year-end preceding the fiscal year in which the spending is planned. This is consistent with the Foundation’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. However, in declining market conditions many endowments are not able to fund spending at the 4% level. Unless the gift instrument specifies otherwise, up to 15% of the corpus of an endowment may be expended if reserves are not sufficient to fund the programmatic spending amount, subject to the guidelines provided by UPMIFA. However, if the gift instrument does not allow spending of corpus, the Foundation does not initiate or renew spending for the individual endowments affected by declining market conditions until their market value has been recovered and exceeds their original gift value. In establishing the spending policy, the Foundation considered the long-term expected return on its endowment. Spending budgets for fiscal year 2011 were calculated at $746,605 and $878,955 for fiscal year 2012.

Strategies Employed for Achieving Investment Objectives:

For the long term, the primary investment objective for the NCSIF is to earn a total return (net of investment and custodial fees), within prudent levels of risk, which is sufficient to maintain in real terms the purchasing power of the NCSIF and to meet the spending needs of the University. To meet this investment objective, the NCSIF invests in various asset classes to offer diversification. The purpose of diversification is to provide reasonable assurance that no single security or class of securities or manager will have a disproportionate impact on the performance of the total fund.

NCSIF’s investments are diversified both by asset class (e.g., common stocks and fixed income securities) and within asset classes (e.g., within common stocks by economic sector, geographic area, industry, quality, and size). In addition, the NCSIF seeks to diversify exposure to all asset classes through the use of multiple managers that use a variety of investment approaches.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following represents changes in endowment net assets for the fiscal year ended June 30, 2011:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment Net Assets, Beginning of Year</td>
<td>(2,124,817)</td>
<td>22,155,777</td>
<td>42,038,397</td>
<td>52,951,357</td>
</tr>
<tr>
<td>Net Asset Reclassification - Underwater Endowments</td>
<td>3,178,876</td>
<td>(3,178,876)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment Net Assets After Reclassification</td>
<td>1,950,059</td>
<td>18,976,901</td>
<td>42,038,397</td>
<td>62,951,357</td>
</tr>
<tr>
<td>Total Investment Return</td>
<td>571,050</td>
<td>11,269,012</td>
<td>372,811</td>
<td>12,212,873</td>
</tr>
<tr>
<td>Contributions, Including Change in Accrued Pledges</td>
<td></td>
<td></td>
<td></td>
<td>22,113,157</td>
</tr>
<tr>
<td>Appropriations of Endowment Assets for Expenditure</td>
<td>(105,180)</td>
<td>(900,480)</td>
<td></td>
<td>(1,005,660)</td>
</tr>
<tr>
<td>Change in Value of Split Interest Agreements</td>
<td></td>
<td></td>
<td>(386,736)</td>
<td>(386,736)</td>
</tr>
<tr>
<td>Other Changes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td></td>
<td></td>
<td></td>
<td>688,684</td>
</tr>
<tr>
<td>Endowment Net Assets, End of Year</td>
<td>$2,401,929</td>
<td>$29,345,433</td>
<td>$64,826,313</td>
<td>$96,573,675</td>
</tr>
</tbody>
</table>

The following represents endowment net asset composition by type of fund, as of June 30, 2011:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undesignated - Underwater Endowments</td>
<td>(180,239)</td>
<td>0</td>
<td>0</td>
<td>(180,239)</td>
</tr>
<tr>
<td>Donor Restricted Endowment Funds</td>
<td>2,582,168</td>
<td>29,345,433</td>
<td>64,826,313</td>
<td>96,733,914</td>
</tr>
<tr>
<td>Total Funds</td>
<td>$2,401,929</td>
<td>$29,345,433</td>
<td>$64,826,313</td>
<td>$96,573,675</td>
</tr>
</tbody>
</table>

LONG-TERM INVESTMENTS

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Investments at June 30, 2011 consisted of:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>STIF</td>
<td>$434,920</td>
<td>$434,920</td>
</tr>
<tr>
<td>NC State Investment Fund, Inc. (NCSIF)</td>
<td>72,043,812</td>
<td>74,231,298</td>
</tr>
<tr>
<td>BNY Mellon - Life Income Funds</td>
<td>5,360,673</td>
<td>6,546,994</td>
</tr>
<tr>
<td>Chicoor TrustBain</td>
<td>394,605</td>
<td>472,399</td>
</tr>
<tr>
<td>Total</td>
<td>$78,234,010</td>
<td>$81,682,702</td>
</tr>
</tbody>
</table>

Investments held by the NCSIF at June 30, 2011 were made up of limited partnerships. As of June 30, 2011, approximately 91% of these limited partnerships were with the UNC Management Company (UNCMC), and 9% were committed to or in other private equity investments with J.P. Morgan, Blackrock, and SEI. NCSIF's net assets were valued at
approximately $378,260,000 at June 30, 2011. The Foundation’s investment in the NCSIF represents approximately 19.6% of the member equity of NCSIF at June 30, 2011.

The Foundation’s investments held by BNY Mellon - Life Income Funds primarily consist of bond mutual funds and equity mutual funds.

The Foundation’s investments held by Citicorp Trust Bank primarily consist of common equity securities.

**Fair Value Measurement**

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification (ASC) 820 provides a framework for measuring fair value under generally accepted accounting principles. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The fair value hierarchy of inputs is summarized in the three broad levels listed below:

- **Level 1** - quoted prices in active markets for identical investments
- **Level 2** - other significant observable inputs (including quoted prices for similar investments, interest rates, credit risks, etc.)
- **Level 3** - significant unobservable inputs (including the fund’s own assumptions in determining the fair value of investments)

To measure fair value, there are three general valuation techniques that may be used, as described below:

A. **Market Approach** - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;

B. **Cost Approach** - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

C. **Income Approach** - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Assets itemized below are measured at fair value on a recurring basis using market and income approaches. The market approach was used for Level 2 and the income approach was used for Level 3.

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>STIF</td>
<td>$434,920</td>
<td>$</td>
<td>$</td>
<td>$434,920</td>
</tr>
<tr>
<td>Common fund: Intermediate Term Fund</td>
<td>1,657,959</td>
<td>0</td>
<td>74,231,298</td>
<td>1,657,959</td>
</tr>
<tr>
<td>NC State Investment Fund, Inc.</td>
<td>6,544,094</td>
<td>0</td>
<td>74,231,298</td>
<td>6,544,094</td>
</tr>
<tr>
<td>BNY Mellon - Life Income Funds</td>
<td>472,390</td>
<td>0</td>
<td>472,390</td>
<td>472,390</td>
</tr>
<tr>
<td>Citicorp Trust Bank</td>
<td>20,155,285</td>
<td>0</td>
<td>26,155,285</td>
<td>225,079</td>
</tr>
<tr>
<td>Externally Managed Irrevocable Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficial Interest in Life Insurance Policies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$434,920</td>
<td>$28,829,728</td>
<td>$74,456,377</td>
<td>$101,721,025</td>
</tr>
</tbody>
</table>

The following is a reconciliation of the assets measured at fair value on a recurring basis in which significant unobservable inputs (Level 3) were used in determining value:

<table>
<thead>
<tr>
<th></th>
<th>NC State Investment Fund, Inc.</th>
<th>Beneficial Interest in Life Insurance Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$55,652,218</td>
<td>$202,473</td>
</tr>
<tr>
<td>Unrealized Gain on Investments</td>
<td>8,359,862</td>
<td>22,606</td>
</tr>
<tr>
<td>Realized Gain on Investments</td>
<td>68,073</td>
<td>202,473</td>
</tr>
<tr>
<td>Net Investment</td>
<td>10,151,165</td>
<td>0</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$74,231,298</td>
<td>$225,079</td>
</tr>
</tbody>
</table>

**LIFE INCOME FUNDS**

The financial statements include assets and liabilities of charitable gift annuities and unitrust agreements for which the Foundation is trustee. The grantors and/or beneficiaries retain future income interests in these assets until their death. These life income funds are recorded at fair value at the date of gift. Life income funds at June 30, 2011 have an asset balance of $7,016,484.

The liabilities for distributions to grantors and/or beneficiaries are computed using Internal Revenue Code annuity valuation tables, the distribution terms of the agreements, and the life expectancy of the beneficiaries, and totaled $3,922,971 at June 30, 2011. Payments from these funds were $501,773 during the year ended June 30, 2011. In fiscal year 2010, an unrestricted reserve account was established in the Foundation’s Charitable Gift Annuity (CGA) pool to receive 5% from all new CGAs established to offset the liabilities for any annuities that reach exhaustion. The goal is to build the unrestricted reserve fund to equal 5% of the total value of the Foundation’s CGA pool. As of June 30, 2011, the CGA reserve balance was $12,694.

In addition to the above life income funds, the Foundation has been named the recipient of an externally managed trust which represents irrevocable life income funds with a current market value totaling $20,155,285 and life income funds payable of $13,254,063 as of June 30, 2011. The Foundation is not serving as trustee for these funds. These life income funds have been
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

reflected in the financial statements at their fair value and estimated future distributions to the beneficiaries have also been reflected in the financial statements and were computed using Internal Revenue Code annuity valuation tables, the distribution terms of the agreements, and the life expectancy of the beneficiaries.

PLEDGES RECEIVABLE

Pledges receivable are stated at their present value, estimated by discounting the future cash flows using Federal Reserve rates of return, and are as follows:

<table>
<thead>
<tr>
<th>Amount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable in Less Than One Year</td>
<td>$ 7,631,958</td>
</tr>
<tr>
<td>Receivable in One to Five Years</td>
<td>10,228,705</td>
</tr>
<tr>
<td>Receivable in More Than Five Years</td>
<td>4,010,127</td>
</tr>
<tr>
<td>Total Gross Pledges Receivable</td>
<td>21,870,780</td>
</tr>
<tr>
<td>Less: Allowance for Uncollectible Pledges</td>
<td>730,000</td>
</tr>
<tr>
<td>Less: Unamortized Discount</td>
<td>1,113,177</td>
</tr>
<tr>
<td>Net Pledges Receivable</td>
<td>$ 20,027,613</td>
</tr>
</tbody>
</table>

On a periodic basis, the Foundation evaluates its receivables and establishes an allowance for doubtful accounts, based on history of past write-offs and current credit conditions. Active past due pledges receivable are reviewed twice yearly by the Advancement Services office in order to determine if it is appropriate to write off such pledges.

NC State Student Aid Association, Inc.

CONCENTRATIONS OF CREDIT RISK

The Association maintains cash balances at several financial institutions located in Raleigh, North Carolina, and in several brokerage accounts located in North Carolina. The balances in the financial institutions are insured by the Federal Deposit Insurance Corporation up to $250,000 at June 30, 2011. At June 30, 2011, cash balances in a non-interest bearing account are insured for an unlimited amount. This temporary unlimited insurance expires on December 31, 2012. The balances in the brokerage accounts are insured at varying amounts. The Association’s uninsured cash balances totaled $404,132 at June 30, 2011.

PLEDGES RECEIVABLE

The Association carries its pledges receivable at cost less a discount for pledges receivable due in more than a year and less an allowance for doubtful accounts. On a periodic basis, the Association evaluates its receivables and establishes an allowance for doubtful accounts, based on history of past write-offs and current credit conditions.
Pledges receivable at June 30, 2011 are as follows:

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges Receivable</td>
</tr>
<tr>
<td>Less: Allowance for Uncollectible Pledges</td>
</tr>
<tr>
<td>Less: Discount on Pledges</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Less: Current Portion | 8,032,146

Pledges Due After One Year | $20,275,450

Pledges receivable due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 6%.

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable in Less Than One Year</td>
</tr>
<tr>
<td>Receivable in One to Five Years</td>
</tr>
<tr>
<td>Receivable in More Than Five Years</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Less: Allowance for Uncollectible Pledges | 1,789,873

Less: Discount on Pledges | 5,783,358

Net Pledges Receivable | $28,307,596

At June 30, 2011, Goal Line Drive pledges totaling $9,204,621 and Wolfpack Pride pledges totaling $1,187,493 were pledged as collateral for the Goal Line Drive bond payable and the Vaughn Towers bond payable. These pledge totals are reflected at the present value of estimated future cash flows less an allowance for uncollectible pledges.

**INVESTMENTS**

The Association held the following investments at June 30, 2011:

<table>
<thead>
<tr>
<th>Historical Cost</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Obligations</td>
<td>$5,198,665</td>
</tr>
<tr>
<td>Marketable Equity Securities</td>
<td>13,730,841</td>
</tr>
<tr>
<td>Other Marketable Debt Securities</td>
<td>3,408,671</td>
</tr>
<tr>
<td>Partnership Interests</td>
<td>4,462,716</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>1,083,347</td>
</tr>
<tr>
<td>Total</td>
<td>$28,484,240</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Investment income consists of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>$359,056</td>
</tr>
<tr>
<td>Dividends</td>
<td>425,730</td>
</tr>
<tr>
<td>Realized Gain on Sale of Investments</td>
<td>736,455</td>
</tr>
<tr>
<td>Unrealized Gain on Investments</td>
<td>3,291,098</td>
</tr>
<tr>
<td>Investment Expenses</td>
<td>(239,661)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,572,678</strong></td>
</tr>
</tbody>
</table>

LONG-TERM DEBT

BOND INDENTURE—GOAL LINE DRIVE

The Association, through the North Carolina Capital Facilities Finance Agency issued $40,000,000 of bonds during 2002. The bonds are secured by the Goal Line Drive pledges, Wolfpack Pride Campaign pledges, and the Medlin property. The bonds are also secured by approximately $2,000,000 in scoreboard revenues received from NCSU through 2010. The proceeds from these bonds were used for the Carter-Finley Stadium expansion and improvements. The bonds pay interest monthly at a variable rate equal to .35% plus the higher of the federal funds rate plus 1/2% or Bank of America’s publicly announced prime rate.

The Association also must pay Bank of America a letter of credit fee. This fee, paid quarterly, is 1.75% of the outstanding debt balance. The Association must also pay annually $17,000 of agency and $5,000 of trustee fees. The Association pays a remarketing fee annually to Bank of America. This fee is .1% of the outstanding debt balance. The bond matures in 2012.

BOND INDENTURES—WOLFPACK CLUB STUDENT HOUSING FOUNDATION

The Housing Foundation, through the North Carolina Capital Facilities Finance Agency issued a $23,710,000 Series 2003A bond and a $1,235,000 Series 2003B bond in June 2003. The proceeds from these bonds were used to construct a residence hall for NCSU students and student athletes. The bonds paid interest monthly at variable rates. The Series 2003A bonds paid interest based on a variable rate established weekly by Wachovia Bank, remarketing agent. The Series 2003B bonds paid interest based on a variable rate established monthly by the remarketing agent. The Housing Foundation paid a letter of credit fee quarterly to Wachovia Bank. The fee, paid quarterly, is 1.50% of the outstanding balance. The Housing Foundation paid a remarketing fee semi-annually to Wachovia Bank. This fee is .125% of the outstanding balance. The Series 2003A bonds mature in July 2035. The Series 2003B bonds matured in July 2009.

In November 2009, the Series 2003A bond was refinanced with Branch Banking & Trust (BB&T) through a $22,780,000 Series 2009 bond, issued through the North Carolina Capital Facilities Finance Agency. The bond pays interest monthly at a variable rate based on the monthly LIBOR rate. The variable rate was 1.75% at June 30, 2011.
The Housing Foundation has entered into a swap contract for a majority of this debt to hedge against interest rate fluctuations. The swap was issued at market terms so that it had no value at its inception. The carrying amount of the swap has been adjusted to its fair value at June 30, 2011, which, because of changes in forecasted levels of interest rates, resulted in reporting a liability of $1,294,950 at June 30, 2011, for the fair value of the net payments forecasted under the swap.

**BOND INDENTURES—VAUGHN TOWERS**

The Association, through the North Carolina Capital Facilities Finance Agency issued a $15,855,000 Series 2004A bond and a $17,685,000 Series 2004B bond in November 2004. The proceeds from these bonds were used to construct Vaughn Towers at Carter-Finley Stadium. The bonds pay interest monthly at variable rates. The Series 2004A bond pays interest based on a variable rate established weekly by Wachovia Bank, remarketing agent. The Series 2004B bond pays interest based on a variable rate established weekly by Banc of America Securities, LLC, remarketing agent. The Association must pay a 1.85% quarterly letter of credit fee. The Association pays an annual remarketing fee of .10% of the outstanding bonds to the remarketing agents. The Series 2004A bond matures in September 2024. The Series 2004B bond matures in September 2018.

The Association has entered into swap contracts for a majority of this debt to hedge against interest rate fluctuations. The swaps were issued at market terms so that they had no value at their inception. The carrying amount of the swaps have been adjusted to their fair value at June 30, 2011, which, because of changes in forecasted levels of interest rates, resulted in reporting a liability of $1,152,951 at June 30, 2011, for the fair value of the net payments forecasted under the swap.

**NOTES PAYABLE—NORTH END ZONE**

During the year ended June 30, 2008, the Association converted the bank lines of credit with Wachovia Bank and Bank of America into notes payable. Certain endowment investment accounts serve as collateral on these notes. The note payable to Wachovia Bank has an annual principal payment requirement of $120,960 plus interest at LIBOR (0.7269% at June 30, 2011) plus 1.5% through November 2012, at which time the remaining principal is due. The note payable to Bank of America has an annual principal payment requirement of $130,786 plus interest at LIBOR (0.7269% at June 30, 2011) plus 1.5% through November 2012, at which time the remaining principal is due.

The Association has entered into swap contracts for a majority of this debt to hedge against interest rate fluctuations. The swaps were issued at market terms so that they had no value at their inception. The carrying amount of the swaps have been adjusted to their fair market value at June 30, 2011, which because of changes in forecasted levels of interest rates, resulted in reporting a liability of $118,876 at June 30, 2011, for the fair value of the net payments forecasted under the swap.

The adjustments on the value of the swap contracts resulted in an unrealized gain of $802,574 which is reported in the Statements of Activities for the year ended June 30, 2011.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Long-term debt consists of the following at June 30, 2011:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal Line Drive Bond Indenture</td>
<td>$4,060,000</td>
</tr>
<tr>
<td>Wolfpack Club Student Housing Foundation - Series 2009</td>
<td>22,405,000</td>
</tr>
<tr>
<td>Vaughn Towers Project - Series 2004A</td>
<td>15,855,000</td>
</tr>
<tr>
<td>Vaughn Towers Project - Series 2004B</td>
<td>950,000</td>
</tr>
<tr>
<td>Note Payable - Wachovia Bank</td>
<td>726,766</td>
</tr>
<tr>
<td>Note Payable - Bank of America</td>
<td>552,798</td>
</tr>
<tr>
<td></td>
<td><strong>44,349,564</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Amount Classified as Current Liability</td>
<td><strong>5,656,746</strong></td>
</tr>
<tr>
<td><strong>Amount Due After One Year</strong></td>
<td><strong>$38,892,818</strong></td>
</tr>
</tbody>
</table>

Maturities of long-term debt are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$5,656,746</td>
</tr>
<tr>
<td>2013</td>
<td>1,442,818</td>
</tr>
<tr>
<td>2014</td>
<td>445,000</td>
</tr>
<tr>
<td>2015</td>
<td>470,000</td>
</tr>
<tr>
<td>2016</td>
<td>495,000</td>
</tr>
<tr>
<td>Thereafter</td>
<td>36,040,000</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$44,549,564</strong></td>
</tr>
</tbody>
</table>

LETTERS OF CREDIT

Pursuant to the issuance of the Goal Line Drive bonds payable, the Association obtained an irrevocable letter of credit in the amount of $40,460,274. The original letter of credit expired March 15, 2010, and was extended until April 15, 2012.

Pursuant to the issuance of the Wolfpack Club Student Housing Foundation Series 2003A and 2003B bonds payable, the Association obtained an irrevocable letter of credit. The original letter of credit expired June 9, 2006, and was extended until October 9, 2009. The Series 2009 bonds payable did not require any letters of credit.

Pursuant to the issuance of the Wolfpack Towers bonds payable, the Association obtained two irrevocable letters of credit in the total amount of $33,976,814. The original letters of credit expired March 15, 2010, and were extended until March 15, 2013.

CASH REQUIRED FOR GOAL LINE DRIVE BOND MATURITIES AND FEES

The administrative agent requires that contributions and revenues received after March 2002 for the Goal Line Drive Campaign and the Pride Campaign be placed in separate bank accounts. These monies can only be used for principal payments, interest payments, and loan fees. At June 30, 2011, cash held for bond obligations totaled $7,511,422. The administrative
expenses for the Goal Line Drive Campaign are being paid for by the Pride Campaign and the Association’s operating fund. These expenses will be reimbursed once the debt has been retired. At June 30, 2011, the amount due to Wolfpack Pride from Goal Line Drive was $9,119,750 and the amount due to the Association’s operating fund from Goal Line Drive was $12,601,484.

**FAIR VALUE MEASUREMENTS**

The following table provides information by level for assets and liabilities that are measured at fair value on a recurring basis at June 30, 2011:

<table>
<thead>
<tr>
<th>Assets: Investments</th>
<th>Fair Value</th>
<th>Quoted Prices in Active Markets for Identical Assets Level 1</th>
<th>Significant Other Observable Inputs Level 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Obligations</td>
<td>$ 4,206,241</td>
<td>$ 4,206,241</td>
<td>0</td>
</tr>
<tr>
<td>Marketable Equity Securities</td>
<td>15,858,698</td>
<td>15,858,698</td>
<td></td>
</tr>
<tr>
<td>Other Marketable Debt Securities</td>
<td>3,543,452</td>
<td>3,543,452</td>
<td></td>
</tr>
<tr>
<td>Partnership Interests</td>
<td>4,633,088</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>1,728,253</td>
<td>1,728,253</td>
<td>4,633,088</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 29,969,732</strong></td>
<td><strong>$ 25,336,644</strong></td>
<td><strong>$ 4,633,088</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities: Swap Contract</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wolfpack Club Student Housing</td>
<td>$ 1,294,950</td>
<td></td>
<td>$ 1,294,950</td>
</tr>
<tr>
<td>Vaughn Towers</td>
<td>$ 1,152,951</td>
<td>0</td>
<td>$ 1,152,951</td>
</tr>
<tr>
<td>North End Zone</td>
<td>118,876</td>
<td></td>
<td>118,876</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$ 2,566,777</strong></td>
<td><strong>$ 0</strong></td>
<td><strong>$ 2,566,777</strong></td>
</tr>
</tbody>
</table>

**ENDOWMENT FUND**

The Association’s endowment fund provides long-term scholarship support through annual earnings. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of North Carolina enacted the North Carolina (NC) Uniform Prudent Management of Institutional Funds Act (UPMIFA), the provisions of which apply to endowment funds existing on or established after that date. Absent donor stipulations to the contrary, the provisions of this state law do not impose either a permanent or temporary restriction on the income or capital appreciation derived from the original gifts.

For the year ended June 30, 2011, the Association has classified as permanently restricted net assets the original value of gifts donated to the permanent endowment. Gains and losses will be classified as unrestricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence described in UPMIFA.
NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

Changes in endowment assets for the year ended June 30, 2011 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment Net Assets, Beginning of Year</td>
<td>$ (6,007,855)</td>
<td>$ 52,341</td>
<td>$ 33,297,275</td>
<td>$ 25,341,761</td>
</tr>
<tr>
<td>Investment Return:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>250,811</td>
<td></td>
<td></td>
<td>307,873</td>
</tr>
<tr>
<td>Realized Gain on Sale of Investments</td>
<td>423,715</td>
<td></td>
<td></td>
<td>423,715</td>
</tr>
<tr>
<td>Net Appreciation on Investments</td>
<td>2,392,897</td>
<td></td>
<td></td>
<td>2,392,897</td>
</tr>
<tr>
<td>Total Investment Return</td>
<td>3,067,423</td>
<td>57,062</td>
<td></td>
<td>3,124,485</td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
<td>349,469</td>
<td>349,469</td>
</tr>
<tr>
<td>Increase in CSV of Life Insurance Policies</td>
<td>2,940</td>
<td></td>
<td></td>
<td>2,940</td>
</tr>
<tr>
<td>Appropriation of Endowment Assets for Expenditure</td>
<td>(1326,310)</td>
<td>(32,341)</td>
<td></td>
<td>(1378,651)</td>
</tr>
<tr>
<td>Endowment Net Assets, End of Year</td>
<td>$ (6,263,802)</td>
<td>$ 57,062</td>
<td>$ 33,646,744</td>
<td>$ 27,440,004</td>
</tr>
</tbody>
</table>

**Funds with Deficiencies**

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets were $6,206,740 as of June 30, 2011. These deficiencies resulted from unfavorable market fluctuations.

**Investment Return Objectives and Strategies**

The Association’s investment policies include several investment objectives relative to its long-term investments, including permanent endowment funds. These objectives include (1) preservation of capital, (2) prudent investment of capital, (3) production of reasonable earnings and (4) low-risk growth in principal of invested capital. To achieve these objectives, the Association has employed the investment strategy of diversifying amongst various fund managers. The investment composition at any given time is dependent upon a number of factors, including the amount available for investment and current market conditions.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Association has a policy of appropriating for distribution each year the net earnings from investments. In establishing this policy, the Association considered the long-term expected return on its endowment. Accordingly, the Association expects the current spending policy to sustain its endowment and investment return objectives.

**Loan Covenant**

The Housing Foundation is required to maintain a debt service ratio of at least 1.00 to 1.00 in order to be in compliance with the terms of the Series 2009 bond agreement. The Foundation was in compliance with this covenant at June 30, 2011.
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INDEPENDENT AUDITOR’S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
North Carolina State University
Raleigh, North Carolina

We have audited the financial statements of North Carolina State University, a constituent
institution of the multi-campus University of North Carolina System, which is a component
unit of the State of North Carolina, and its discretely presented component units, as of and for
the year ended June 30, 2011, which collectively comprise the University’s basic financial
statements and have issued our report thereon dated November 2, 2011. Our report includes a
reference to other auditors.

As discussed in Note 18 to the financial statements, the University implemented
Governmental Accounting Standards Board Statement No. 59, Financial Instruments
Omnibus, during the year ended June 30, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the
United States of America and the standards applicable to financial audits contained in
Government Auditing Standards, issued by the Comptroller General of the United States.
Other auditors audited the financial statements of the NC State Investment Fund and the
discretely presented component units, as described in our report on the University’s financial
statements. This report does not include the results of the other auditors’ testing of internal
control over financial reporting or compliance and other matters that are reported on
separately by those auditors. The financial statements of the discretely presented component
units were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting
In planning and performing our audit, we considered the University’s internal control over
financial reporting as a basis for designing our auditing procedures for the purpose of
expressing our opinion on the financial statements, but not for the purpose of expressing an
opinion on the effectiveness of the University’s internal control over financial reporting.
Accordingly, we do not express an opinion on the effectiveness of the University’s internal
control over financial reporting.
INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (CONCLUDED)

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the University’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management of the University, the Board of Governors, the Board of Trustees, the Audit Committee, others within the entity, the Governor, the General Assembly, and the State Controller, and is not intended to be and should not be used by anyone other than these specified parties.

Beth A. Wood, CPA
State Auditor

November 2, 2011
Audit reports issued by the Office of the State Auditor can be obtained from the web site at www.ncauditor.net. Also, parties may register on the web site to receive automatic email notification whenever reports of interest are issued. Otherwise, copies of audit reports may be obtained by contacting the:

Office of the State Auditor  
State of North Carolina  
2 South Salisbury Street  
20601 Mail Service Center  
Raleigh, North Carolina 27699-0601  

Telephone: 919/807-7500  
Facsimile: 919/807-7647
Agenda Item / Issue: 4.3A

Approval of Internal Audit Plan for Fiscal Year 2013

Requested / Required Action:

Committee Approval

Suggested Motion:

Approve Internal Audit Plan as presented.

Responsible University Unit:

Internal Audit

University Presenter/Contact:

Cecile Hinson, Director
NORTH CAROLINA STATE UNIVERSITY
INTERNAL AUDIT DIVISION

AUDIT PLAN
FISCAL YEAR 2013
# NCSU Internal Audit Division
## Fiscal Year 2013 Audit Plan

## Internal Control Testing and/or Review Audits

| Audit of Controls Over the Usage of Restricted Gifts | The objective of this audit is to evaluate the adequacy and effectiveness of controls over foundation accounts. A random sample of unit accounts that had restricted gift expenditures in Fiscal Year 2012 will be tested to determine if:  
| | • Purchases follow restrictions set by the donor  
| | • Expenditures are made prudently with the intent of the donor and best business practices in mind  
| | • Purchases are made using university purchasing and travel guidelines via university systems, where applicable  
| | • Awards paid to employees from foundation Projects are taxed, reported to payroll, and in employee’s W-2  
| | • Purchases of assets are titled in the name of the Foundation rather than the University |

## Financial Audits

| Audit of the 2011 Financial Profile and Indicators Report | The objective of this audit is to verify the accuracy of the University’s Southern Association of Colleges and Schools (SACS) 2011 Financial Profile and Indicators Report submitted to the Integrated Postsecondary Education Data System (IPEDS) at the end of Fiscal Year 2011. |

## Compliance Audits

| Non-Instructional Summer Salary Audit (Payments Against Contract and Grant Projects) | The objective of this audit is to follow-up on the Fiscal Year 2012 issues reported in the Non-Instructional Summer Salary (Payments Against Contract and Grant Projects) Audit. This will include but not be limited to:  
| | • Review of the new regulation and standard operating procedures for comprehensiveness  
| | • Analysis of the effectiveness of the new process  
| | • Evaluation of compliance to Federal, University, and grant sponsor requirements |
## Compliance Audits (Continued)

<table>
<thead>
<tr>
<th>Procurement of Construction and Design Services</th>
<th>The objective of this audit is to assess the University's process for construction and design services contracts/agreements to ensure compliance with State statutes and University requirements.</th>
</tr>
</thead>
</table>

## Information System Control Audits

| Office of Information Technology – Infrastructure, Systems, and Operations: Virtual Computing Services | The objective of this audit is to evaluate the Office of Information Technology (OIT) Virtual Computing Services (VCS) environment to ensure appropriate implementation of management, process, and technical controls including:  
- Robust infrastructure design and implementation to facilitate scalability, reliability, and availability  
- Adequate configuration management  
- Adequate security controls  
- Appropriate separation of duties |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Information Technology – WolfTech Active Directory: Security and Operational Controls</td>
<td>The objective of this audit is to verify adequate security and effective operational controls for the WolfTech Active Directory service. WolfTech is the official University information technology directory service used for central administration and security of Microsoft-based personal computers and servers deployed across the University.</td>
</tr>
</tbody>
</table>

## Follow-up Audits

The Audit Plan allows time for planned follow-up activities on prior year's audit report issues.

## Consulting

<p>| Southern Association of Colleges and Schools (SACS) | Director co-chairing the Resources and Control Compliance Team in support of the University’s next reaffirmation of SACS accreditation in 2014. Includes drafting reports that will demonstrate NC State’s compliance with SACS’ Principles of Accreditation, review of reports drafted by others to ensure consistency, and submission to the SACS Leadership Team prior to submission to SACS in September 2013. |</p>
<table>
<thead>
<tr>
<th>University Business Operations Realignment Steering Team</th>
<th>Director consultation to the BORST as they work to review, assess, and make recommendations for realignment of the University’s business operations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative Extension Service</td>
<td>Training on University policies, best practices in business and financial activities/transactions, use of new IA self-assessment tools on IA website, and awareness of common issues. On-site reviews as necessary. Ad hoc consulting at District Meetings.</td>
</tr>
<tr>
<td>UNC Finance Improvement and Transformation (FIT) Team</td>
<td>Director is on FIT Internal Audit Advisory Team and will also participate in GA monitoring visits and follow-up on any issues reported as needed.</td>
</tr>
<tr>
<td>Identity and Access Management (IAM)</td>
<td>Participation on Office of Information Technology strategic IAM initiative; consulting on IAM standards and best practices.</td>
</tr>
<tr>
<td>University Information Technology Strategic Advisory Committee</td>
<td>Participation in advisory committee’s meetings including security subcommittee and college Academic IT Directors meetings; consulting on University PRR’s, IT standards, and best practices.</td>
</tr>
<tr>
<td>Internal Control Assessment Committee</td>
<td>Director is a member of this committee which assesses internal controls across the University to support the University’s annual certification to the Office of the State Controller.</td>
</tr>
<tr>
<td>University Record Retention</td>
<td>Participation on University Record Retention guidance development team</td>
</tr>
<tr>
<td>University Enterprise Risk Management</td>
<td>Director is member of University Enterprise Risk Management Advisory Task Force.</td>
</tr>
<tr>
<td>Administrative Systems Steering and Management Teams</td>
<td>Consulting on information technology standards, best practices, and PRRs; consulting on upgrades to Financials System and Human Resources Information System.</td>
</tr>
</tbody>
</table>

**Special Investigations (i.e., Misuse or Misappropriation of Assets)**

The Audit Plan allows time for unexpected investigations.

**Special Assignments**

The Audit Plan allows time for special assignments.
Overview

Internal Audit (IA) continuously performs risk assessments (RA) of University units, processes, and services to identify areas of high risk. The RA process is at the core of our audit and consulting engagements and is used as an objective tool in the development of our Annual Audit Plans. Our assessment focuses on exposures relating to the university’s governance, operations, and information systems regarding the:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations
- Safe-guarding of assets
- Compliance with University and UNC System policy
- Compliance with legal, regulatory, and contractual obligations
- Detection and prevention of fraud

Objective Risk Factor Criteria

FINANCIAL – generally covers budget risk, cash management risk, loss of revenue, cost to recover from failures or other incidents.

MISUSE – generally covers misappropriation/misuse of state funds (e.g., fraud, bid rigging, payments to fictitious vendors or employees, use of fraudulent journal entries to conceal the diversion of funds, or embezzlement). The risk of misuse is increased in the absence of appropriate controls.

SECURITY – loss of confidentiality, integrity, or availability of university assets (logical or physical); e.g., sensitive critical data, systems, or assets.

COMPLIANCE – generally includes non-compliance to university policies, state or federal requirements, or contractual agreements (e.g., Human Resources policies, state spending guidelines, federal requirements for sponsored research).

REPUTATIONAL – potential to affect the reputation of the university with stakeholders (e.g., students, Board of Trustees, UNC System, state legislature, state and federal granting agencies, faculty, alumni, business partners, and state citizens).

OPERATIONAL – affects the delivery of core functions of the unit/department/college/university. Factors to consider include the amount of change in the structure of the unit, the quality of management in the unit, and the quality of the internal control environment. Information comes from prior audits and continuous risk assessments and networking.
Subjective Criteria

Throughout the year, IA meets both formally and informally with University administrative and academic executive management, deans, business officers, department heads, faculty, and staff. All information relating to risk, potential or existing, along with special requests for audits, and identified areas of concern is documented on a “real-time” basis in our RA electronic and physical files.

Audit Plan Development

All objective and subjective information and data gathered through our continuous RA process is analyzed when received and again every six months. This on-going analysis process allows IA to determine areas that may need immediate attention, areas that are potential near-term or future audits, and areas that we will continue to watch and status through our process.

Our Audit Plan reflects the results of our continuous assessment and analysis process as of the end of the first quarter of each calendar year. Each year’s Plan is presented for approval at the regularly scheduled April meeting of the NC State Board of Trustees and is implemented at the start of the new fiscal year on July 1.
NCSU Internal Audit Division
Organization Chart
As of March 2012

Board of Trustees

W. Randolph Woodson
Chancellor

Charles D. Leffler
Vice Chancellor for Finance
and Business

Cecile M. Hinson
Internal Audit Director
P#8504

Leo F. Howell
IT Audit Manager
P#50650

Leo F. Howell
IT Audit Manager
P#50650

Gail J. Kashulon
.5 FTE IT Auditor

Vacant
IT Auditor
P#50280

Information Technology
Audit Team

Jordan P. Holaren
Operational Audit Manager
P#41073

Vacant
Auditor
P#41074

Operational Audit Team

Vacant
Auditor
P#41074

Nancy L. Burgart
Advanced Auditor
P#40231

Hunter T. Moore
Auditor
P#44512

Last Updated 03/14/2012
NCSU Internal Audit Division
Team Profiles

Director
Cecile M. Hinson, CISA
Cecile joined the Internal Audit Division in February 2001. Prior, she worked for Lockheed Martin and PricewaterhouseCoopers, LLP, in the areas of financial, operational, and information technology auditing. Cecile received her Bachelor of Science in Business with an emphasis in Accounting from Meredith College. She is a Certified Information Systems Auditor (CISA). She is also a graduate of the NC State Equal Opportunity Institute and holds an Information Technology Audit Certificate from the MIS Training Institute.

Manager
Jordan P. Holaren
Jordan joined the Internal Audit Division in March 2007. Previously, she worked for the Department of Defense - Office of the Inspector General. Jordan has a Bachelor of Science in Business Administration in Accounting from Geneva College and is pursuing her Certified Internal Auditor (CIA) certification.

Manager
Leo F. Howell, CISA, CISSP, CBRM, CEH
Leo joined the Internal Audit Division in June 2007. Prior, he worked for NC State’s Finance and Business Division as an information security and network analyst. Leo received his Bachelor of Science in Computer Science and Electronics from the University of the West Indies. He holds several certifications, including Certified Information Systems Auditor (CISA), Certified Information Systems Security Professional (CISSP), Certified Business Resiliency Manager (CBRM), and Certified Ethical Hacker (CEH).

Nancy L. Burgart, CISA
Nancy re-joined the Internal Audit Division in October 2010. Nancy started her career at NC State working in various departments across campus, including Telecommunications, NCSU Libraries, and Internal Audit. Prior to re-joining Internal Audit, she worked as an IT Compliance Auditor in the NC Office of the State Chief Information Officer. Nancy has a Bachelor of Science in Accounting from East Carolina University. She is a Certified Information Systems Auditor (CISA).
Gail J. Kashulon, MBA, CISA
Gail joined the Internal Audit Division in December 2008. Previously, she worked for Progress Energy as a Senior Information Technology auditor in the Audit Services Department, performing risk and control assessments for key IT initiatives including system implementations, application controls, and general computing controls reviews. Gail has a Bachelor of Arts Degree in Economics and a Masters of Business Administration with a concentration in Management Science, both from Wilkes University. Gail is a Certified Information Systems Auditor (CISA).

Hunter T. Moore, CIA
Hunter joined the Internal Audit Division in October 2010. Previously, he worked for Bank of America as an auditor covering Global Markets, the Chief Financial Officer Units, Home Loans and Insurance, and Card Services. Hunter has a Bachelor of Science in Business Management with a concentration in Finance from NC State University. Hunter is a Certified Internal Auditor (CIA).

Tomiko R. Mims
Tomiko joined the Internal Audit Division in March 2012. Previously, she worked with Wells Fargo Bank, in an administrative role and as a Credit Associate, covering reporting, monitoring of financial records, and general office management. Tomiko has a Bachelor of Science in Business Administration with a concentration in Finance from the University of North Carolina Wilmington.
Agenda Item / Issue: 4.4A
Internal Audit Update

Requested / Required Action:
None required.

Suggested Motion:
None required.

Responsible University Unit:
Internal Audit

University Presenter/Contact:
Cecile Hinson, Director
Agenda Item / Issue: 4.4B

2020 Enrollment Plan

Requested / Required Action:
None required.

Suggested Motion:
None required.

Responsible University Unit:
Office of Provost

University Presenter/Contact:
Dr. Warwick Arden, Interim Provost and Executive Vice Chancellor
NC State’s Enrollment Strategy

This enrollment plan outlines primary strategies for fulfilling NC State’s mission to serve the people of North Carolina and its special role within the UNC system as a research-extensive university. It is not intended to predict future enrollment passively by applying historical trends to demographic trends. Rather, this enrollment plan suggests strategies for actively managing the University’s enrollment to achieve the following aims:

- Improve the quality and standing of NC State’s academic programs.
- Ensure sufficient access for North Carolinians to programs that are relatively unique in the UNC system, while emphasizing competitive excellence in programs offered by other campuses.

Consistent with NC State’s strategic plan, this long-range enrollment plan calls for changes in the composition of its student body, notably expanding the proportion of graduate and professional students particularly at the doctoral level. Among undergraduates, the plan will increase transfers and non-NC residents, and facilitate their transfer among colleges. Growth is managed in a way that maintains the University’s strength in science and technology while honoring its commitment to excellence in a comprehensive range of disciplines, particularly those that enrich our responses to the grand challenges facing society.

**Total Size**

Continued growth is an attractive enrollment option that would accommodate the expanding North Carolina population and provide new faculty positions and other resources to expand and enhance programs and services. However, projected economic conditions suggest that reductions in the University’s base budget may exceed increased revenues triggered by enrollment growth and dramatically reduce resources per student. To protect the quality of the educational programs at NC State, we must slow enrollment growth to fit available resources, invest in strategies to increase non-state funding, and better align enrollment with resources. To this end, this enrollment plan is based on the following strategies:

- Limit growth in undergraduate programs, where state appropriations and tuition are the only sources of support. Instead, emphasize growth in graduate programs that are linked to federally and privately funded research initiatives, that are supported with premium tuition, or where students are self-supporting.
- Alleviate pressure on colleges with service teaching responsibilities and on student support services by limiting lower division enrollment growth.

**Graduate Education**

Because NC State is one of only two research-extensive universities in the UNC system, the expansion of graduate education – particularly doctoral education – is our highest priority for enrollment growth. Our goal is to increase graduate enrollment as long as there is sufficient demand that we can meet with resources adequate to sustain the quality of education. In particular, this plan calls for these strategies:

- Create ambitious doctoral enrollment targets, especially those related to strategic research initiatives and those that strengthen multidisciplinary initiatives.
- Build professional master’s programs that provide career development opportunities for working adults and that address unmet economic development needs.
- Leverage degree-granting authority and faculty expertise through partnerships with other universities.
- Provide sufficient resources needed to support graduate enrollment projections, including GSSP and stipends, as well as tenure-track faculty and research space.
Many of NC State’s doctoral graduates join the faculties of universities across the nation and world. We share with other doctoral institutions a responsibility for building a faculty diverse in background and perspective, ready to teach and mentor new generations of students, which will be increasingly diverse themselves. To that end, NC State will:

- Recruit and mentor graduate students representing a variety of academic perspectives and racial, ethnic, gender, and geographic backgrounds.

**Undergraduate Programs**

At the undergraduate level, NC State’s focus will be on improving student success and the quality of the undergraduate experience. The greatest threat to student success and program quality is continuing erosion of the resources necessary to provide adequate faculty, academic support services, and equipped classrooms. Undergraduate education depends on state appropriations, tuition, and private support, all of which may be very limited for several years. Accordingly, NC State will limit enrollment growth in undergraduate programs. This will require that we:

- Limit freshmen enrollment to improve selectivity and student success.
- Expand co-curricular programs and student support services, such as advising, counseling, and career services.
- Sharpen our competitive edge for the most highly qualified students by providing sufficient merit aid needed to recruit more highly qualified freshmen.
- Provide sufficient capacity to meet demand for unique programs, while emphasizing quality in areas duplicated on other UNC campuses.

Nonetheless, NC State is committed to providing access for North Carolinians to NC State’s undergraduate programs as much as possible through improved student retention and graduation rates, and through increased transfer enrollment. First, by reducing time to degree, we will free up capacity to serve more students, and, over time, award as many undergraduate degrees as we do now. We will be able to manage course offerings more effectively and provide financial aid to a larger number of students. At the same time we redouble our efforts to support students’ success in their original college of choice, we will facilitate and plan capacity for the nearly 20% of students who change colleges during their undergraduate career. Second, by reducing freshmen and increasing transfers, we can provide degree opportunities for the same number of students while relieving pressure on service departments and academic support services. (See Appendix A: The Case for Transfers). The following steps would support these strategies:

- Develop institution- and program-specific articulation agreements to facilitate the transfer of students prepared to be successful at NC State.
- Develop recruiting, orientation, and student support programs designed especially for transfer students.
- Provide sufficient financial aid to provide access to all qualified North Carolinians including transfers.
- Take deliberate steps to improve graduation rates.
- Reduce barriers faced by undergraduates wishing to change majors (intracampus transfers).

A diverse student body strengthens the educational experience by encouraging interactions among students from different racial and ethnic, social and economic, geographic, and religious backgrounds. In and outside of the classroom, diversity enhances the commerce of ideas, values, and perspectives. At the undergraduate level, NC State will expand diversity by encouraging transfers from community colleges and by increasing the proportion of non-resident freshmen. The following strategies would support these purposes:

- Develop transfer programs with feeder institutions best positioned to contribute to the diversity of NC State’s student body.
- Increase out-of-state recruiting and enrollment.
- Increase resources available for scholarships and need-based financial aid.
Teaching and Learning with Technology

Instructional technology can contribute substantially to the quality of teaching and learning. Technology can stimulate innovative teaching, enrich learning resources for students, facilitate interactions among students and faculty, and help us leverage our resources to give access to more students. Distance education, blended courses and programs, and high-impact educational content can raise program quality, student engagement, and efficiency through the following strategies:

- Develop distance education programs in high-demand disciplines where NC State has strength.
- Promote innovative uses of instructional technology to enrich classroom teaching and student engagement.
- Develop a strategy to improve efficient use of classrooms for increasing numbers of blended learning courses and programs.

Enrollment Targets

This plan calls for enrollment growth to 37,000 by 2020, including both on-campus and distance education students. This increase compares to a 20% growth between 2000 and 2010, when NC State’s freshman classes increased rapidly, from 3,839 in 2000 to a high of 4,792 in 2007. Consistent with the goals described above, graduate enrollment will continue to grow as a percentage of the total, from roughly 25% to 27%, with the fastest growth occurring at the doctoral level.

<table>
<thead>
<tr>
<th>2020 Enrollment Plan</th>
<th>2011</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Freshmen</td>
<td>4,564</td>
<td>4,630</td>
<td>+1%</td>
</tr>
<tr>
<td>New Ag Institute</td>
<td>133</td>
<td>140</td>
<td>+4%</td>
</tr>
<tr>
<td>New Transfers</td>
<td>1,027</td>
<td>1,415</td>
<td>+38%</td>
</tr>
<tr>
<td>New Master’s</td>
<td>1,965</td>
<td>2,402</td>
<td>+22%</td>
</tr>
<tr>
<td>New Doctoral</td>
<td>575</td>
<td>804</td>
<td>+40%</td>
</tr>
<tr>
<td>New DVM</td>
<td>81</td>
<td>100</td>
<td>+23%</td>
</tr>
<tr>
<td>Total Undergraduate</td>
<td>23,514</td>
<td>24,180</td>
<td>+3%</td>
</tr>
<tr>
<td>Total Master’s</td>
<td>5,223</td>
<td>6,070</td>
<td>+16%</td>
</tr>
<tr>
<td>Total Doctoral</td>
<td>3,156</td>
<td>4,060</td>
<td>+29%</td>
</tr>
<tr>
<td>Total DVM</td>
<td>312</td>
<td>390</td>
<td>+12%</td>
</tr>
<tr>
<td>Total non-degree-seeking</td>
<td>2,558</td>
<td>2,300</td>
<td>-10%</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>34,763</td>
<td>37,000</td>
<td>+6%</td>
</tr>
</tbody>
</table>

To establish targets for each college within the overall 37,000 enrollment goal for the entire university, the Enrollment Planning Committee solicited proposed targets from each college. Those proposals were reviewed in light of the University’s new strategic plan and information related to the broad strategies outlined above, including the following:

- Demand as expressed through applications
- Student qualifications and admissions selectivity
- Potential for improving diversity
- Throughput: retention and graduation rates, and time to degree
- Potential for and interest in shifting undergraduate admissions from freshmen to transfers
- Capacity for growth: teaching workloads, revenues vs. expenditures, cost per section, availability of space, and graduate student support
Particular care was taken to assess each college’s capacity and funding potential for graduate education. The Committee reviewed information about the cost per student (including the cost of an average student support package for resident, domestic non-residents, and international students) and revenues associated with enrollment (including the funding formula, tuition premiums, and savings from TA-instructed courses). The 2020 enrollment projections show more growth in colleges whose sponsored program income is sufficient to fund research assistantships, and to programs whose students are generally self-supporting. College targets are included in Appendix B.

**Implementation Strategies**

The enrollment strategies described above – expanding graduate programs, strengthening undergraduate programs – require that NC State build a research (tenured and tenure-track) faculty large enough to expand sponsored research and to provide a high-quality educational experience for our students. We will need to reverse the trends of the last decade, when headcount enrollment increased by 20%, non-tenure-track faculty grew by 23%, and tenure-track faculty increased by only 1%. To support graduate programs and overall program excellence, NC State must adopt the following strategy:

- Increase the number of tenured and tenure-track faculty, particularly in areas of growth.
- To the extent feasible, fill instructional positions funded through enrollment growth with permanent faculty, rather than holding them vacant for budget reductions or teaching overloads.

Like all institutions of higher education, NC State must also improve the efficiency of all its activities, including instruction. Like all public institutions, we will try to depend less on state support without shifting too much of the costs to students and their families. This calls for careful enrollment planning in all units, ensuring course availability, and improved efficiency through multiple strategies:

- Improve alignment between resources and enrollment in each college.
- Balance enrollment growth across programs in a fiscally sound manner that considers both costs and funding.
- Improve retention rates and time to degree at all degree levels, in part by facilitating intra-campus transfers.
- Increase enrollment capacity in colleges that attract large numbers of intra-campus transfers.
- Reduce the cost of instruction and improve classroom utilization through creative use of learning technologies and partnerships.
- Re-evaluate the master plan, capital improvements plan, and space utilization strategies as needed to provide capacity in growth areas.
- Implement research initiatives necessary to attract the resources necessary to support graduate enrollment, e.g., by implementing a parallel research plan.

With the current funding formulae (including the CVM formula) and instructional salary levels, an increase in total headcount enrollment to 37,000 and the college distribution described in Appendix B would yield around $7.5 million new funding and 30 new faculty positions each year. The additional costs of graduate programs may be supported in part through premium tuition (largely master’s) and sponsored programs (doctoral).
Appendix A: The Case for Transfers
Beginning in 2005, NC State expanded access to the university by admitting larger freshman cohorts. These large cohorts stressed the academic infrastructure, made it increasingly difficult to place intra-campus transfers into degree programs of their choice, lowered the freshman profile, and contributed to lower graduation rates. The 2020 enrollment plan is intended to reverse that trend.

Statewide projections suggest that the number of graduating high school seniors will increase by 17% between 2010 and 2020. NC State has an obligation to accommodate the growing demand for undergraduate degrees and maintain its traditional commitment to providing access. However, under-resourced expansion is not responsible growth. The alternative is to meet the state’s higher education needs by reducing the freshman cohort and increasing external transfers from community colleges and other four-year institutions.

The Enrollment Planning Committee (EPC) estimated the impact of replacing freshmen with weaker credentials with external transfers on the freshman profile, graduation rates, and demand for general education courses. The study compared two groups: (1) traditionally aged students who were denied NC State admission as freshmen but who later enrolled at NC State as transfers, and (2) admitted and enrolled new freshmen whose SATs and high school GPAs placed them at the lower end of their cohort. Two samples from the 2001, 2002, and 2003 years were matched on gender, race, major college preference, and cohort year. As expected, the transfers who were not admitted as freshmen had lower SATs and high school GPAs than students who enrolled as freshmen.

The results indicated that enrolling around 400 external transfers in place of marginally qualified freshmen would not significantly improve the freshman profile and would increase the six-year graduation rate by less than one percentage point. However, despite being less qualified at the freshman admissions decision point, the transfers changed their majors less often than native freshmen, were more likely to finish their degrees within six years, performed better in identical courses, and earned a higher cumulative GPA by graduation.

### Comparing the Performance of Matched Freshman and Transfer Groups

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>SAT</th>
<th>HS GPA</th>
<th>Graduated within 6 years of HS diploma</th>
<th>NCSU Final GPA</th>
<th>Years to Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman Group</td>
<td>423</td>
<td>1164</td>
<td>3.37</td>
<td>58.4%</td>
<td>2.83</td>
<td>5.1</td>
</tr>
<tr>
<td>Transfer Group</td>
<td>423</td>
<td>1053</td>
<td>3.27</td>
<td>75.2%</td>
<td>2.95</td>
<td>5.2</td>
</tr>
<tr>
<td>Transfers from NC community college</td>
<td>170</td>
<td>1034</td>
<td>3.24</td>
<td>68.8%</td>
<td>3.00</td>
<td>5.4</td>
</tr>
<tr>
<td>Transfers from another UNC</td>
<td>178</td>
<td>1072</td>
<td>3.27</td>
<td>80.9%</td>
<td>2.98</td>
<td>5.1</td>
</tr>
<tr>
<td>Transfer from another institution</td>
<td>75</td>
<td>1054</td>
<td>3.34</td>
<td>76.0%</td>
<td>2.95</td>
<td>5.1</td>
</tr>
</tbody>
</table>

* Freshman and transfer groups were matched on cohort year.

By shifting from freshmen to external transfers, NC State would confer more degrees per student and per credit hour delivered. Over an academic career, one new freshman takes the same number of hours as 1.6 external transfers, so NC State could deliver the same number of credit hours to 100 freshmen as to 163 transfers. Furthermore, because external transfers have typically completed most of their general education requirements, colleges providing service courses would face less pressure to teach lower division courses.

Shifting enrollment growth from freshmen to transfers may also improve NC State’s opportunity to recruit more diverse undergraduate students. Community college populations are more diverse than freshman cohorts and, with focused recruiting efforts and financial aid, the proportion of underrepresented minorities transferring into NC State would be expected to increase.
The EPC recommends an increase in transfer enrollment to provide access and to improve efficiency and diversity. The Committee believes that the best strategy for shifting some undergraduate enrollment from freshmen to transfers is to develop program-specific articulation partnerships with specific community colleges, similar to those established by the College of Engineering and College of Agriculture and Life Sciences.
### Appendix B: 2020 Enrollment Targets

**Fall Headcount Enrollment**

Includes distance education

<table>
<thead>
<tr>
<th></th>
<th>New Freshmen</th>
<th>New External Transfers</th>
<th>Total Undergraduate</th>
<th>New Master's</th>
<th>Total Master's</th>
<th>New Doctoral/DVM</th>
<th>Total Doctoral/DVM</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provost</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>120</td>
<td>120</td>
<td>-</td>
<td>-</td>
<td>120</td>
</tr>
<tr>
<td>CALS</td>
<td>930</td>
<td>350</td>
<td>5,510</td>
<td>230</td>
<td>660</td>
<td>87</td>
<td>495</td>
<td>6,665</td>
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<tr>
<td>Design</td>
<td>120</td>
<td>25</td>
<td>630</td>
<td>140</td>
<td>375</td>
<td>10</td>
<td>35</td>
<td>1,040</td>
</tr>
<tr>
<td>Education</td>
<td>155</td>
<td>50</td>
<td>900</td>
<td>260</td>
<td>800</td>
<td>100</td>
<td>550</td>
<td>2,250</td>
</tr>
<tr>
<td>Engineering</td>
<td>1,300</td>
<td>250</td>
<td>5,975</td>
<td>725</td>
<td>1,880</td>
<td>310</td>
<td>1,550</td>
<td>9,405</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>170</td>
<td>150</td>
<td>1,450</td>
<td>110</td>
<td>360</td>
<td>30</td>
<td>130</td>
<td>1,940</td>
</tr>
<tr>
<td>CHASS</td>
<td>435</td>
<td>325</td>
<td>3,820</td>
<td>270</td>
<td>720</td>
<td>60</td>
<td>340</td>
<td>4,880</td>
</tr>
<tr>
<td>PAMS</td>
<td>240</td>
<td>40</td>
<td>1,000</td>
<td>75</td>
<td>185</td>
<td>155</td>
<td>680</td>
<td>1,865</td>
</tr>
<tr>
<td>Textiles</td>
<td>165</td>
<td>65</td>
<td>1,000</td>
<td>50</td>
<td>110</td>
<td>16</td>
<td>110</td>
<td>1,220</td>
</tr>
<tr>
<td>Vet Medicine</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12</td>
<td>20</td>
<td>116</td>
<td>470</td>
<td>490</td>
</tr>
<tr>
<td>Management</td>
<td>350</td>
<td>130</td>
<td>2,570</td>
<td>410</td>
<td>840</td>
<td>20</td>
<td>90</td>
<td>3,500</td>
</tr>
<tr>
<td>DUAP</td>
<td>765</td>
<td>30</td>
<td>1,325</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,325</td>
</tr>
<tr>
<td>Non-degree</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,300</td>
</tr>
<tr>
<td>Total</td>
<td>4,630</td>
<td>1,415</td>
<td>24,180</td>
<td>2,402</td>
<td>6,070</td>
<td>904</td>
<td>4,450</td>
<td>37,000</td>
</tr>
</tbody>
</table>
Agenda Item / Issue: 4.4C

Budget Update

Requested / Required Action:
None required.

Suggested Motion:
None required.

Responsible University Unit:
Office of Finance and Business
Provost Office

University Presenter/Contact:
Charles D. Leffler, Vice Chancellor for Finance and Business
Dr. Warwick Arden, Provost and Executive Vice Chancellor
Agenda Item / Issue: 4.4D

2012 Legislative Priorities

Requested / Required Action:

None required.

Suggested Motion:

None required.

Responsible University Unit:

Chancellor’s Office

University Presenter/Contact:

Kevin Howell, Assistant to the Chancellor for External Affairs
The University of North Carolina
Proposed 2012-13 Legislative Policy Agenda

The University of North Carolina is committed to promoting efficiency and effectiveness as we deliver on our mission to educate and prepare the workforce of tomorrow. Ten UNC campuses submitted approximately 40 policy proposals for consideration. Many could be resolved administratively, however. Given current budget challenges, the Board of Governors recommends the following 2012-13 policy agenda to create additional efficiencies, streamline processes, leverage economies of scale, and improve our outreach and service. In addition to recommending certain legislative actions, the University stands ready to work with the General Assembly and the Governor to reduce the cost of operations, implement regulatory reform, and streamline business practices.

Operational Efficiencies and Effectiveness

- Eliminate unnecessary or duplicative reporting requirements.
- Increase Board of Governors’ authority related to the disposition of property for a period of not more than 10 years.
- Authorize UNC campuses to administer all student fees in Institutional Trust Fund accounts.

Personnel Efficiencies

- Consolidate the employment authority for all University faculty and staff under the UNC Board of Governors.
- Restore management flexibility needed to manage budget reductions and to retain and recruit university employees.
- Authorize participation in the Optional Retirement Program for all University employees.
- Authorize UNC to purchase fiduciary liability insurance for the management of the Optional Retirement Program and the UNC 403(b) Plan.
- Authorize the extension of existing professional liability insurance to include claims against health care providers in their official capacity as University employees.

Improve Health Services

- Authorize ECU to retain rental receipts from health care service providers co-located in campus facilities in order to improve patient access to health care.
- Provide flexibility to establish campus-wide smoking policies.
Agenda Item / Issue: 4.4E
Update of Centers & Institutes

Requested / Required Action:
None required.

Suggested Motion:
None required.

Responsible University Unit:
Research, Innovation and Economic Development

University Presenter>Contact:
Dr. Terri Lomax, Vice Chancellor for Research, Innovation and Economic Development
OFFICE OF RESEARCH, INNOVATION + ECONOMIC DEVELOPMENT

Centers & Institutes Report
April 19, 2012

Terri L. Lomax
Vice Chancellor for Research, Innovation + Economic Development
Society’s grand challenges require a multi-disciplinary approach.

Many real-world challenges are best addressed by academic, industry, and government partnerships.

Centers and Institutes are problem-driven organizations that bridge disciplinary and institutional boundaries and facilitate collaboration to develop solutions for North Carolina, the nation, and beyond.
Centers & Institutes: Engaging the NC State Community

- 546 Faculty
- 1,033 Graduate students
- 462 Undergraduate students
- 411 Technical staff
- 216 Administrative staff
Benefits of NC State’s Centers & Institutes

- Foster development of future leaders.
- Provide advanced training in high tech and emerging methodologies outside the scope of traditional disciplines.
- Provide access to unique, specialized facilities.
- Engage industry and government agencies in mutually beneficial partnerships.
Centers & Institutes draw 190 partners, including some of the top names in industry.
### Quick Facts

#### The roster as of March 20, 2012:

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centers (multi-campus)</td>
<td>39 (2)</td>
</tr>
<tr>
<td>Institutes (multi-campus)</td>
<td>12 (3)</td>
</tr>
<tr>
<td><strong>Total (multi-campus)</strong></td>
<td><strong>51 (5)</strong></td>
</tr>
</tbody>
</table>

#### Currently in planning:

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centers</td>
<td>2</td>
</tr>
<tr>
<td>Institutes</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total in Planning</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

#### Industry members:

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total industry members</strong></td>
<td>190</td>
</tr>
</tbody>
</table>
## Centers & Institutes Under Development

### Centers/Institutes currently “in planning”

<table>
<thead>
<tr>
<th>Centers/Institutes</th>
<th>Managing Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forensic Sciences Institute (FSI)</td>
<td>ORIED</td>
</tr>
<tr>
<td>NextGen Air Transportation Center at ITRE (NGAT)</td>
<td>ORIED</td>
</tr>
<tr>
<td>Center for Human Health and the Environment (CHHE)</td>
<td>ORIED</td>
</tr>
</tbody>
</table>
The Return on Investment: A Look at 2010 – 2011 Expenditures

<table>
<thead>
<tr>
<th>Total Combined Expenditures</th>
<th>from External Grants/Awards</th>
<th>from Direct State Appropriations</th>
<th>from Private Gifts</th>
<th>from Dept/College/Unit State General Funds</th>
<th>from Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>$74,284,619</td>
<td>$32,072,627</td>
<td>$12,216,458</td>
<td>$4,226,393</td>
<td>$7,522,759</td>
<td>$18,246,383</td>
</tr>
</tbody>
</table>

- $7,522,759 (10%) Dept/College/Unit State General Funds
- $4,226,393 (6%) Private Gifts
- $12,216,458 (16%) Direct State Appropriations
- $32,072,627 (43%) External Grants/Awards
- $18,246,383 (25%) Other
- $74,284,619 Total Combined Expenditures
The Return on Investment: Leveraging Direct State Appropriations

Total Expenditures of Centers & Institutes Receiving Direct State Appropriations

<table>
<thead>
<tr>
<th>Total Expenditures Combined</th>
<th>Grants/ Awards</th>
<th>Direct State Appropriations</th>
<th>Private Gifts</th>
<th>Dept/College/Unit State General Funds</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>$36,838,648</td>
<td>$16,121,135</td>
<td>$12,216,458</td>
<td>$515,262</td>
<td>$2,163,102</td>
<td>$5,822,691</td>
</tr>
</tbody>
</table>

$16,121,135 (44%)
Grants/ Awards

$12,216,458 (33%)
Direct State Appropriations

$515,262 (1%)
Private Gifts

$2,163,102 (6%)
Dept/College/Unit State General Funds

$5,822,691 (16%)
Other

$36,838,648
Total Expenditures Combined
Develop breakthrough technologies in energy storage and power semiconductor devices

Demonstrate one-megawatt green energy hub

Translate technologies via start-ups and industry partnerships

Develop innovative workforce by training K-12 teachers, and undergraduate and graduate students.

The smart solid-state transformers being developed at the NSF FREEDM Systems Center were named to MIT Technology Review’s 2011 list of the world’s 10 most important emerging technologies.
Golden Leaf Biomanufacturing Training and Education Center (BTEC)

- Provides unique educational and training opportunities
- One key to the success of North Carolina’s biotech industry
  - Develops skilled workforce
  - Develops specialized bioprocesses
  - Provides analytical services

Growing biotechnology statewide
$64 billion economy

226,000 total jobs
<table>
<thead>
<tr>
<th>Abbreviation/Name</th>
<th>Abbreviation</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>APVMC Animal &amp; Poultry Waste Management Center</td>
<td>FSI</td>
<td>Forensic Sciences Institute</td>
</tr>
<tr>
<td>BRC Bioinformatics Research Center</td>
<td>ICSE</td>
<td>Institute for Computational Science and Engineering</td>
</tr>
<tr>
<td>BTEC Golden Leaf Biomanufacturing Training and Education Center</td>
<td>IEI</td>
<td>Institute for Emerging Issues</td>
</tr>
<tr>
<td>CAAE Center for Aquatic Ecology</td>
<td>IMSEI</td>
<td>Integrated Manufacturing Systems Engineering Institute</td>
</tr>
<tr>
<td>CBB W. M. Keck Center for Behavioral Biology</td>
<td>INPREE</td>
<td>Institute for Nonprofit Research, Education and Engagement</td>
</tr>
<tr>
<td>CCMTR Center for Comparative Medicine &amp; Translational Research</td>
<td>IRPF</td>
<td>Industry Research Programs in Forestry</td>
</tr>
<tr>
<td>CCTRP Center for Chemical Toxicology Research and Pharmacokinetics</td>
<td>ITng</td>
<td>Institute for NEXT Generation IT Systems</td>
</tr>
<tr>
<td>GEAR Center for Engineering Applications of Radiotracers</td>
<td>ITRE</td>
<td>Institute for Transportation Research and Education</td>
</tr>
<tr>
<td>GEnREP Center for Environmental and Resource Economic Policy</td>
<td>KETS</td>
<td>Kenan Institute for Engineering, Technology &amp; Science</td>
</tr>
<tr>
<td>CENTERE Center for Turfgrass Environmental Research and Education</td>
<td>NCICS</td>
<td>North Carolina Institute for Climate Studies</td>
</tr>
<tr>
<td>CEO Center for Earth Observation</td>
<td>NCJJC</td>
<td>North Carolina Japan Center</td>
</tr>
<tr>
<td>CESR Center for Efficient, Scalable and Reliable Computing</td>
<td>NCSC</td>
<td>North Carolina Solar Center</td>
</tr>
<tr>
<td>CFACE Center For Family And Community Engagement</td>
<td>NSG</td>
<td>North Carolina Sea Grant College Program</td>
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<td>CHHE Center for Human Health and the Environment</td>
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</tr>
<tr>
<td>CHIPS Center for High Performance Simulation</td>
<td>NRP</td>
<td>Nuclear Reactor Program</td>
</tr>
<tr>
<td>CIFR Center for Integrated Fungal Research</td>
<td>NWI</td>
<td>Nonwovens Institute</td>
</tr>
<tr>
<td>CIMS Center for Innovation Management Studies</td>
<td>PEC</td>
<td>Precision Engineering Center</td>
</tr>
<tr>
<td>CIPM Center for Integrated Pest Management</td>
<td>SBTDC</td>
<td>Small Business and Technology Development Center</td>
</tr>
<tr>
<td>CMAST Center for Marine Sciences and Technology</td>
<td>SCO</td>
<td>State Climate Office of North Carolina</td>
</tr>
<tr>
<td>CNPSEP Center for Nuclear Power Plant Structures, Equipment and Piping</td>
<td>SDFRC</td>
<td>Southeast Dairy Foods Research Center</td>
</tr>
<tr>
<td>CPBAPG Center for Plant Breeding and Applied Plant Genomics</td>
<td>Shelton Center</td>
<td>General H. Hugh Shelton Leadership Center</td>
</tr>
<tr>
<td>CQSB Center for Quantitative Sciences in Biomedicine</td>
<td>SIsol</td>
<td>Silicon Solar Research Center</td>
</tr>
<tr>
<td>CRIM Center for Robotics and Intelligent Machines</td>
<td>TECNC</td>
<td>Ergonomics Center of North Carolina (The)</td>
</tr>
<tr>
<td>CRSC Center for Research in Scientific Computation</td>
<td>TPACC</td>
<td>Center for Research on Textile Protection and Comfort</td>
</tr>
<tr>
<td>CTE Center for Transportation and the Environment</td>
<td>WFIEI</td>
<td>William and Ida Friday Institute for Educational Innovation</td>
</tr>
<tr>
<td>FMMC Furniture Manufacturing and Management Center</td>
<td>WRRI</td>
<td>Water Resources Research Institute</td>
</tr>
</tbody>
</table>

Office of Research, Innovation and Economic Development
March 23, 2012
Animal & Poultry Waste Management Center (APWMC)
Center provides infrastructure, programs, and assistance for innovative basic and applied approaches to animal waste management with emphasis on development of knowledge and waste management options contributing toward the enhancement of North Carolina’s and the nation’s animal production industries, as well as to the improvement of the environment and quality of life for all citizens.

Bioinformatics Research Center (BRC)
The mission of Bioinformatics Research Center is to develop and implement methods for the management and interpretation of genomic data, with an emphasis on agriculture, forestry and veterinary medicine.

Golden Leaf Biomanufacturing Training and Education Center (BTEC)
The mission of BTEC is to fuel prosperity by positioning North Carolina as a global leader in bioprocess education and biomanufacturing workforce development.

Center for Applied Aquatic Ecology (CAAE)
The Center for Applied Aquatic Ecology’s broad research directive is to assess and find practical solutions to water quality problems in North Carolina and the nation. The Center’s research projects span from freshwaters to estuaries and marine waters.

W. M. Keck Center for Behavioral Biology (CBB)
The goal of the Keck Center for Behavioral Biology is to establish a multidisciplinary environment for interdepartmental training and collaborative research in the fundamental principles that govern animal behavior.

Center for Comparative Medicine & Translational Research (CCMTR)
The mission of the CCMTR is to enhance collaborative, translational, interdisciplinary approaches for the comparative study of animal/human diseases.

Center for Chemical Toxicology Research and Pharmacokinetics (CCTR)
Center’s mission is to perform scientific research on the structure and function of skin focused on transdermal drug delivery, cutaneous toxicology, metabolism and pharmacokinetics employing innovative animal models and other pharmacokinetic research.

Center for Engineering Applications of Radios isotopes (CEAR)
Center was formed to supply expertise in the area of measurement applications of radiation and isotopes to industry.

Center for Environmental and Resource Economic Policy (CEnREP)
The mission of the Center for Environmental and Resource Economic Policy is to link economics to science, agriculture and technology to improve public understanding and enhance public and private management of environmental resources.

Center for Turfgrass Environmental Research and Education (CENTERE)
Center promotes research on the turfgrass systems and works on creating a multidisciplinary research ‘culture’ that develops new, environmentally sustainable management strategies. Emphasis is on basic research to resolve underlying processes that can lead to long-term solutions.

March 23, 2012
Research, Innovation and Economic Development
Centers and Institutes

Center for Earth Observation (CEO)
A premier academic, research and teaching program in the study and expansion of Geospatial science and technology focused on remote sensing, geographic information systems, image processing and global navigation systems.

Center for Efficient, Scalable and Reliable Computing (CESR)
The Mission of this Center is to research, design and build computer systems that are Efficient, Scalable and Reliable.

Center For Family And Community Engagement (CFACE)
The Center is dedicated to advancing safe, healthy, and productive families and communities. It promotes strategies that widen the circle of supports around families and communities. This is accomplished through emphasizing family leadership, community partnerships, cultural safety, and inclusive planning.

Center for High Performance Simulation (CHIPS)
The Center brings together expertise present in electronic, atomic, meso-scale and macroscopic simulation methods and offers advanced training and research to graduate students.

Center for Integrated Fungal Research (CIFR)
Center provides leadership in research and educational objectives in the field of fungal parasitism and mycotoxins aimed to achieve significant breakthroughs in fungal research that will impact human welfare worldwide.

Center for Innovation Management Studies (CIMS)
The Center’s role is to create, synthesize and disseminate industry-relevant information on innovation management and to develop current and future generations of innovation management researchers and industry practitioners.

Center for Integrated Pest Management (CIPM)
The National Science Foundation Center for Integrated Pest Management was established in 1991 to serve a lead role in technology development, program implementation, training, and public awareness for IPM at the state, regional, and national level.

Center for Marine Sciences and Technology (CMAST)
The principal mission of the Center for Marine Sciences and Technology is to discover innovative solutions to questions and problems in marine systems and provide effective communication of these discoveries, by promoting multidisciplinary studies among research scientists, educators and extension specialists from the participating NC State University colleges, enhancing interaction with other educational institutions and agencies concerned with marine sciences and coastal natural resources, and providing a focal point for citizen contact with NC State University’s marine science and extension faculty.

Center for Nuclear Power Plant Structures, Equipment and Piping (CNPPSEP)
The mission of the Center for Nuclear Power Plant Structures, Equipment and Piping is to perform research on innovative but rigorous solutions to problems in nuclear power plants and to transfer this technology to the industry.
Centers and Institutes

Center for Plant Breeding and Applied Plant Genomics (CPBAPG)
The Center serves as a central site to disseminate relevant information and will communicate the breadth and depth of NC State's plant breeding and applied plant genomics institutional capabilities and activities in research, teaching, and extension.

Center for Quantitative Sciences in Biomedicine (CQSB)
Innovations in biomedicine, where "biomedicine" is broadly defined to include any developments relevant to the study of human/animal health along the continuum from basic biology to the study of humans/animals at the population level, will increasingly be achieved through an interdisciplinary approach involving the merging of the quantitative and biological sciences.

Center for Robotics and Intelligent Machines (CRIM)
The Center for Robotics and Intelligent Machines at North Carolina State University will be recognized for the quality of its robotics and intelligent machines research in North Carolina, nationally, and internationally.

Center for Research in Scientific Computation (CRSC)
The Center for Research in Scientific Computation is a formally recognized, multidisciplinary center administered by North Carolina State University. Its purpose is to foster research in scientific computing and provide a focal point for research in computational science, engineering and applied mathematics.

Center for Transportation and the Environment (CTE)
The Center for Transportation and the Environment conducts innovative programs of research, education, and technology transfer that seek to mitigate the impacts of surface transportation on the environment.

Furniture Manufacturing and Management Center (FMMC)
The goal of the Center is to assist furniture manufacturers in developing and maintaining the capability to respond quickly to market changes while producing products that are competitive worldwide in terms of price, styling, and quality.

Future Renewable Electric Energy Delivery and Management Systems Center (FREEDM)
This NSF funded Engineering Research Center partners with universities, industry, and national laboratories in 28 states and nine countries to develop technology to revolutionize the nation's power grid and speed renewable electric-energy technologies into every home and business.

Institute for Advanced Analytics (IAA)
The mission of the Institute for Advanced Analytics is to promote graduate education in the emerging field of analytics. Its objective is to educate the citizens of North Carolina and beyond in the concepts, methods, software tools, and applications of analytics that have direct and practical relevance to industry.

Institute for Computational Science and Engineering (ICSE)
Mission of the Institute is to provide a campus wide organization that will bridge traditional disciplines and address all high performance computing and CSE issues (research, education, user services, outreach, etc.).
Centers and Institutes

Institute for Emerging Issues (IEI)
The Institute for Emerging Issues is a think-and-do tank that convenes leaders from business, government, nonprofit organizations, and higher education to tackle the biggest issues facing North Carolina.

Integrated Manufacturing Systems Engineering Institute (IMSEI)
The Institute's mission is to provide an environment in which faculty and students from different relevant disciplines can interact with each other and with industry in common areas of manufacturing systems education and research interests.

Institute for Nonprofit Research, Education and Engagement (INPRE)
The Institute benefits the university through its presence as an expert source for information on nonprofits, respected partner in research and practice collaborations, recipient of external funding, and developer and manager of educational and research initiatives.

Industry Research Programs in Forestry (IRPF)
The Center increases value to landowners and citizens through continuous genetic improvement of forest trees; creates innovative solutions to enhance forest productivity and value through sustainable management of site resources; leads in conservation and domestication of forest genetic resources for sustainable economic, ecological, and social benefits for present and future generations.

Institute for NEXT Generation IT Systems (iTng) - CACC (disestablished 04-01-2011)
Expertise of the Institute for Next Generation IT Systems is focused in the areas of information security, business intelligence, software engineering, extreme programming, networking, wireless technologies, autonomic computing, power visualization, business analytics, sensor-based systems, and display technologies. The research goal is to create concepts, methods and tools for use in the analysis, design and implementation of advanced computer and communication systems. Institute's mission is to carry out basic and applied research on fundamental problems with both industrial and academic relevance, and to provide NC State students with a unique and challenging educational opportunity.

Institute for Transportation Research and Education (ITRE), Lead - multi-campus
ITRE is an Institute of University of North Carolina system that carries out research, training and technical support activities in the areas of surface and air transportation for a host of national, state, and local clients to address the nation's critical transportation issues.

Kenan Institute for Engineering, Technology & Science (KIETS)
Institute activity is devoted to development of partnerships in basic research, education, commercialization and public outreach with individuals and organizations dedicated to the advancement of science, engineering and technology as a force in improving the economic and social well-being of the nation and the world.
North Carolina Institute for Climate Studies (NCICS), Lead: multi-campus
Scientific vision of this Institute centers on observation from Earth-orbiting satellites and prediction using realistic mathematical models of the present and future behavior of the Earth System. In this context, observations include the development of new ways to use existing observations, the invention of new methods of observation, and the creation and application of ways to synthesize observations from many sources into a complete and coherent depiction of the full system. Prediction requires the development and application of coupled models of the complete climate system, including atmosphere, oceans, land surface, cryosphere and ecosystems.

North Carolina Japan Center (NCJC)
The North Carolina Japan Center is a statewide resource, which serves to promote mutual understanding and closer relations between the people of North Carolina and Japan in academic, business, cultural, educational, scientific, and technical matters, to the benefit of our state and its people.

North Carolina Solar Center (NCSC)
Center's mission is to advance the use of solar technologies throughout North Carolina in the residential, commercial and industrial sectors. It is charged with providing North Carolina's citizens with the education and information they need to make sound decisions on the use of solar energy.

North Carolina Sea Grant College Program (NCSG), Lead: multi-campus
Through research, outreach, and education programs, North Carolina Sea Grant provides unbiased, science-based information to enhance the sustainable use and conservation of ocean and coastal resources to benefit communities, the economy and the environment.

Nuclear Reactor Program (NRP)
Center applies reactor and nuclear techniques in supporting efforts to provide high quality undergraduate and graduate education, perform basic and applied research, disseminate knowledge, and provide training and specialized analytical services in support of institutions, agencies, and industries in the State of North Carolina and the Nation.

Nonwovens Institute (NWI)
The Nonwovens Institute is the world's first accredited academic program for the interdisciplinary study of engineered fabrics through an innovative partnership of industry, government, and academe. Operating on an "Open Innovation" platform, The Nonwovens Institute enables industry and university experts to develop the next generation of nonwoven applications while educating and training future industry leaders.

Precision Engineering Center (PEC)
The Precision Engineering Center was created to provide our nation's industries with insightful research and skilled engineers and scientists. Our job at the PEC is to develop technology for high precision measurement and production, and to work with innovative industries that will apply that technology to make new and better products.
Centers and Institutes

Small Business and Technology Development Center (SBTDC), Lead - multi-campus
The Small Business and Technology Development Center, North Carolina's Business and Technology Extension Service, is committed to providing knowledge, education and other supportive resources that enable existing small and mid-sized businesses, emerging entrepreneurs and local/state leaders to innovate and succeed.

State Climate Office of North Carolina (SCO)
The State Climate Office of North Carolina is the primary source for NC weather and climate information and is involved in all aspects of climate research, education, and extension services. The State Climate Office is a public-service center, part of the UNC system, housed at North Carolina State University.

Southeast Dairy Foods Research Center (SDFRC)
The Southeast Dairy Foods Research Center conducts research, educates scientists, and develops and applies new technologies for processing of milk and its components into dairy products and ingredients with improved health, safety, quality and expanded functionalities that facilitate strategic decisions in the industry.

General H. Hugh Shelton Leadership Center
The mission of the Gen. H. Hugh Shelton Leadership Center to inspire, educate, and develop values-based leaders committed to personal integrity, professional ethics, and selfless service.

Silicon Solar Research Center (SiSOC)
This NSF supported Industry-University Cooperative Research Center plays an active role in reestablishing a global leadership role for the U.S. Silicon PV industry.

Ergonomics Center of North Carolina, The (TECNC)
The Ergonomics Center of North Carolina is a Public Service Membership Center specifically authorized by the North Carolina General Assembly and established in October 1994 with the original name North Carolina Ergonomics Resource Center through a partnership between North Carolina State University (NCSU) and the North Carolina Department of Labor (NCDOL), Division of Occupational Safety and Health (OSHNC) to assist employees and employers in the prevention of occupational musculoskeletal disorders (MSDs) and the optimization of human-machine work systems design from safety and performance perspectives.

Center for Research on Textile Protection and Comfort (T-PACC)
The Center for Research on Textile Protection and Comfort provides faculty and students with a coordinated environment where interdisciplinary problems related to textile comfort and protection performance can be studied and solved.

William and Ida Friday Institute for Educational Innovation (WIFIIEI)
The mission of the Friday Institute for Educational Innovation is to advance education through innovation in teaching, learning, and leadership.

Water Resources Research Institute (WRRI), Lead - multi-campus
WRRI was established in 1964 to meet North Carolina’s water research needs. It is one of 54 state water institutes that were authorized by the Water Resources Research Act of 1964 to administer and promote federal/state partnership in research and information transfer on water-related issues. It is a UNC system inter-institutional unit.

March 23, 2012
Research, Innovation and Economic Development
Agenda Item / Issue: 4.4F

University Debt Update

Requested / Required Action:
None required.

Suggested Motion:
None required.

Responsible University Unit:
Treasurer’s Office

University Presenter/Contact:
Lori Johnson, Director, Strategic Debt Management
UNIVERSITY DEBT UPDATE

APRIL 19, 2012
Debt Outstanding
2002 - 2011

$ Millions

2002 2003 2004 2005 2006 2007 2008 2009 2010 2011

$ Millions

$ 89

$394
Debt Outstanding by Auxiliary
June 30, 2011 - $394 million

- Student Housing: 34%
- Centennial Campus: 14%
- Thompson Theater: 3%
- Materials Management: 3%
- Dining: 1%
- Energy Savings: 22%
- Athletics: 10%
- Terry Hospital: 6%
- Carmichael Gym: 3%
- Transportation: 2%
- Greek Housing: 1%
NC State’s Credit Rating

Moody’s Investors Service, Inc.
- Aa1, Stable

Standard and Poor’s Ratings Services
- AA, Stable
Two important ratios measure effect of debt on an institution’s balance sheet and income statement.

- Expendable Financial Resources to Debt
- Annual Debt Service to Operations
Ratios and Comparisons

2010 Expendable Financial Resources to Direct Debt (x)

↑ Desired
Ratios and Comparisons

2010 Actual Debt Service to Operations (%)

↓ Desired

- Aa1 NC State
- Aaa UNC-Chapel Hill
- Aa2 Univ of Georgia
- Aa2 Univ of Illinois
- Aa2 Iowa State
- Aa1 Michigan State
- Aa1 Univ of Minnesota
- Aa1 Ohio State
- Aa1 Purdue
- Aa1 Virginia Polytechnic

2010 Debt Service to Operations

Moody's FY2010 Aa1 Median

Moody's FY2010 Aa2 Median
10 Year Capital Borrowing Plan

- Housing
- Campus Enterprises
- Student Affairs
- Energy Savings & Utilities
- Centennial Campus
- Athletics
Estimated Debt Outstanding
(with $575 mil issued)
Estimated Ratios

Expendable Financial Resources to Direct Debt (x)

↑ Desired Trend

- Actual
- Estimated Future
- Moody's FY2010 Aa1 Median
- Moody's FY2010 Aa2 Median
Estimated Ratios

Actual Debt Service to Operations (%)

↓ Desired Trend
BOARD OF TRUSTEES
NORTH CAROLINA STATE UNIVERSITY

Buildings and Property Committee
Time: 2:45 – 4:15 p.m., April 19, 2012
Primrose Hall Conference Room
Cozort, Chair
Members: Clark, Jenkins, Mattocks, Ramsey, Sall

AGENDA

CALL TO ORDER

Reading of the State Government Ethics Act

1. CONSENT AGENDA

Minutes
Kevin MacNaughton, Associate Vice Chancellor for Facilities

- Approval of February 16, 2012 meeting minutes 5.1.A

Property Matters
Ralph Recchie, Real Estate Director

- Information Only: Delegation of Authority to reflect newly authorized delegation from the UNC Board of Governors for Acquisition by Lease and new approval thresholds 5.1.B.1

✓ Acquisition by Lease: ± 7,000 square feet (sf) at a location and rental rate to be determined by bid for the Small Business Technology & Development Center 5.1.B.2

✓ Acquisition by Lease: ± 7,000 sf at a location and rental rate to be determined by bid for The Ergonomics Center (College of Engineering) 5.1.B.3

✓ Acquisition by Lease: ± 4,000 sf at a location and rental rate to be determined by bid for Athletics Ticket Office 5.1.B.4

✓ Disposition by Deed: Sale of ± 717 acres in Stokes County, North Carolina at a market price to be determined by a full appraisal with the proceeds benefiting the 4H program in the College of Agriculture and Life Sciences 5.1.B.5

✓ Disposition by Lease: For up to six separate ATM locations with lending institutions and at rental rates to be determined by bid. Locations to be selected in coordination with the University Architect. 5.1.B.6

✓ Disposition by Easement: ±0.083 acres on State Forest Road in Durham County to the NC Department of Transportation for the replacement of the Flat River Bridge 5.1.B.7

✓ Requires full board approval

1 Material will be distributed to committee members at the meeting

Buildings and Property Committee
Page 1
• Disposition by Severance: 9 buildings along Varsity Drive as listed below: 5.1.B.8
  − Bldg. # 603, Crop Science Storage, 2,700 sf, constructed 1935
  − Bldg. #604, Soil Science Storage, 972 sf, constructed in 1935
  − Bldg. #605, Plant Pathology Storage, 4,400 sf, constructed in 1948
  − Bldg. #631, Poultry Building, 5,641 sf, constructed in 1950
  − Bldg. #632, Poultry House, 2,560 sf, constructed in 1950
  − Bldg. #633, Plant Pathology Storage, 2,560 sf, constructed in 1950
  − Bldg. #636, Poultry Building, 2,295 sf, constructed in 1956
  − Bldg. #637, Poultry Building, 10,572 sf, constructed in 1950.
  − Bldg. #641, Greenhouse, 160 sf, constructed in 1992

The buildings are in poor condition and no longer serving a useful purpose. Removal of these buildings will facilitate development of the recreational sports complex and development of Greek Village according to the Physical Master Plan.

Designer and Performance Contracting Selections
Kevin MacNaughton, Associate Vice Chancellor for Facilities

• Phytotron – Energy Conservation Performance Contracting Project 5.1.C.1
  – North Campus – GEO,
• Approval of Designer Selections Less Than $500,000 5.1.C.2
• 2012-2014 Open-Ended Service Agreements 5.1.C.3

Acceptance of Completed Buildings and Projects
Kevin MacNaughton, Associate Vice Chancellor for Facilities

• The University and Office of State Construction have accepted the attached list of completed buildings and projects with dollar values greater than $2,000,000. The University has accepted the attached list of completed buildings and projects with dollar values less than $2,000,000. All are recommended to the Buildings and Property Committee for formal acceptance. This listing represents buildings and projects received since the February 16, 2012 meeting.

Policies, Regulations, and Rules
Charles D. Leffler, Vice Chancellor for Finance & Business

✓ Repeal of POL 04.20.03 – Curator of Alcohol 5.1.E

***END OF CONSENT AGENDA ITEMS***

2. PROPERTY MATTERS (Received after Full Board Mailing) TAB 2

✓ Requires full board approval
✓ Material will be distributed to committee members at the meeting
3. PARKING AND TRANSPORTATION  
Tom Kendig, Director, Transportation  
✓ Proposed Revision to Policy 7.60.1 Parking and Transportation Ordinances 2011-2012  

4. PHYSICAL MASTER PLAN  
Lisa Johnson, University Architect  
• Annual Update (Walking Campus Tour to follow regular business meeting) ¹(5.4.A)  

5. PLAN APPROVAL  
Lisa Johnson, University Architect  
• Approval of Plans and Specifications of Formal Projects less than $2 Million 5.5.A  

6. INFORMATIONAL REPORTS  
• Capital Projects Update (Kevin MacNaughton) 5.6.A.1  
• Status of Projects in Planning (Lisa Johnson) 5.6.A.2  

ADJOURN  

✓ Requires full board approval  
¹ Material will be distributed to committee members at the meeting
Agenda Item / Issue: Consent Agenda

Requested / Required Action: Approval of the items contained in the Consent Agenda to include committee meeting minutes for February 16, 2012, property matters, designer and performance contracting selections, acceptance of completed buildings and projects, and repeal of POL 04.20.03 – Curator of Alcohol

Suggested Motion: Move approval of the Consent Agenda.

Responsible University Unit: Office of Finance & Business
University Presenter/Contact: Kevin MacNaughton, Associate Vice Chancellor for Facilities
BOARD OF TRUSTEES  
NORTH CAROLINA STATE UNIVERSITY  

Buildings and Property Committee  

Meeting Date: February 16, 2012  

Minutes  

Meeting No.: 11-12: 4  

Location: Primrose Hall Conference Room  

Time: 2:47 – 4:15 p.m.  

Committee Members Present:  
Mr. Jack Cozort, Chair  
Mr. Jimmy Clark  
Mr. Ben Jenkins  
Mr. Bob Mattocks  
Mr. John Sall  

Present from the University:  
Mr. Charles Leffler, Vice Chancellor, Finance and Business  
Mr. Michael Harwood, Associate Vice Chancellor, Centennial Campus Development  
Mr. Kevin MacNaughton, Associate Vice Chancellor, Facilities  
Ms. Terry White, Associate General Counsel, Office Of General Counsel  
Mr. Jack Colby, Assistant Vice Chancellor, Facilities Operations  
Ms. Lisa Johnson, University Architect  
Mr. Ralph Recchie, Director, Real Estate  
Mr. Alan Daeke, Director, Utilities & Engineering  
Mr. Kevin Ingalls, Manager, Facilities Condition Assessment Program, Facilities Operations  
Ms. Lynn Burris, Executive Assistant, Facilities Division  
Mr. Ron Grote, University Program Specialist, Facilities Division  

STATE GOVERNMENT ETHICS ACT  
At the beginning of the meeting, Chair Cozort 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 with respect to any matters coming before the Buildings and Property Committee at this meeting. Trustee Sall said he had a potential conflict of interest with reference to the Disposition by Lease of approximately 18,000 square feet in Corporate Research I to the U.S. Army Corps of Engineers, and said he would recuse himself from that matter. The other committee members had no conflicts of interest or appearances thereof.
CONSENT AGENDA
Chair Cozort asked whether there were any questions or comments about the November 17, 2011 meeting minutes. There being none, Cozort called for a motion to approve the minutes. Mr. Jenkins made the motion, which was seconded by Mr. Sall and carried.

Chair Cozort asked Mr. Recchie to address the three property matters requiring Full Board approval. Recchie addressed the two related to the City of Raleigh. The first is Disposition by Easement to the City of Raleigh for access to a City owned water tower on Blue Ridge Road adjacent to the Centennial Biomedical Campus. Value will be determined in coordination with the State Property Office. This non-exclusive easement will facilitate safer access to the water tower and appurtenances.

The second is Acquisition by Deed of approximately 0.67 acre parcel at the southeast corner of Trailwood Drive and Main Campus Drive on Centennial Campus from the City of Raleigh for a price to be determined by appraisal and negotiation but not to exceed $90,000. The acquisition will provide an additional buffer from development and facilitate the installation of a Centennial Campus Gateway at the location.

Chair Cozort called for a motion to approve these property matters. Mr. Sall made the motion, which was seconded by Mr. Jenkins and carried.

Recchie addressed the Disposition by Lease of approximately 18,000 square feet in Corporate Research I, 1021 Main Campus Drive, Centennial Campus, to the U.S. Army Corps of Engineers for a term up to 10 years at a rate to be determined. Chair Cozort called for a motion to approve this property matter. Mr. Sall indicated he would recuse himself. Mr. Mattocks made the motion, which was seconded by Mr. Clark and carried.

Mr. MacNaughton presented selection of a designer for GEO, Special Inspections, CMT at Broughton Hall and selection of seven designers for projects less than $500,000. He requested acceptance of seven completed projects listed with a combined value of $4.4 million. The list included acceptance of the JW Isenhour Tennis Center expansion at a cost of $2.8 million. MacNaughton requested approval Plans and Specifications for one Formal Project that costs less than $2 Million for approval.

Chair Cozort called for a motion to approve the items presented by MacNaughton. Mr. Sall made the motion, which was seconded by Mr. Jenkins and carried.

INFORMATIONAL REPORTS
Mr. Colby presented the NCSU Facilities Condition Assessment Program (FCAP). The program assesses and quantifies capital renewal and deferred maintenance needs. Established in 2006 to complement State Construction Office, FCAP has created a centralized database for building deficiencies with the objective to assess 313 state-appropriated assets within a 3-5 year period. To date, 157 (51%) of state-appropriated buildings have been assessed, having a total of 6,980,464 GSF. Colby explained that the amount is 90% of the space to be assessed since the 157 buildings are the larger buildings.
FCAP identified $294 million of deficiencies in the surveyed buildings. When the cost of unsurveyed buildings is extrapolated, the total cost would be $322 million. The amount does not include infrastructure. It is important to note that more than half of the identified deficiencies (57%) are in building systems that are critical to the mission of the university. These include HVAC systems (30.8%), electrical systems (19.3%), and plumbing systems (7.3%). Approximately 79% of the maintenance backlog will become critical within five years.

To state the gravity of the situation in other terms, the University’s Facility Condition Index (FCI), the nationally recognized APPA index, is 0.13. The index should be no more than 0.05. (The index is calculated by dividing the deficiency backlog of $322 million by the current replacement value of $2.5 billion.) If the University’s funding level does not change, the FCI will exceed 0.29 in 20 years.

APPA’s recommended annual funding level is 3% of reinvestment rate. That amount would be $75 million for the University. However, during the past 10 years, the annual Repair & Renovation (R&R) funding has averaged only $9 million. Last year the university did not receive any funding.

Although the University will be able to use money saved from its energy account for energy saving R&R projects, that amount is only estimated to be approximately $1.2 million. And while the Legislature approved R&R funding during its last session, the Governor has not yet authorized release of those funds.

Chair Cozort asked about the initiating of another bond program. Mr. Leffler and Mr. MacNaughton said that would depend upon appropriate timing for a ballot issue and the economy. Right now it is not likely. Mr. Mattocks suggested that the University needs to look for more innovative funding approaches.

Colby summarized his remarks. The Facility Condition Index continues to rise. Building systems, which are critical to the mission of the university, are deteriorating. R&R funding levels have not kept pace with the deferred maintenance backlog. As a result, the maintenance backlog is growing significantly.

Mr. Colby and Mr. Daeke presented NC State’s Utilities Systems & Energy Savings. Colby briefed the trustees on organizational goals, background, fundamental concepts, and current activities. Daeke continued with future plans and energy & climate actions.

Utilities and Engineering goals include:
- Capacity to support growth
- Reliability and Quality
- Fuel & energy diversity
- Leverage energy procurement
- Optimize energy options
- Reduce the campus climate impact
- Support the institutional mission
In 1999 the University’s infrastructure was notable for its deficiencies:

- Aging building chiller systems
- Environmentally unfriendly CFC refrigerants were in use
- Electrical capacity had limitations
- 50 year old steam production equipment
- Frequent system outages
- Rising energy consumption and cost
- No organizational structure

A lot has changed since then:

- Bond Program infrastructure investment
- 5 Central Energy Plants & Distribution
- Utility Master Planning
- Addition of buildings to central chilled water system
- Utilities & Engineering has an organizational structure
- Design & Construction standards have been developed and implemented
- Improved reliability and mission support
- Energy & Climate Action Strategic Plans have been developed and implemented

Today’s utility infrastructure includes:

- 5 Central Energy Plants
- 3 Transmission Substations
- 7 miles of Steam Distribution
- 20 miles of High Voltage Cable
- 5 miles of Chilled Water Distribution
- 14 miles of Water Mains
- 470 utility meters

The fundamental concepts that drive the program are:

- Campus Master Plan
- Utility Master Planning
- Diversity and Redundancy
- Flexibility of Energy Sources
- Leveraging Buying Power
- Energy Strategic Plan
- Climate Action Plan

Highlights about the electrical distribution progress are:

- At CBC, a 25 MW substation was completed in January 2011
- At Sullivan Substation, a redundant transformer bank will be completed fall 2012
- At Centennial Campus substation, planning is underway for expansion and for a redundant transformer bank
NC State’s ownership of substations gives the University options for discounts by buying electricity off the grid and allows for growth.

Highlights of progress at the central plants include:
- Cates Plant Cogeneration project includes 11 MW electrical production and new boilers for steam capacity. Project will be completed July 2012.
- Yarbrough Plant upgrades include two new boilers, rehabilitation of one old boiler, and 2,000 ton chiller, which will be completed in 2013
- Project cost for work at Cates and Yarbrough will be $61 million, which will result in $3-9 million annual savings over 17 years
- Planning for chiller addition in 2014 at Centennial Central Plant is underway

Distribution plans include:
- Renewal of Steam System Phase 8 and Main Campus electrical line replacements
- Expansion of service to Hunt Library, Centennial Campus Student Housing, Conference Center, and Alliance Center
- Connection of two Main Campus Chilled Water Loops

Energy management at NC State is big business. The annual energy budget is $33.4 million, which is 40% increase in cost since 2002. The University has had a growth of 1.6 million gross square feet since 2002, largely due to the 2000 Bond Program. The utility cost per student (FTE) is $1,070. That is up 53% since 2003. Utility cost per square foot of building is $2.38, up 20% since 2003 due to rising prices.

Energy Management successes include:
- 10% Energy Reduction Per Square Foot Since 2003
- 47% Water Reduction Per Square Foot Since 2002
- Strategic Plan for Energy Management
- Climate Action Plan
- Air Quality Master Plan
- ARRA Grants for Fellows and Projects
- Fuels Procurement
- Energy Data and Metering

Energy Management Plans
- Energy Strategic Plan – 5 Focus Areas, 41 Initiatives
  - Data and Metering
  - Supply Side Management
  - Energy Use in Facilities
  - Equipment Efficiencies
  - Campus Integration
- Annual Tactical Plans – Conservation, Information, Policy
- Energy Performance Contracts
- Renewables & Smart Grid Technologies
• LEED and SB 668 Goals for New and Renovated Buildings
• Vehicle Fleet Management

The Committee received updates on the status of Centennial Campus projects, capital projects, and projects in planning.

Mr. MacNaughton told the committee members that after the meeting his staff would give tours of Yarbrough Plant, SAS Hall, and Park Shops as the trustees had requested at their November meeting. MacNaughton asked Ms. Johnson to narrate a slide show that featured photos of the Yarbrough Plant, SAS Hall, and Park Shops areas taken prior to construction and renovation to show the significant changes that have taken place in those areas.

There being no additional business, the meeting adjourned at 4:15 p.m.

Respectfully submitted,

Kevin J. MacNaughton
Secretary to the Committee

cc: Charles Leffler, Vice Chancellor, Finance & Business
    P.J. Teal, Assistant Secretary of the Trustees

Approved: ___________________________ ___________________________
            Committee Chair                  Date
## APPROVAL AUTHORITY
### STATE PROPERTY TRANSACTIONS

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<tr>
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<td><strong>Lease Acquisition 10 years or less</strong></td>
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<td>X³</td>
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<tr>
<td>Annual rent $350,001-$500,000</td>
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<tr>
<td>Annual rent in excess of $500,001</td>
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* Reported for Information only
** Recommendation required
X Approval Required

- Approval Authority for out-lease of space in buildings on Centennial Campus is outlined in "Centennial Campus Disposition by Lease."

**NOTE:** All delegations are subject to necessary approvals from State Officials and Agencies.

A – Annual Rent includes base rent, plus additional rents for operating costs
1. Delegated by the Board of Governors to Board of Trustees less than $50,000 7/7/72. Delegated by Board of Trustees to Buildings and Property Committee less than $50,000 11/8/72. Board of Governors authorized Board of Trustees to delegate to Chancellor less than $25,000 but not delegated, 11/13/81. Authority to approve routine utility easements delegated to Chancellor by Board of Trustees 5/19/78. (Report to Board of Trustees for information only.)

2. Delegated by Council of State to Board of Trustees 8/9/72, amended 1/8/74. Delegated by Board of Trustees to Vice Chancellor for Finance and Business 9/16/72. Delegation to Board of Trustees rescinded by Council of State 9/1/81. Delegated by Council of State to Department of Administration 9/1/81, in turn to Board of Trustees 11/30/81. Delegation increased by Department of Administration to Board of Trustees to $5,000/3 year limit 4/17/85. Delegation reaffirmed and increased to $12,000 by Board of Trustees to Vice Chancellor for Finance and Business or appointed representative 11/9/85. Department of Administration by letter to Board of Trustees dated 10/23/00 delegated to Chancellor authority to execute leases not exceeding $15,000 in annual rent. Per recommendation of Chancellor, Board of Trustees authorized Vice Chancellor for Finance and Business, and the Vice Chancellor’s appointed representative authority, subject to necessary approvals from State officials and agencies, to execute leases not exceeding $15,000 in annual rent.

3. Delegation to the Office of President to authorize the execution of leases for that involve a term of ten (10) years or less is unlimited. Actions taken under the delegated authority will be reported to the Committee at its next scheduled meeting. Delegation to Office of President to authorize contracts to acquire real property valued up to $250,000. Actions taken under the delegated authority will be reported to the Committee at its next scheduled meeting. These delegations were approved and recorded in the minutes of the April 11, 2001 meeting of the Board of Governors Committee on Budget and Finance.

4. Delegation of leasing acquisition from the Board of Trustees to the Buildings and Property Committee with reporting the full Board all activity.

5. North Carolina General Statute Section 116-31.12 gives the Board of Governors of the University of North Carolina the authority to authorize the constituent institutions and the General Administration of the University of North Carolina to acquire real property by lease if the lease is for a term of not more than 10 years. Further, the statute directs the Board of Governors to establish a policy by which this leasing authorization may be further delegated to the boards of trustees of the constituent institutions or to the President of the University of North Carolina.

6. Annual Rent in excess of $500,001 needs Board of Governors Approval. Less only needs the President’s approval.
## APPROVAL AUTHORITY

### Centennial Campus Disposition by Lease Space in Buildings

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<td>$5,001-$15,000</td>
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<td>$15,001-$49,999</td>
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<td></td>
<td>$50,000 or more</td>
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<td>X^1,3</td>
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<td>3 + years to 10 years</td>
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<td>$50,000 or more</td>
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<td>X^1,3</td>
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<td>$50,000 or more</td>
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<td>X^3</td>
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* Reported for Information  
** Recommendation Required  
X Approval Required

**NOTE:**

A – Annual Rent includes base rent plus additional rents for operating costs.

1 - The North Carolina General Assembly under Session Law 1998-159 amended GS 116-198.34 (5) to empower the Board of Governors of the University of North Carolina to enter into dispositions by easement, lease, or rental agreement of space in any building on the Centennial Campus without obtaining the approval of the Governor and the Council of State, notwithstanding the provisions of GS 143-341 and GS 146 chapter as long as dispositions are for a period of 10 years or less. Approved 2/19/99.

2 - Chancellor or Chancellor’s appointed representative is authorized, subject to any necessary approvals from State officials or agencies, to execute any lease or rental agreement for space in any building on the Centennial Campus if (a) the business terms of the agreement have been approved by the Committee or Board of Trustees, (b) the agreement is for a period of ten years or less, and (c) the annual rental is less than $50,000. Approved 2/19/99.

3 – Delegation to the Office of President to authorize the execution of leases valued up to $150,000 per year. Actions taken under the delegated authority will be reported to the Committee at its next scheduled meeting. Delegation to Office of President to authorize contracts to acquire real property valued up to $250,000. Actions taken under the delegated authority will be reported to the Committee at its next scheduled meeting. These delegations were approved and recorded in the minutes of the April 11, 2001 meeting of the Board of Governor’s Committee on Budget and Finance.

4 – Chancellor or Chancellor’s appointed representative is authorized to approve and execute leases for space in buildings on Centennial Campus that are to be occupied by Incubator Program tenants if annual rent is less than $50,000 and term is 3 years or less. Approved 7/14/03.
ACQUISITION
OF REAL PROPERTY

Lease

LESSEE
State of North Carolina for North Carolina State University

LESSOR
To be determined by bid

LOCATION
To be determined by bid

SIZE
Up to ±7,000 square feet of office space

RATE
To be determined by bid

TERM
Up to five (5) years

USE
Office space for the Small Business and Technology Development Center's statewide administrative offices. The current location is 5 West Hargett Street, Raleigh, NC and the annual rent is $81,329. The existing leases terminate December 31, 2012.
STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
RALEIGH

* ACQUISITION OF REAL PROPERTY

Institution or Agency: North Carolina State University
Date: March 26, 2012

The Department of Administration is requested, as provided by GS 146-22 et seq. to acquire the real property herein described by (purchase), (lease), (rental), or (other specify):

This Property is needed for the following reasons and purposes: (attach additional sheets if necessary). Office space for the Small Business and Technology Development Center’s statewide administrative offices. The state headquarters currently occupies 5,451 square feet under two leases that expire December 31, 2012. Annual rent is $81,329.

Name and Address of Present Owner: The state headquarters are currently located at 5 West Hargett Street, Raleigh, NC. The Raleigh Building, LLC, Lessor. New lease to be determined by bid.

Description of Property (attach additional sheets if necessary): Up to ±7,000 sq. ft. of office space

Term: Up to five (5) years.

Rental price (if applicable) To be determined by bid.

Funds for the acquisition of this property are available in our budget under Code:

Item: Other:

In the event the above described real property is not acquired, is there other real property available, owned by the State or otherwise, that you believe would, if acquired, fulfill the requirement of your agency? If so, give details. None

Action, recommending the above request, was taken by the Board of Trustees and is recorded in the minutes thereof on ____________ (Date).

Signature  Original Signature on File
Chancellor

The term "real property" includes timber rights, mineral rights, etc. (GS 146-64)
ACQUISITION
OF REAL PROPERTY

Lease

LESSEE      State of North Carolina for North Carolina State University

LESSOR      To be determined by bid

LOCATION    To be determined by bid

SIZE        Up to ±7,000 square feet of office and training space

RATE        To be determined by bid

TERM        Up to five years

USE         Office and training space for the Ergonomics Center of NC (College of Engineering Dept. of Industrial and Systems Engineering). The current location is 3701 Neil Street, Raleigh, NC and the annual rent is $66,900. The existing lease terminates November 30, 2012.
STATE OF NORTH CAROLINA  
DEPARTMENT OF ADMINISTRATION  
RALEIGH  

* ACQUISITION OF REAL PROPERTY  

Institution or Agency: North Carolina State University  
Date: March 23, 2012  

The Department of Administration is requested, as provided by GS 146-22 et seq. to acquire the real property herein described by (purchase), (lease), (rental), or (other specify):  

This Property is needed for the following reasons and purposes: (attach additional sheets if necessary). Office and training space for The Ergonomics Center of NC (College of Engineering Dept. of Industrial and Systems Engineering). The current lease will expire November 30, 2012. The Center currently occupies ±7,000 sq. ft. Annual rent is $66,900.00.  

Name and Address of Present Owner: The Center is currently located at 3701 Neil Street, Raleigh, NC Colon Hobby, Lessor. New lease to be determined by bid.  

Description of Property: (attach additional sheets if necessary). Up to ±7,000 sq. ft. of office and training space (usable).  

Term: Up to five years.  

Rental price (if applicable)  To be determined by bid.  

Funds for the acquisition of this property are available in our budget under Code  
307247,  
527108  

Item:  

Other:  

In the event the above described real property is not acquired, is there other real property available, owned by the State or otherwise, that you believe would, if acquired, fulfill the requirement of your agency? If so, give details.  None  

Action, recommending the above request, was taken by the Board of Trustees and is recorded in the minutes thereof on _______________ (Date).  

Signature:  

Original Signature on File  
Chancellor  

The term "real property" includes timber rights, mineral rights, etc. (GS 146-64)
3701 Neil Street
NCSU Ergonomic Center

REQUIRES FULL BOARD APPROVAL

5.1.B.3
ACQUISITION
OF REAL PROPERTY

LEASE

LESSEE          State of North Carolina for North Carolina State University

LESSOR          To be determined by bid process

LOCATION        To be determined by bid process

SIZE            ±4,000 square feet of office space

RATE            To be determined by bid process

TERM            Up to five years

USE             New lease for Athletics Ticket Office in near proximity to the campus.
STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
RALEIGH

* ACQUISITION OF REAL PROPERTY

Institution or Agency: North Carolina State University
Date: March 23, 2012

The Department of Administration is requested, as provided by GS 146-22 et seq. to acquire the
real property herein described by (purchase), (lease), (rental), or (other specify):

This Property is needed for the following reasons and purposes: New lease for the Athletics
Department Ticket Office and other related functions for ± 4,000 sq. ft. in a location and at a rental rate
to be determined by a bid process.

Name and Address of Present Owner: To be determined by bid process.

Description of Property: ±4,000 sq. ft. of office space to be
located in near proximity to campus.

Term: Up to Five years.

Rental price (if applicable): To be determined by bid process.

Funds for the acquisition of this property are available in our budget under Code: Ticket sales
revenue.

Item: Other:

In the event the above described real property is not acquired, is there other real property
available, owned by the State or otherwise, that you believe would, if acquired, fulfill the
requirement of your agency? If so, give details. None.

Action, recommending the above request, was taken by the Board of Trustees and is recorded in
the minutes thereof on ________________

Signature          Original Signature on File
                  Chancellor

* The term "real property" includes timber rights, mineral rights, etc. (GS 146-64)
DISPOSITION
OF REAL PROPERTY

SALE

GRANTEE  
To be determined

GRANTOR  
State of North Carolina for North Carolina State University.

LOCATION  
1105 Camp Sertoma Dr., Westfield, Stokes County, NC

SIZE  
±717 acres

RATE  
The market value will be determined by a full appraisal of the property conducted in conjunction with the State Property Office.

TERM  
Conveyance

USE  
The proceeds from the sale are recommended for continued support of the 4-H program in the College of Agriculture and Life Sciences.
STATE OF NORTH CAROLINA
Department of Administration
*DISPOSITION OF REAL PROPERTY

Institution or Agency: North Carolina State University

Date: March 26, 2012

The Department of Administration is requested, as provided by GS 146-28 to dispose of the real property herein described by (sale), (lease), (rental), or (other specify):

The disposition is recommended for the following reasons: The College of Agriculture and Life Sciences is requesting the disposition by sale of ± 717 acres in Stokes County, NC in support of the 4-H program. The market value will be determined by a full appraisal of the property conducted in conjunction with the State Property Office.

Description of Property: ± 717 ac. in Stokes County, NC currently utilized by 4-H

Term: Conveyance

Estimated value: To be determined by full appraisal of the property conducted in conjunction with the State Property Office.

Where deed is filed, if known: Wake County

If deed is in the name of agency other than applicant, state the name: N/A

Rental income, if applicable, and suggested terms: N/A

Funds from the disposal of this property are recommended for the following use: Support for the 4-H programs within the College of Agriculture and Life Sciences.

Action recommending this transaction was taken by the Board of Trustees at its meeting held on ____________.

Signature ___________________________
Original Signature on File
Chancellor

*The term "real property" includes timber rights, mineral rights, etc. (GS 146-64)
## DISPOSITION OF REAL PROPERTY

### LEASE / LICENSE

<table>
<thead>
<tr>
<th>GRANTEE</th>
<th>To be determined</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRANTOR</td>
<td>State of North Carolina for North Carolina State University.</td>
</tr>
<tr>
<td>LOCATION</td>
<td>ATM locations will be determined in coordination with the University Architect</td>
</tr>
<tr>
<td>SIZE</td>
<td>To be determined</td>
</tr>
<tr>
<td>RATE</td>
<td>To be determined by bid process</td>
</tr>
<tr>
<td>TERM</td>
<td>Up to five (5) years</td>
</tr>
<tr>
<td>USE</td>
<td>Proceeds are recommended to be applied primarily to any outstanding building debt or secondarily to building operating costs per selected location.</td>
</tr>
</tbody>
</table>
STATE OF NORTH CAROLINA
Department of Administration
*DISPOSITION OF REAL PROPERTY

Institution or Agency: North Carolina State University
Date: March 26, 2012

The Department of Administration is requested, as provided by GS 146-28 to dispose of the real property herein described by (sale), (lease), (rental), or (other specify): Lease / License

The disposition is recommended for the following reasons: In order to increase the convenience of ATM banking on campus for our students, faculty, staff and visitors, we are recommending the bid process for six (6) separate ATM locations on campus.

Description of Property: ATM locations will be determined in coordination with the University Architect

Term: Up to five (5) years

Estimated value: To be determined by the bid process

Where deed is filed, if known: Wake County

If deed is in the name of agency other than applicant, state the name: N/A

Rental income, if applicable, and suggested terms: N/A

Funds from the disposal of this property are recommended for the following use: Proceeds are recommended to be applied primarily to any outstanding building debt or secondarily to building operating costs per selected location.

Action recommending this transaction was taken by the Board of Trustees at its meeting held on ____________

Signature Original Signature on File
Chancellor

*The term "real property" includes timber rights, mineral rights, etc. (GS 146-64)*
DISPOSITION
OF REAL PROPERTY

EASEMENT

GRANTOR  NC State University

GRANTEE  North Carolina Department of Transportation

LOCATION  Bridge #151 over Flat River on State Forest Rd., Sec. Rd. #1614 in Durham, NC

SIZE  Four (4) separate tracts comprised of +/- .083 ac. (3,609.618 sf.)

RATE  For benefit of the University

TERM  Perpetual Use

USE  NCDOT proposes to acquire +/- .083 ac. (3,609.618 sf.) to be used as a permanent drainage easement. There will be approximately four (4) separate tracts containing the following acreage (.024 ac., .029 ac., .012 ac., and .018ac.). The easements will be used for the purpose of erosion and drainage control, in relation to the proposed construction for the replacement of Bridge #151 in Durham, NC.
STATE OF NORTH CAROLINA
Department of Administration
*DISPOSITION OF REAL PROPERTY

Institution or Agency: NC State University Date: March 23, 2012

The Department of Administration is requested, as provided by GS 146-28 to dispose of the real property herein described by (sale), (lease), (rental), or (other specify): Permanent Drainage Easement

The disposition is recommended for the following reasons: NCDOT has requested a permanent drainage easement in relation to the proposed replacement of Bridge #151 over Flat River in Durham, NC.

Description of Property: NCDOT proposes to acquire +/- .083 ac. (3,609.618 sf.) to be used as a permanent drainage easement. There will be approximately four (4) separate tracts containing the following acreage (.024 ac., .029 ac., .012 ac., and .018 ac.). The easements will be used for the purpose of erosion and drainage control, in relation to the proposed construction for the replacement of Bridge #151 in Durham, NC.

Term: Perpetual Use

Estimated value: For benefit of the University

Where deed is filed, if known: Durham Co. Register of Deeds Recorded in Deed Book: 102 pg. #488 and 489

If deed is in the name of agency other than applicant, state the name. North Carolina State College of Agriculture and Engineering

Rental income, if applicable, and suggested terms: N/A

Funds from the disposal of this property are recommended for the following use.

Action recommending this transaction was taken by the ___Board of Trustees___ at its meeting held on _________________.

Signature ___Original Signature on File___
Chancellor

*The term "real property" includes timber rights, mineral rights, etc. (GS 146-64)
STATE OF NORTH CAROLINA
DIVISION OF HIGHWAYS

DURHAM COUNTY

LOCATION: BRIDGE 151 ON SR 1614 OVER FLAT RIVER

TYPE OF WORK: GRADING, DRAINAGE, PAVING, AND STRUCTURE

VICINITY MAP

STATE DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS

RICK NELSON, P.E.
PROJECT ENGINEER

FARIZI AZENNAG, P.E.
PROJECT ENGINEER

PROJECT LENGTH

LETTER DATE
DISPOSITION
OF REAL PROPERTY

Demolition

GRANTOR  State of North Carolina for North Carolina State University
GRANTEE  N/A
LOCATION  NC State University, South Campus
1331 Varsity Drive, Raleigh, NC (Bldg. #603)
1321 Varsity Drive, Raleigh, NC (Bldg. #604)
1351 Varsity Drive, Raleigh, NC (Bldg. #605)
1324 Varsity Drive, Raleigh, NC (Bldg. #631)
1328 Varsity Drive, Raleigh, NC (Bldg. #632)
1332 Varsity Drive, Raleigh, NC (Bldg. #633)
1344 Varsity Drive, Raleigh, NC (Bldg. #636)
1350 Varsity Drive, Raleigh, NC (Bldg. #637)
1260 Varsity Drive, Raleigh, NC (Bldg. #641)

SIZE  
Bldg. #603: 2,700 gross sq. ft.
Bldg. #604: 972 gross sq. ft.
Bldg. #605: 4,760 gross sq. ft.
Bldg. #631: 5,641 gross sq. ft.
Bldg. #632: 2,560 gross sq. ft.
Bldg. #633: 2,560 gross sq. ft.
Bldg. #636: 2,295 gross sq. ft.
Bldg. #637: 10,572 gross sq. ft.
Bldg. #641: 160 gross sq. ft.

RATE  N/A
TERM  N/A
USE  Demolition of three (3) University buildings along the east side of Varsity Drive (#603, #604, #605) and demolition of six (6) University buildings along the west side of Varsity Drive (#631, #632, #633, #636, #637, #641). The buildings are old and in poor condition. Alternate space for the contents in several of the buildings will be identified. Removal of the buildings will facilitate the development of the sports complex contemplated in the NC State Recreational Sports Master Plan and development of a future phase of Greek Village.
STATE OF NORTH CAROLINA  
Department of Administration  
*DISPOSITION OF REAL PROPERTY  

Institution or Agency: North Carolina State University  
Date: March 16, 2012  

The Department of Administration is requested, as provided by GS 146-28 to dispose of the real property herein described by (sale), (lease), (rental), or (other specify): DEMOLITION  

The disposition is recommended for the following reasons: Nine University buildings in the vicinity of Varsity Drive on the South Campus are old and in poor condition. Alternate space for the contents in several of the buildings will be identified. Severance of six buildings on the west side of Varsity Drive will facilitate development of the sports complex contemplated in the NC State Recreational Sports Master Plan. Severance of three buildings on the east side of Varsity Drive will facilitate development of a future phase of Greek Village. The University will arrange for the removal of the buildings.  

Description of Property:  

<table>
<thead>
<tr>
<th>Building</th>
<th>Construction</th>
<th>Size</th>
<th>Built</th>
<th>Complex #</th>
<th>Asset #</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>#603 (1331 Varsity Dr.)</td>
<td>1 story - frame</td>
<td>2,700 sq. ft.</td>
<td>1935</td>
<td>46</td>
<td>3</td>
<td>Poor</td>
</tr>
<tr>
<td>Crop Science Storage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#604 (1321 Varsity Dr.)</td>
<td>1 story – frame</td>
<td>972 sq. ft.</td>
<td>1935</td>
<td>46</td>
<td>4</td>
<td>Poor</td>
</tr>
<tr>
<td>Soil Science Storage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#605 (1351 Varsity Dr.)</td>
<td>1 story conc. blk. part 2 story</td>
<td>4,760 sq. ft.</td>
<td>1948</td>
<td>46</td>
<td>5</td>
<td>Poor</td>
</tr>
<tr>
<td>Plant Pathology Storage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#631 (1324 Varsity Dr.)</td>
<td>1 story conc. blk.</td>
<td>5,641 sq. ft.</td>
<td>1950</td>
<td>46</td>
<td>22</td>
<td>Poor</td>
</tr>
<tr>
<td>Poultry Building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#632 (1328 Varsity Dr.)</td>
<td>1 story conc. blk. part 2 story</td>
<td>2,560 sq. ft.</td>
<td>1950</td>
<td>46</td>
<td>23</td>
<td>Poor</td>
</tr>
<tr>
<td>Poultry House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#633 (1332 Varsity Dr.)</td>
<td>1 story conc. blk. part 2 story</td>
<td>2,560 sq. ft.</td>
<td>1950</td>
<td>46</td>
<td>24</td>
<td>Poor</td>
</tr>
<tr>
<td>Poultry House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#636 (1344 Varsity Dr.)</td>
<td>1 story - frame</td>
<td>2,295 sq. ft.</td>
<td>1956</td>
<td>46</td>
<td>27</td>
<td>Poor</td>
</tr>
<tr>
<td>Poultry Building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#637 (1350 Varsity Dr.)</td>
<td>1 story conc. blk.</td>
<td>10572 sq. ft.</td>
<td>1950</td>
<td>46</td>
<td>28</td>
<td>Poor</td>
</tr>
<tr>
<td>Poultry Building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#641 (1260 Varsity Dr.)</td>
<td>1 story metal frame</td>
<td>160 sq. ft.</td>
<td>1992</td>
<td>46</td>
<td>31</td>
<td>Poor</td>
</tr>
<tr>
<td>Greenhouse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(See attached photos)  

Term: N/A  
Estimated value: N/A  
Where deed is filed, if known: Wake County  
If deed is in the name of agency other than applicant, state the name. N/A  
Rental income, if applicable, and suggested terms: N/A  
Funds from the disposal of this property are recommended for the following use. N/A  
Action recommending this transaction was taken by the Buildings and Property Committee of the Board of Trustees at its meeting held on _______________.  

Signature: [Signature]  
Chancellor  

*The term "real property" includes timber rights, mineral rights, etc. (GS 146-64)*
Phytotron Energy Conservation Performance Contracting Project
Total Project Scope $6,200,000 (Self Liquidating)

12/12/11  Advertised in NC Purchase Directory

01/26/12  Closing date for submittals
(10 proposals received)

01/30/12  Appointment of Selection Committee
By Kevin MacNaughton, Secretary – Buildings and Property Committee

02/09/12-  Selection Committee review:
03/02/12  Steve Bostian, Capital Project Management
Carolyn Axtman, Capital Project Management
Alan Daekke, Utilities and Engineering Services
Allen Boyette, Building Maintenance and Operations
Carole Saravitz, Phytotron
Cindy Williford, Office of the University Architect

02/09/12  Short list recommendation by Selection Committee:
Affiliated Engineers Inc., Chapel Hill, NC
Clark Nexsen Architecture and Engineering, Raleigh, NC
RMF Engineering Inc., Raleigh, NC

02/16/12  Short list approved by Jack L. Cozort
Affiliated Engineers Inc., Chapel Hill, NC
Clark Nexsen Architecture and Engineering, Raleigh, NC
RMF Engineering Inc., Raleigh, NC

02/16/12  Pre-interview briefing of design firms

03/02/12  Firms interviewed. Recommendation in priority order:
RMF Engineering Inc., Raleigh, NC
Affiliated Engineers Inc., Chapel Hill, NC
Clark Nexsen Architecture and Engineering, Raleigh, NC

Those involved:
Steve Bostian, Capital Project Management
Carolyn Axtman, Capital Project Management
Alan Daekke, Utilities and Engineering Services
Allen Boyette, Building Maintenance and Operations
Carole Saravitz, Phytotron
Cindy Williford, Office of the University Architect
Sumayya Jones-Humienny, Office of the University Architect
Cameron Smith, Capital Project Management
Marvin Williams, Capital Project Management
Shanna Harwell, Utilities and Engineering Services
Damian Lallathin, Capital Project Management
Charlie Marshall, Capital Project Management
David Setser, Capital Project Management
Approval of Designer Selections Less than $500,000

Note: The projects below are submitted to the Trustees’ Buildings and Property Committee for formal approval of designer selections for projects less than $500,000 that are not on the OESAD list. This listing represents projects selected since February 2012.

<table>
<thead>
<tr>
<th>Project</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carter Finley Ribbon Board Display Mounts</td>
<td>$19,600</td>
</tr>
<tr>
<td>Designer: Atlas Engineers, Raleigh, NC</td>
<td></td>
</tr>
<tr>
<td>Fund Source: Departmental</td>
<td></td>
</tr>
<tr>
<td>Council Building – Code Rehab Study</td>
<td>$10,700</td>
</tr>
<tr>
<td>Designer: Swanson + Stewart, Raleigh, NC</td>
<td></td>
</tr>
<tr>
<td>Fund Source: Departmental</td>
<td></td>
</tr>
<tr>
<td>Dan Allen Parking Deck Maintenance Repairs</td>
<td>$36,000</td>
</tr>
<tr>
<td>Designer: Sutton Kennerly, Greensboro, NC</td>
<td></td>
</tr>
<tr>
<td>Fund Source: Departmental</td>
<td></td>
</tr>
<tr>
<td>Golden Leaf Biomass Pilot Plant Study</td>
<td>$28,000</td>
</tr>
<tr>
<td>Designer: O’Brien Atkins, Durham, NC</td>
<td></td>
</tr>
<tr>
<td>Fund Source: Departmental</td>
<td></td>
</tr>
<tr>
<td>Witherspoon Entrance and Exterior Improvements</td>
<td>$36,697</td>
</tr>
<tr>
<td>Designer: JDavis Architects, Raleigh, NC</td>
<td></td>
</tr>
<tr>
<td>Fund Source: Departmental</td>
<td></td>
</tr>
</tbody>
</table>
The 2012-2014 Open-Ended Service Agreement
Designer Selections

<table>
<thead>
<tr>
<th>Firm Name</th>
<th>City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Architecture:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>310 Architecture &amp; Interiors, PA</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>Architektur PA</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>Isley Hawkins Architecture</td>
<td>Durham</td>
<td>NC</td>
</tr>
<tr>
<td>In Situ Studio</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>Maune Belangia Faulkenberry Architects, PA</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>Moseley Architects</td>
<td>Morrisville</td>
<td>NC</td>
</tr>
<tr>
<td>Szostak Design</td>
<td>Chapel Hill</td>
<td>NC</td>
</tr>
<tr>
<td>Winstead Wilkinson Architects, PLLC</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td><strong>Asbestos/Environmental/Hazardous Materials:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMED Environmental and Infrastructure, Inc.</td>
<td>Durham</td>
<td>NC</td>
</tr>
<tr>
<td>KCI Associates of North Carolina, PA</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>Vistabution</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td><strong>Civil Engineering:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Morton Thomas and Associates, Inc (AMT)</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>Biohabitats Southeast Bioregion, Incorporated</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>CH Engineering, PLLC</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>Corley Redfoot Architects, Inc.</td>
<td>Chapel Hill</td>
<td>NC</td>
</tr>
<tr>
<td><strong>Electrical Engineering:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affiliated Engineers, Inc.</td>
<td>Chapel Hill</td>
<td>NC</td>
</tr>
<tr>
<td>Dewberry</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>Sigma Engineered Solutions</td>
<td>Morrisville</td>
<td>NC</td>
</tr>
<tr>
<td>Stantec Consulting Services, Inc.</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>United Engineering Group, Inc.</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td><strong>Lab Design:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moser Mayer Phoenix Associates, PA</td>
<td>Greensboro</td>
<td>NC</td>
</tr>
<tr>
<td>Perkins &amp; Will</td>
<td>RTP</td>
<td>NC</td>
</tr>
<tr>
<td>RGG Architects</td>
<td>Durham</td>
<td>NC</td>
</tr>
<tr>
<td>SGE Solutions, PC</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td><strong>Landscape/Master Planning:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Susan Hatchell, Landscape Architecture, PLLC</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
<tr>
<td>Swanson and Associates, PA, Landscape Architecture</td>
<td>Carrboro</td>
<td>NC</td>
</tr>
<tr>
<td>Timmons Group</td>
<td>Raleigh</td>
<td>NC</td>
</tr>
</tbody>
</table>
### Mechanical:
- Atlantec Engineers, PA ................................................................. Raleigh ............... NC
- Clark, Richardson & Biskup Consulting Engineers, Inc .... Cary ............... NC
- Edmondson Engineers ................................................................. Durham ............... NC
- Elm Sustainability Commissioning Engineering .......... Willow Spring ........ NC
- The Wooten Company ................................................................. Raleigh ............... NC

### Roofing:
- Bute, PLLC ........................................................................ Durham ............... NC
- Stafford Consulting Engineers ............................................... Raleigh ............... NC
- Sutton-Kennerly & Associates, Inc ........................................ Greensboro ........ NC

### Structural Engineering:
- Atlas Engineering, Inc ................................................................. Raleigh ............... NC
- Stewart Engineering, Inc ............................................................. Raleigh ............... NC
- Wetherill Engineering, Inc ........................................................... Raleigh ............... NC

### Surveying:
- CDK Geomatics, PC ................................................................. Cary ............... NC
- Greenhorne & O’Mara Consulting Engineers .............. Raleigh ............... NC
- McKim & Creed ................................................................. Raleigh ............... NC
- Taylor Wiseman & Taylor ................................................ Cary ............... NC

### Testing:
- Geotechnologies, Inc ................................................................. Raleigh ............... NC
- Summit Consulting-Engr., Arch. and Surveying, PLLC ... Hillsborough ........ NC
- Terracon ................................................................. Raleigh ............... NC
- Trimat Materials Testing, Inc ................................................... Raleigh ............... NC
## Acceptance of Completed Buildings and Projects

<table>
<thead>
<tr>
<th>Code/Item</th>
<th>Project#</th>
<th>Location</th>
<th>Title</th>
<th>Project Cost</th>
<th>University Acceptance</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA / NA</td>
<td>201011132</td>
<td>Greek Houses 1, 5, 6, 11</td>
<td>Fire Suppression Systems</td>
<td>$382,000</td>
<td>01/06/12</td>
</tr>
<tr>
<td>40824 / 315</td>
<td>200911073</td>
<td>Carmichael Gym</td>
<td>Pool Equipment Replacement</td>
<td>$1,165,876</td>
<td>11/10/2011</td>
</tr>
<tr>
<td>40024 / 303</td>
<td>200920009</td>
<td>Corporate Research I</td>
<td>Non-Woven Upfit</td>
<td>$760,000</td>
<td>3/12/2012</td>
</tr>
<tr>
<td>41024 / 314</td>
<td>201020003</td>
<td>Former TOPS building at 1528 Blue Ridge Road</td>
<td>CBC Facilities Operations Zone Shop Upfit</td>
<td>$428,000</td>
<td>3/12/2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
<td>$2,735,876</td>
<td></td>
</tr>
</tbody>
</table>
Agenda Item / Issue: Proposed Repeal of POL 04.20.03 – Curator of Alcohol

Requested/Required Action: Approval of the Resolution by the Full Board of Trustees. The policy is recommended for repeal and the information is to be restated in REG 04.20.2.

Suggested Motion: WHEREAS, it is necessary to repeal current policy

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Trustees of North Carolina State University repeals North Carolina State University POL 04.20.03 – Curator of Alcohol as indicated above. Effective date of repeal is April 20, 2012.

Responsible University Unit: Finance & Business
University Presenter/Contact: Charles D. Leffler, Vice Chancellor
PROPOSED REVISION TO: POL 4.20.03: Curator of Alcohol

Rationale: Recommendation to repeal the Curator of Alcohol policy and include the information in the regulation that governs the curator or alcohol REG 04.20.2.

Consultation Process:

01/05/2012 General Counsel preliminary review
1/18/2012 Vice Chancellor Charlie Leffler approves transmittal of PRR for review
N/A General Counsel final review, if changes have been made
1/24/2012 EOM, or official with delegated authority to review PRR
04/20/2012 Board of Trustees Approval (proposed)
08/13/2012 University Council Notification (proposed)

NC STATE UNIVERSITY
Policies, Regulations and Rules

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<th>Authority</th>
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<td>Title</td>
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<td>Contact Info</td>
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1. The United States Department of Treasury, Bureau of Alcohol requires that specific officers or employees be designated by the governing board of the institutions to sign documents and communications with the United States Government relating to the use of tax-free alcohol.

2. The Board of Governors of the University of North Carolina had delegated to the Board of Trustees of each institution the authority to designate a Curator of Alcohol and an Assistant Curator of Alcohol.

3. The Board of Trustees designates the Manager of Materials Support as the Curator of Alcohol and the Warehouse Manager of Materials Support as Assistant Curator of Alcohol and authorizes each individual to sign applications, requisitions, reports, and all other documents or communications with the United States Government relating to the use of tax-free alcohol.

1. Purpose

To dispense ethyl alcohol for use by campus personnel.

2. Intent:

To maintain documentation and control as required by the Industrial Alcohol User Permit issued by the Bureau of Alcohol, Tobacco and Firearms.

3. Ethyl Alcohol

The Board of Trustees designates the Manager of Materials Support as the Curator of Alcohol and the Warehouse Manager of Materials Support as Assistant Curator of Alcohol and authorizes each individual to sign applications, requisitions, reports, and all other documents or communications with the United States Government relating to the use of tax-free alcohol.

Materials Support Central Stores is the only department on campus authorized to dispense ethyl alcohol. Ethyl alcohol is a controlled substance with strict storage, dispensing and reporting requirements. The university is required, as an Industrial Alcohol User Permit holder to account for all ethyl alcohol used on campus.

Secure storage, accountability, and reporting rest with Materials Support Central Stores. Therefore, all users are required to purchase ethyl alcohol through Central Stores Materials Support. Certain documentation must be furnished at the time of the purchase. See the Materials Support Central Stores Web Site for details.
Resolution amending the Parking and Transportation Policies on the Campus of North Carolina State University

Approval of the Resolution by the Full Board of Trustees approving the Proposed Revision to Policy 7.60.01: Parking and Transportation Ordinances for 2012-2013 as described in the attached Summary of 2012-2013 Proposed Changes. The proposed Changes would be effective August 16, 2012.

WHEREAS, the Board of Trustees approved amendments to the Parking and Transportation Policies on the Campus of North Carolina State University on April 22, 2011 and

WHEREAS, it is necessary to make changes in current policies,

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Trustees of North Carolina State University amends the Parking and Transportation Policies on the Campus of North Carolina State University superseding all previous editions. Effective date of this amendment is August 16, 2012.

Department of Transportation
Thomas Kendig, Director, Transportation
2012-2013 PROPOSED CHANGES TO PARKING AND TRANSPORTATION ORDINANCES

1.2.4 Changed The Office of the President of the University of North Carolina System to UNC General Administration Office

3.1.1 Changed terminology to “access control devices” to recognize change in utilized technology

3.5 Revised Permit Cost chart to reflect new permit pricing structure

3.10.1 Changed terminology to “access control devices” to recognize change in utilized technology

4.3.2 Changed Chancellor’s residence address

5.1.1 Changed note under penalties chart from “Certain first-time parking violations will result in a warning citation being issued with no fine associated” to “Certain first-time parking violations may result in a warning citation being issued with no fine associated”

5.2 Changed chancellor’s residence address; Added “unauthorized use of permit” to list of towable offenses

5.3.2 Deleted statement providing for an immobilization fee to be appealable

5.7 Removed “petition” from all references and replaced with “appeal” to reflect terminology change
1. GENERAL PROVISIONS

1.1 Definitions

1.1.1 Abandoned Bicycle: Any bicycle that has been parked illegally for more than ten days or which is determined to be "derelict" or inoperable under North Carolina General Statute 20-137.7.

1.1.2 Academic Year: The period of time from August 16 of one calendar year until August 15 of the next calendar year.

1.1.3 Access Point for Accessibility Spaces: The road space adjacent to all curb cuts built for wheelchair access from the street to the sidewalk and the space adjacent to each mobility-impaired parking space identified by white diagonal lines.

1.1.4 Administrative Sanctions: Penalties which may be assessed for repeated violations of these ordinances or for failure to pay validly due fines. Administrative sanctions include, but is not limited to, revocation of parking permits. Administrative penalties include the issuance of a campus appearance ticket to students.

1.1.5 Bicycle: A device propelled by human power upon which any person may ride, and supported by either two tandems or three wheels, one of which is 16 inches or more in diameter. For the purpose of this Ordinance, a bicycle will be deemed a vehicle.

1.1.6 Bicycle Path: A paved strip or path that is designated for use by bicycles. May be adjacent to a roadway, or a separate route to a roadway, and may also include strips to delineate bicycle lanes from pedestrian lanes.

1.1.7 Campus: All property located in and around Raleigh, North Carolina, which is owned or leased by the State of North Carolina and under the supervision of the Board of Trustees of North Carolina State University.
1.1.8 Campus Appearance Ticket: A citation issued to a student by the University's Campus Police that subjects the student to discipline under the Code of Student Conduct.

1.1.9 Carpool: An organized group of two or more commuting members of campus who regularly ride together in one car and share the use of a carpool permit issued by Transportation.

1.1.10 Chancellor: The Chancellor of North Carolina State University at Raleigh, NC.

1.1.11 Chronic Offender-An individual who exhibits an observable pattern of reoccurring parking violations without demonstrating a recognizable intent to self correct the violating behavior.

1.1.12 Client: One for whom professional services are rendered.

1.1.13 Crosswalks: Any portion of a roadway distinctly indicated for pedestrian crossing by lines, other markings on the surface, a raised elevation of asphalt or concrete and/or signs.

1.1.14 Director of Transportation: That person designated by the Chancellor who will be responsible for administering, implementing, and enforcing the provisions of the Ordinance, except where another person or party is specified in the Ordinance.

1.1.15 Dismount Zone: Areas where cyclists, skateboarders, and non-motorized scooter drivers must dismount their vehicle. All motorized vehicles are prohibited in this zone.

1.1.16 Employees: The faculty (including a non-salaried visiting faculty), research/teaching/associate/intern (post doctoral) employees, re-employed retirees (including those re-employed through the University's Phased Retirement Program), administrative officers, extension personnel, clerical personnel and all other non-student employees of the University employed part-time or full-time as permanent EPA, SPA, or temporary employees.

1.1.17 Fire Lane: Any area specifically marked, striped, signed or designated where vehicles are prohibited from parking, and/or any area in which direct and immediate access to a fire hydrant or fire fighting apparatus would be blocked by a parked vehicle.

1.1.18 Intersections: A road junction where two or more roads either meet or cross at grade (at the same level).

1.1.19 Loading Zone: Any area designated by signs and proclaimed for use for loading and unloading materials and supplies.

1.1.20 Low Speed Vehicle: A four-wheeled vehicle whose top speed is less than 20 miles per hour. This includes, but is not limited to, golf carts, golf cart-type utility vehicles and gator-type utility vehicles

1.1.21 Moped/Scooter: Any motorized two or three wheeled vehicle capable of carrying a rider and which is currently exempt from North Carolina motor vehicle registration and licensing regulations.

1.1.22 Motorcycle: Any motorized two or three wheeled vehicle capable of carrying a rider and which is currently subject to North Carolina motor vehicle registration and licensing regulations.
1.1.23 No Parking Area: Any area not specifically marked, striped, or designated for parking. Parallel/angled spaces must be striped on each end of parked vehicle.

1.1.24 Operator: A person in actual physical control of a vehicle, which is in motion, stopped, or standing.

1.1.25 Park: The standing of a vehicle, whether occupied or not, other than while actually engaged in the loading or unloading of passengers.

1.1.26 Parking Area: Any place or area specifically set aside, marked or assigned by Transportation for the parking of vehicles, either permanently or temporarily.

1.1.27 Parking Meter: Any mechanical device activated by coin, credit card or cash key which enables an individual to purchase parking at a specific parking space in incremental time-limited units.

1.1.28 Parking Meter Space: Any space where a parking meter has been installed.

1.1.29 Parking Meter Zone: Any area, including on streets or in a parking lot, where parking meters are installed and in operation.

1.1.30 Parking Services: The office designated by the Director of Transportation, which issues parking permits, keeps registration and permit records, records violations, and collects transportation fees and fines.

1.1.31 Pay Lot: Any parking lot or area where payment for parking is required based on the length of time the vehicle is parked. Pay lots may be operated by automated pay machine or by attendants who collect the parking fees.

1.1.32 Pedestrian Safety Zone: Areas where cyclists, skateboarders, and non-motorized scooter drivers must either ride at the walking pace of the nearby pedestrians or dismount their vehicle. Pedestrians have the right-of-way in a pedestrian safety zone. All sidewalks, pathways, plazas, or walkways are pedestrian safety zones.

1.1.33 Personal Assistive Mobility device: A self-balancing device, designed to transport one person, with a propulsion system that limits the maximum speed of the device to 15 miles per hour or less. This includes, but is not limited to, electric wheelchairs and segways.

1.1.34 Registered Vehicle: A vehicle, which has been registered with Transportation and is authorized to display a valid University parking permit.

1.1.35 Reserved Lot: A designated lot or part of a lot reserved for users who have purchased permits specifically for that lot.

1.1.36 Reserved Space: Any parking space, which is marked for a specific University parking permit, permit type, user or use.

1.1.37 Restitution: Compensation due to Transportation for the full value of a product/service without benefit of having made previous payment for the same.
1.1.38 Retired Employees: Individuals who have separated from employment with North Carolina State University because of completion of an appropriate term of service, or due to a mental or physical disability, and who are drawing annuities from one of North Carolina State University's retirement programs, and are not receiving compensation for current services. (Employees participating in the Phased Retirement Program are not considered retired employees. PRP employees retain their pre-employment permit and gate card, and continue to pay the regular permit rate for the duration of the three-year PRP assignment.)

1.1.39 Service Provider: One who is providing repair and/or maintenance of equipment or facility. Exceptions to this definition are by Transportation approval only.

1.1.40 Sharrow: An on-the-street marking denoting a “safety zone” where cyclists can ride on the street without being hit by an opened car door. These markings may also denote where cyclists should be riding, such as at intersections with multiple turn lanes. A sharrow also serves to alert both cyclists and drivers that the lane is for both types of vehicles.

1.1.41 Sidewalks: All property along or by any street, highway, or roadway which is intended for pedestrian use and which lies between the curb line and lateral line of any street, highway, or roadway and the line at which the use of property for purposes other than pedestrian traffic ends.

1.1.42 State: When unmodified, means the State of North Carolina.

1.1.43 Stop: When required, means complete cessation of movement. When prohibited, means any stopping of a vehicle except when necessary to avoid conflict with other traffic or in compliance with the direction of a law enforcement officer or traffic control sign or signal.

1.1.44 Traffic Signal: A road signal that flashes a red, green, or amber warning light to direct traffic to stop, proceed, or proceed with caution.

1.1.45 Store: The parking of a bicycle or vehicle for a continual period of more than twenty-four hours, or the parking of a bicycle or vehicle with the intent that it will not be moved for a period of at least 24 hours.

1.1.46 Street, Highway, or Roadway: The entire width of a corridor designed or marked by proper authorities for vehicular traffic.

1.1.47 Student: Any person registered with the University as a full-time, part-time, graduate, or other special student. This does not include employees of the University who are in a full-time permanent position and subject to the SPA or EPA guidelines, and are taking one class per semester.

1.1.48 Temporary Employee: Any non-student part-time or full-time temporary (nonpermanent) employee of the University. This does not include Graduate Research Assistants and Teaching Assistants.

1.1.49 Traffic Way: Any way, area, or region where vehicles or bicycles are permitted to be operated or parked.
1.1.50 Transfer Students: Any student who enrolls at NC State University and receives credit for class hours from another college or university, and has been verified through University Registration and Records as a transfer student.

1.1.51 Transportation: The North Carolina State University department in the Administrative Services Center on Sullivan Drive is responsible for, but not limited to: transportation planning, transit services, enforcement of rules and regulations for parking and traffic, registration of vehicles, distribution of permits, issuance of parking penalties, collections of transportation receipts and the upkeep, renovations, and construction of transportation facilities.

1.1.52 Travel Lane: That portion of the road, street, or way between the centerline and curb on which vehicles or bicycles are permitted to operate, but where parking is prohibited.

1.1.53 University: Unless otherwise provided, North Carolina State University at Raleigh.

1.1.54 University Holidays: Those days named by the Chancellor as Official University Holidays. This does not include Fall and Spring Break, or other student breaks.

1.1.55 University Partner: Any non-University agency or business, or employee of such, leasing space from the University, which is located on one of the University's Campuses or properties.

1.1.56 Unregistered Vehicle: Any vehicle on campus not registered with Transportation.

1.1.57 Unsettled Fines, Fees and Charges: Any fines, fees, and charges (monetary or otherwise) levied by Transportation which have not been resolved by payment of outstanding debts, return of a parking permit or gate card as specified by Transportation, the Director of Transportation, or other University Agencies.

1.1.58 Vehicle: Every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, except devices moved by human power or used exclusively upon fixed rails or tracks; provided, that for the purpose of this Ordinance, bicycles will be deemed vehicles, and every rider of a bicycle on the campus will be subject to the provisions of this Ordinance governing traffic and parking. This term shall not include a device which is designed for and intended to be used as a means of transportation for a person with a mobility impairment, or who uses the device for mobility enhancement, including on sidewalks, and is limited by design to 15 miles per hour.

1.1.59 Visitor: Individuals not identified by this section as an employee, student, University partner or temporary employee. May also include non-salaried visiting faculty and adjunct faculty.

1.1.60 Walk or Walkway: A path designed for or marked for exclusive use by pedestrians whether along a street, roadway or other areas.
1.2 Authority

1.2.1 As provided by North Carolina General Statute Chapter 116-44.4 the Board of Trustees of North Carolina State University adopts these Parking and Transportation Ordinances, and through their designee, the Director of Transportation, will be responsible for the registration, flow, and parking of vehicles on property owned or leased in whole or in part by the State of North Carolina and which is under the control of the Board of Trustees of North Carolina State University.

1.2.2 The Director of Transportation, acting pursuant to the authority vested by this Ordinance and the Board of Trustees, will exercise discretion and authority in a manner as to assure the proper conduct of the necessary business of the University and the effective utilization and control of the available parking areas and facilities on the campus of the University for the benefit and maximum convenience of visitors, students and employees.

The Director of Transportation is authorized to issue exceptions to regulations within this Ordinance, to issue temporary regulations and suspend enforcement of parking regulations to allow for the benefit and maximum convenience of visitors, students, and employees. The Director of Transportation retains the right to authorize or deny the use of or closing of campus streets and parking lots. The Director of Transportation retains the right to remove vehicles from closed streets and/or parking lots.

The Director of Transportation may suspend enforcement of parking regulations to allow for special events on campus. Exceptions to regulations, temporary regulations and enforcement suspensions are valid only for when and how specified, and will not be considered precedent for future situations.

1.2.3 Posting notice of this Ordinance: The Director of Transportation will post notice of this Ordinance and the General Statutes of North Carolina Chapter 116-44.4 to the public.

1.2.4 Filing of this Ordinance: The Director of Transportation will provide a certified copy of this Ordinance, to be filed in the following locations:

   a. The Office of the Secretary of State of North Carolina;
   b. The Office of the President of the University of North Carolina System, UNC General Administration Office

All ordinances adopted under this Part shall be recorded in the minutes of the board of trustees. Each board of trustees shall provide for printing and distributing copies of its traffic and parking ordinances.

1.2.5 Liability: North Carolina State University assumes no liability or responsibility for damage to or theft of any vehicle parked or in operation on the properties leased or under the control of the Board of Trustees of North Carolina State University.

1.2.6 The provisions of this Ordinance will apply to all NC State University employees, students, partners, vendors, contractors and visitors, as well as the operators of all vehicles, whether public or private, and they will be enforced 24 hours a day, except as herein provided. It will be unlawful for any operator to violate any of the provisions of the Ordinance, except as otherwise permitted in this Ordinance or the General Statutes of North Carolina.
1.2.7 The operator of any vehicle will obey the lawful instruction of any law enforcement officer, parking enforcement officer, traffic officer, and any official traffic signs or control devices appropriately placed and in accordance with the provisions of these regulations. Whenever a particular section does not state that signs are required, such section will be effective without signs being provided.

1.2.8 Nothing in this Ordinance will be deemed to prohibit authorized vehicles of the University, or its agents, or of any public utility company from making any such stops as the establishment and maintenance of streets, grounds, water supply, and utility lines require. It is unlawful to drive or park a motor vehicle on sidewalks, grass, or shrubbery unless such areas are designated for parking.

1.2.9 Monies: Any monies collected pursuant to this Ordinance will be used for staffing of Transportation, enforcement, planning for services, parking operations, consultants, construction and maintenance of parking facilities, and such other purposes as deemed necessary by the Chancellor to carry out the transportation program at North Carolina State University.

1.3 Violation of Ordinance

1.3.1 In addition to the criminal penalties set out by North Carolina General Statute, any person violating this or any regulations issued hereunder is subject to a civil penalty as set forth in this Ordinance. In addition to any civil penalty that may be imposed, Administrative Sanctions may also be imposed if an offender does not pay a validly due penalty or upon repeated offenses. Violations of these Ordinances are not infractions as defined in G.S. 116-44-4.

1.3.2 Rules of Evidence: When a vehicle is found parked or unattended in violation of this Ordinance it will be considered prima facie evidence that the vehicle was parked:

   a. By the person holding a University parking permit for that vehicle
   b. By the person registered with the University for a parking permit displayed on that vehicle or
   c. By the person on file as the vehicle's owner with the North Carolina Division of Motor
      Vehicles, or corresponding agencies of another state or nation.

2. LOW SPEED AND TWO OR THREE WHEELED VEHICLES

2.1 Motorcycles/Mopeds/Scooters

2.1.1 Motorcycles, mopeds and scooters must have valid parking permits to utilize a campus parking space. North Carolina State University employees, students, employees of corporate partners and employees of other entities with offices on one of the University's campuses are eligible to request a parking permit.

2.1.2 Permits are purchased from Transportation. Anyone who has a valid permit for an automobile may obtain a motorcycle/moped/scooter permit for his or her personal use at a reduced rate. Motorcycle permits may not be used as part of a carpool.

2.1.3 The permit must be affixed to the front fork of the motorcycle or displayed visibly on the frame of the moped.
2.1.4 Mopeds and/or Scooters may be parked at bicycle racks without a parking permit if they do not block pedestrian access in any manner in excess of that of a bicycle.

2.1.5 Scooters/mopeds are permitted to operate on sidewalks, plazas and in pedestrian safety zones provided that 1) pedestrians have the right-of-way, 2) vehicles are operated at speeds that do not endanger pedestrian or operator safety; 3) vehicles are dismounted in areas of pedestrian congestion. Persons failing to safely navigate these pedestrian areas are subject to fines/citations.

2.1.6 Any scooter/moped deemed to not be mechanically safe by Transportation, or with a gas or oil leak may be immediately impounded. Any scooter/moped that appears to be abandoned may be impounded following the same procedure as followed for bicycles as described in 2.2.4. abandoned.

2.2 Bicycles

2.2.1 For the purpose of this Ordinance, bicycles will be deemed vehicles, and every rider of a bicycle on the campus will be subject to the provisions of the Ordinance with the modifications issued in this section.

2.2.2 Bicycles must be parked and/or secured only to bicycle racks. Bicycles found in the following areas are subject to immediate impoundment:

1. next to a yellow curb
2. on the sidewalk
3. in a driveway
4. against trees or posts
5. in stairways or on handrails
6. in hallways or classrooms
7. at building entrances
8. in any manner which could impede the flow of pedestrian, or vehicular traffic
9. parking meters or signposts.
10. impound

2.2.3 Registration of Bicycles

a. Registration of Bicycles: All bicycles, which are operated, parked, or stored, on the campus by any employee, student, or corporate partner should be registered with Transportation.

b. Bicycle Permits: Bicycle permits are not transferable (either between persons or assigned bicycles). If a bicycle permit becomes damaged, or if the owner acquires a new bicycle, then the owner should obtain a replacement permit from Transportation.

c. Effective Period: Initial registration will be effective from the day registration is completed, and will not expire except when the registration permit is removed from the bicycle to which it was assigned; or there is a change of ownership of the bicycle.
2.2.4 Bicycle Impounding

a. Any bicycle may be impounded if such bicycle appears to have been abandoned.
b. In case of any registered bicycle so impounded, notice will be sent within 15 working days after such impounding to the registered owner at the place of residence designated on the last registration form on file with Transportation.
c. In the case of any unregistered bicycle so impounded, Transportation will make reasonable inquiry to identify the owner or the person entitled to possession thereof, and will within 15 working days after such impounding, post in a conspicuous manner, a notice specifying: 1) the location where the bicycle was impounded, and 2) the color of the bicycle.
d. Any impounded bicycle, which is not redeemed within ninety days after notice, will be surplused at the NC State University Surplus Property Office for sale in accordance with NC State University procedures.

2.2.5 Operation of a Bicycle

**Required Adherence to Traffic Laws:** Every person operating a bicycle will do so in adherence with traffic control devices and rules of the road applicable to motor vehicles under: North Carolina state laws as prescribed in the General Statutes of North Carolina Chapter 20, Motor Vehicles and these Parking and Transportation Ordinances for North Carolina State University (see section 6.0 Traffic Regulations). Persons who violate this subsection are subject to fines/citations.

2.2.6 Operation of a bicycle in pedestrian safety zones: Cyclists are permitted, though not encouraged, to operate their vehicle in pedestrian safety zones provided that 1) pedestrians are given the right-of-way, 2) vehicles are operated at speeds that do not endanger pedestrian or cyclist safety, 3) vehicles are dismounted in areas of pedestrian congestion. Persons failing to safely navigate these pedestrian areas are subject to fines/citations.

2.2.7 Operation of a bicycle in dismount zones: Cyclists must dismount their vehicle in a dismount zone. Persons who violate this subsection are subject to fines/citations.

2.3 Skateboards/Roller Skates/In-line Skates

2.3.1 Skateboards, roller skates and inline skates shall be considered a means of transportation on NC State campus. In point to point progression, ollies (the event of the rider jumping the device from the ground) and manuals (where only two wheels remain in contact with the ground in a exhibition of balance) shall be considered legal activities.

2.3.2 The use of skateboards, roller skates or inline skates on all of NC State University shall be tolerated beyond a 50-foot radius surrounding all school buildings, and as a means of point-to-point transportation as defined above. As such, obstacles such as staircases, ledges, benches and flower planters shall be off limits to the riders due to the inherent destruction of property that may result from such activities.

2.3.3 Grinding (i.e., frictional contact between any part of the skateboard and a ledge, plant or bench) shall be illegal due to applicable damage to university property. Certain obstacles may be set up by campus recreation for permitted use outside of parking and pedestrian areas.
2.3.4 Skaters must be responsible in consideration of pedestrians and vehicular traffic. Reckless operation, whereby the rider upholds no concern for the safety of others, constitutes a violation of acceptable skateboard use.

2.3.5 Violations of this regulation by students, faculty, or staff will be enforced in accordance with current University guidelines for violations of the University Student Code of Conduct or the University disciplinary policy for employees. Individuals who violate this regulation and are not affiliated with the University may be trespassed from the University. In addition, the skateboard, roller skates, or in-line skates may be temporarily confiscated for possible use in a University hearing.

2.3.6 Persons who violate this section 2.3 are subject to fines/citations.

2.3.7 Violation of section 2.3 by visitors may result in the person being asked to leave campus. Future violations or failure to leave the campus may result in an arrest for trespassing. The skateboard, roller skates, or in-line skates may be seized for use as evidence in a criminal proceeding.

2.4 Low Speed Vehicles (Gators, Kubotas, Mules, Golf Carts)

2.4.1 Authorized Use - Acquisition, use, and parking is limited to University departments and University contractors with a valid business need. Departments or contractors operating gators, mules or golf carts are expected to comply with all provisions of this document. Personally owned gators, mules or golf carts are prohibited from operating on university property. Any exceptions must be approved by Transportation.

2.4.2 Valid Business Need - Defined as: transporting personnel, equipment, and/or supplies for University purposes when other transportation means are unavailable or problematic; or transporting employees, students, and/or guests with temporary or permanent disability-related needs.

2.4.3 Authorized Operators - Operation of low-speed vehicles is restricted to University employees and students designated by the Department Head. Each department shall maintain a current list of approved operators.

2.4.4 Registration - All Low Speed vehicles are required to be registered with Transportation. Transportation provided decal must be displayed on the vehicle to provide for identification.

2.4.5 Approved and Prohibited Areas – Gators, mules and golf carts may travel on University roads, streets and in University parking lots. They may be operated on sidewalks provided that pedestrians have the right-of-way and vehicles are operated at speeds that do not endanger pedestrian safety. Generally, these vehicles should not be operated in areas of pedestrian congestion or on sidewalks during times of class change. Persons failing to safely navigate these pedestrian areas are subject to fines/citations.

Additionally, these vehicles should not be operated on the grass except when necessary for a temporary detour. These vehicles may not be operated on streets or roads where the speed limit exceeds 35 miles per hour, except to cross such street or road.

2.4.6 Parking – Gators, mules and golf carts must display a valid University parking permit for the appropriate space or zone when utilizing a parking space. Parking is prohibited on sidewalks and grass in a manner that blocks any pedestrian access or route.
2.4.7 **Specifications** – Gators, mules and golf carts must be equipped with headlamps, horn, reflex reflectors and parking brakes.

2.4.8 Operators of gators, mules and golf carts must possess a valid operator’s driver’s license.

2.4.9 **Safety and Protection**
   a. General – Gators, mules and golf carts shall not be operated in a manner that may endanger occupants or nearby individuals and property.
   b. Speed Limits - Operators shall not exceed the posted or designated speed limit when operating gators, mules and golf carts on any street, road, or parking lot. In areas of congestion, operators must reduce speed to the equivalent of a slow walking pace.
   c. Traffic Laws and Defensive Driving - Operators shall operate gators, mules and golf carts in compliance with all applicable laws and University traffic and parking rules. Additionally, operators shall operate in a safe and responsible manner with due regard for the driving conditions.
   d. Passenger Limit and Load Capability - Operators shall ensure that the number of passengers and their seating arrangement and/or the weight, type, and placement of the load do not exceed the manufacturer’s recommendations.
   e. Operator and Passenger Safety - Operators and passengers must keep their head, legs, and arms inside the cab area of the gators, mule or golf cart. Operators and passengers should not step or jump from the vehicle until it has stopped moving.

2.5 **Personal Assistive Mobility Device**

2.5.1 **Use** - An electric personal assistive mobility device may be operated on the public highways, sidewalks and bicycle paths. A person operating an electric personal assistive mobility device on a sidewalk, roadway, or bicycle path shall yield the right-of-way to pedestrians and other human powered devices. A person operating an electric personal assistive mobility device shall have all rights and duties of a pedestrian.

2.6 **Impoundment**

2.6.1 Bicycles, scooters, mopeds, motorcycles and other alternative modes of transportation are to be stored in an appropriate manner at bicycle racks or other designated spaces. Those deemed to be stored in a manner that creates a safety issue or inhibits pedestrian movement may be impounded by Transportation.

3. **PARKING PERMITS**

3.1 **General Terms and Conditions**

3.1.1 All eligible individuals may request permits through Transportation. Visitors to Campus may obtain a daily visitor parking permit or a temporary parking permit from Transportation. Parking permits, gate cards and electronic remote gate openers, and access control devices remain the property of Transportation. Parking permits, replacement permits, temporary permits, transponders, gate cards or electronic remote gate openers, or access control devices may not be given, sold, or traded to another person or placed on a vehicle other than the one(s) for which the permit is registered.
6.3.A

3.1.2 Any individual who has been issued a parking permit must return it if they leave the University prior to the expiration date of the permit. Refunds may be issued if the permit is returned before May 31. Certain refund conditions may be applied to permits issued to students, temporary and nine-month employees. Gate cards and electronic gate openers must be returned if an individual departs the University, or the individual will be responsible for fines and/or replacement costs.

3.1.3 Failure to display an appropriate permit while parked in a permit-required zone or space will result in a fine.

3.2 Employee Parking Permits

3.2.1 Eligible employees may request a parking permit at any time during the year. New employees must provide Transportation with the required documents verifying their employment with the University. These individuals may request parking permits for unreserved parking spaces or lots closest to their primary work location, or they may request parking in commuter lots. Employees are not eligible to use visitor permits. Employees are not eligible to purchase the following permits: SV, SP, UV, UD, RE and RW.

3.2.2 Employee requests will be assigned based on availability.

3.2.3 Employees who have their permit cost paid through payroll deduction must return their permit upon termination of employment with the University. Individuals are responsible for monthly payment until they return the parking permit. Vehicles displaying unauthorized permits are subject to booting and the owner being fined.

3.2.4 Employees on an unpaid leave of absence or faculty who take off-campus scholarly assignment may elect to maintain and keep their permit if it is paid in full through its expiration date. Employees who are having their permit fees deducted through monthly payroll must return their permit prior to the leave, or they will be responsible for monthly permit fees. The employee will be entitled to a reassignment of their permit when they return to the University's employment and reinstate their payroll deduction for parking fees.

3.2.5 Employees participating in the pretax program for monthly parking permits deductions will have their refunds adjusted for income tax. These refunds are adjusted by, and mailed from, University Payroll. Employees not participating in the pretax program will not have their refund adjusted for income tax. Transportation will prepare and mail these refunds.

3.2.6 Special Faculty

Salaried Visiting, Clinical, Research, Extension and USDA/USDI are considered employees of the University. Employee parking policies and permit eligibility apply to these individuals.

3.2.7 Retired University Employees

Retired employees may request a "Retiree," or "R," permit if they wish to visit the University. "R" permits may be sold at a lesser rate than permits for employees. Verification of retirement is required at the initial application, and annually to renew the permit.
A retired employee who returns to work in either a part-time or full-time capacity must notify Transportation and return the "R" permit. The individual must purchase a regular-priced employee permit to park on campus while working.

Individuals who falsify employment or compensation information are subject to suspended parking privileges. Permits issued to retirees may not be used by other individuals to attend work or classes on campus.

3.2.8 Phased Retirement participants are considered employees

3.2.9 Permanent Part-time and Full-time Employees-Payroll Deduction

Employees receiving paychecks monthly or biweekly for twelve months a year are eligible to have their monthly parking permit fee deducted from their paycheck. They may choose to have permit fees deducted before or after taxes; i.e., on a pre-taxed gross if before taxes, or taken from their net if after taxes. (Employees should consult their tax advisers before deciding on pretax or after tax permit deductions.) If the individual leaves the University employment, they are responsible for returning the permit to Transportation in order to stop payroll deduction. If permit fees cannot be collected through payroll deduction, and the individual has not returned the permit, they will continue to be responsible for payment of the permit until it is returned to Transportation.

3.2.10 Temporary Employees

Individuals employed in a nonpermanent position or capacity, or through University Temporary Service (UTS) may request a parking permit. Verification of employment, including duration of employment is required. Payment for the permit will be made by cash, check or credit card. Payment must be for the full amount due on the parking permit. No Partial Payments are accepted. Payroll deduction is not permitted. Permits may be purchased on a monthly basis at a rate equal to one-twelfth the annual cost of the permit. Shorter-term employment will allow for the purchase of permits at a daily or weekly rate. Temporary employees will not be issued gate cards. Assignment of a parking permit and parking location will be decided by Transportation based upon space availability. These individuals are not eligible to be placed on a permit wait list.

3.2.11 Nine Month Recurring Permanent Employees

Permanent employees in recurring positions may request annual parking. If the employee leaves the University prior to the expiration of the permit, they are required to return the permit to Transportation. A refund may be issued if the permit is returned before May 31. If permit fees cannot be collected through payroll deduction, and the individual has not returned the permit, they will continue to be responsible for payment of the permit until it is returned to Transportation.

3.2.12 Individuals on Campus Employed by other Agencies or Government or Military Agencies

These individuals are eligible for parking under the guidelines for University employees. They are not eligible for payroll deduction of parking fees.

3.2.13 Employees of University Partners These employees are eligible for parking under the covenant of their leases with the University. They are not eligible for payroll deduction of parking fees.
3.2.14 **Adjunct Faculty:** Adjunct faculty members are expected to purchase a permit if they require parking on campus.

3.2.15 Eligible employees and departments can make requests for the parking permits listed below. Assignment of permits is based on availability, with consideration to the employee's primary work/office location.

3.2.16 Carpool and Vanpool Eligibility- employees may join a carpool or vanpool to reduce parking and driving costs. Carpool and vanpools must be registered with Transportation. Carpools require a carpool permit in order to park in designated spaces. Triangle Transit (TT) vans are not required to display a parking permit.

3.2.17 **Employee Parking Permits:** The following provides the general locations and proximity of areas that may be designated for employee parking.

<table>
<thead>
<tr>
<th>PERMIT</th>
<th>GENERAL CAMPUS AREA FOR PERMIT ASSIGNMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;B&quot;</td>
<td>North Campus Gated Area, North Hall Staff Portion, Hillsborough Square, Pullen Road, Nelson West, Brooks Lot, Carter Williams Lot, Hillsborough East and West Lots.</td>
</tr>
<tr>
<td>&quot;C&quot;</td>
<td>Coliseum Bays (Jeter Dr.), Case Center Lot, Steam Plant Lot, Carmichael, Centennial Campus, South West Campus areas, Dan Allen Deck, Method Road Greenhouse, Centennial Biomedical Campus, Central Campus area and South Central Campus, Avent Ferry Complex, Greek Village, E.S. King Village, Wolf Village.</td>
</tr>
<tr>
<td>“CD”</td>
<td>Coliseum Parking Deck,</td>
</tr>
<tr>
<td>&quot;L&quot;</td>
<td>Designated areas and times</td>
</tr>
<tr>
<td>&quot;BB&quot;</td>
<td>Designated Bicycle Parking throughout campus</td>
</tr>
<tr>
<td>&quot;M&quot;</td>
<td>Designated Motorcycle Parking throughout campus</td>
</tr>
<tr>
<td>&quot;U&quot;</td>
<td>Allows access to North Campus Areas by employees or departments who do not reside on North Campus.</td>
</tr>
<tr>
<td>&quot;R&quot;</td>
<td>&quot;B&quot; and lower zone areas for retired employees</td>
</tr>
<tr>
<td>&quot;V&quot;</td>
<td>Varsity Drive Lots (portion)</td>
</tr>
</tbody>
</table>

3.3 **Student Parking Permits**

**Eligibility:**

a. Students are not eligible for the following permits: “AS”, “A-lot”, “SP”, “SV”, “U”, “SV”, “UD”, “UV”, “B” or “C.” Students are not eligible to use visitor permits.

b. All students including freshmen are eligible to purchase parking permits, based on space availability. All students are eligible for bicycle and motorcycle parking permits.

c. Students living at University Towers and the College Inn are only eligible for storage parking permits.

d. Resident students:
   1. Greek Village, Avent Ferry Complex, E.S. King Village and Wolf Village are only eligible for "P" parking permits.
   2. Students who live in University housing on Main Campus are eligible for “RE”, “RP”, “RW”, “RS” permits.

e. Eligible commuting students may purchase parking permits for:
2. permit "L" if parking is needed 7 a.m. to 9 a.m. or after 3 p.m.
f. Other Parking Options for Students
   1. Commuting students of any class may park in the Wolfline Park and Ride Lots to ride transit to and from campus. There is no parking fee required in these lots. Overnight parking is prohibited.
   2. Commuting students may park in hourly pay lots on campus at the rates posted. Overnight parking is prohibited.

3.3.1 The following provides general locations and proximity of areas that may be designated for student parking.

**PERMIT GENERAL CAMPUS AREA FOR PERMIT ASSIGNMENT**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>“CC”</td>
<td>Designated Centennial Campus Decks and Centennial Biomedical Campus Deck / CVM</td>
</tr>
<tr>
<td>“CD”</td>
<td>Coliseum Parking Deck Area</td>
</tr>
<tr>
<td>“DD”</td>
<td>Dan Allen Deck</td>
</tr>
<tr>
<td>“RE”</td>
<td>Residence Hall areas located East of Dan Allen Drive</td>
</tr>
<tr>
<td>“RP”</td>
<td>Resident Perimeter Lot adjacent to West Deck</td>
</tr>
<tr>
<td>“RW”</td>
<td>Residence Hall areas located West of Dan Allen Drive</td>
</tr>
<tr>
<td>“W”</td>
<td>Main Campus West Deck</td>
</tr>
<tr>
<td>“P”</td>
<td>Avent Ferry Complex, Greek Village, E. S. King Village, Wolf Village and Centennial Campus Perimeter Lots</td>
</tr>
<tr>
<td>&quot;L&quot;</td>
<td>CC, CD, DD, P and W 7 a.m. to 9 a.m. and after 3 p.m.</td>
</tr>
<tr>
<td>&quot;BB&quot;</td>
<td>Designated Bicycle Parking Throughout Campus</td>
</tr>
<tr>
<td>&quot;M&quot;</td>
<td>Designated Motorcycle Parking throughout Campus at specific locations</td>
</tr>
<tr>
<td>“RS”</td>
<td>Centennial Campus Perimeter Lots</td>
</tr>
<tr>
<td>&quot;V&quot;</td>
<td>Varsity Drive Lots</td>
</tr>
</tbody>
</table>
3.3.2 Student Parking Permits:

Eligible students may request parking permits that are applicable to their residence location or commuter status.

<table>
<thead>
<tr>
<th>Student Residency Status</th>
<th>Applicable Parking Permits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resident Students</strong></td>
<td></td>
</tr>
<tr>
<td>North Hall</td>
<td>RE, RP, RS</td>
</tr>
<tr>
<td>Watagua, Syme, Gold and Welch</td>
<td>RE, RP, RS</td>
</tr>
<tr>
<td>Berry, Becton and Bagwell</td>
<td>RE, RP, RS</td>
</tr>
<tr>
<td>Wood, Alexander, Owen, Turlington and Tucker</td>
<td>RE, RP, RS</td>
</tr>
<tr>
<td>Metcalf, Bowen, Carroll</td>
<td>RE, RW, RS</td>
</tr>
<tr>
<td>Lee, Sullivan and Bragaw</td>
<td>RW, RS</td>
</tr>
<tr>
<td>Greek Village</td>
<td>P</td>
</tr>
<tr>
<td>E S King Village</td>
<td>P</td>
</tr>
<tr>
<td>Avent Ferry</td>
<td>P</td>
</tr>
<tr>
<td>Wolf Village</td>
<td>P</td>
</tr>
<tr>
<td><strong>Commuting Students</strong></td>
<td></td>
</tr>
<tr>
<td>Commuting Students (Including Graduate Students)</td>
<td>CC, CD, DD, W, V, P</td>
</tr>
</tbody>
</table>

3.3.3 Changes in Students' Residence Status

Students who change their status (i.e., from resident to commuter, or commuter to resident) as a result of changing residence, are responsible for contacting Transportation about changing their parking permit to one that may be more appropriate for their residency status. Commuting and residence students who were issued permits based on a particular residency status and change that status without notifying Transportation, may lose their privileges if their new residency does not qualify them for the permit that they currently hold.

3.3.4 Permit Costs and Refunds for Students

Student permits issued at the beginning of fall semester will be sold at the full annual rate. Permits issued in subsequent months through August 15 of the next calendar year, will be sold at a prorated rate. Students must pay the total cost of a permit (full rate or prorated amount) before the permit will be issued. Permits are refunded on a prorated basis. Refunds will be adjusted for any outstanding fines or fees due to Transportation.
3.4 Permits For Others

3.4.1 Permits for Departments

a. Departments can obtain Short-Term Temporary permits for unloading/loading materials and supplies at designated loading areas or zones.
b. Service, Academic and Administrative departments may purchase UD (Universal Departmental) permits for employees to use while conducting University-related business.
c. Service departments may purchase SV permits for State-Licensed vehicles used to provide service as defined in Section 1.1.38 of this Ordinance.
d. Departments Heads may request one no-charge Loading/Unloading permit hangtag to facilitate short term departmental loading and/or unloading needs. Additional permits are available for a nominal fee. The permit validates parking up to 30 minutes in designated Loading/Unloading spaces. Displayed on a state-licensed vehicle, the permit validates long term parking on the top level of the Dan Allen deck and in the Hillsborough Square lot.

3.4.2 Visitor Parking and Permit

a. Visitors must purchase a Daily Visitor parking permit.
b. Campus departments, employees or students who sponsor events on campus, or invite visitors, are responsible for arranging parking for their visitors.
c. Students and employees are not eligible to use visitor permits.

3.4.3 Permits for Service Providers, Salespersons and Cartage

a. Companies delivering supplies and materials on campus are not required to purchase a parking permit if they have a visible company logo displayed on the vehicle, and if the vehicles are parked in an unreserved parking space or designated Loading/Unloading space. Vehicles may not pull up on curbs, sidewalks, landscape areas, other no parking areas, or block traffic.
b. Service providers who are performing maintenance or repair to campus infrastructure, buildings or equipment must purchase a parking permit to park on campus. Salespersons must purchase a parking permit to park on campus.
c. Public Service Companies performing repairs or surveys of utility infrastructures are not required to purchase a parking permit if they have a visible logo displaying their company name and service on the vehicle. Vehicles must park in parking spaces, and may not pull up on curbs, sidewalks, landscape areas or other no parking areas, or block traffic while performing their duties. The work performed may not exceed a frequency that requires the vehicle to be on campus for more than one day per week. Work that requires use of parking or may impact parking for longer periods must be reviewed and approved by Transportation. Failure to make appropriate parking arrangements will be considered in violation of this Ordinance.
3.4.4 **Special approval is required for the following permits:**

<table>
<thead>
<tr>
<th>Parking Permit</th>
<th>Authorization Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-lots, AS, T</td>
<td>Vice Chancellor of Finance and Business</td>
</tr>
<tr>
<td>SV, UD, UV, SP</td>
<td>Transportation</td>
</tr>
<tr>
<td>Accessibility</td>
<td>Transportation</td>
</tr>
<tr>
<td>R (Retirees only)</td>
<td>Transportation/Requestor's previous Department Head</td>
</tr>
<tr>
<td>RD</td>
<td>Transportation/University Housing</td>
</tr>
<tr>
<td>SL</td>
<td>Transportation/Student Leader Coordinator</td>
</tr>
</tbody>
</table>

3.4.5 **Accessibility Parking**

Any employee (including employees of corporate partners or employees of other entities located within the University) or student who, because of a short-term or permanent disability, requires a vehicle on campus, must apply for a parking permit to park in an accessible space. The individual is responsible for providing Transportation with all information required to process and review their request for an exception due to disability. A current state-issued accessibility placard is required for long-term disabilities.

Requests will be reviewed by Transportation (with assistance from Student Health Services and the Disability Compliance Office). All possibilities for accessible travel for the student will be considered, and a decision will be made for the best alternative.

3.4.6 **Trustee Permits**

Members of the Board of Trustees of North Carolina State University will be issued ("T") permits at the beginning of each academic year at the direction of the Chancellor.

3.4.7 **Student Leader Permits**

a. Student Leader permits will be issued to specific Student Leader positions upon receipt of a completed application from the individual holding that position. Transportation maintains a list of eligible positions.

b. Permits for new leaders will be issued only after the outgoing leader for that position has returned the previously assigned permit.


3.4.8 **Permits for Non-Student Residents of E.S. King Village**

Non-Student residents of E.S. King Village who live at E.S. King Village and have a vehicle, must display a valid University parking permit on the vehicle.
### 3.5 Permit Costs

The Board of Trustees hereby directs the Director of Transportation to collect parking fees for parking permits as follows:

<table>
<thead>
<tr>
<th>Permit</th>
<th>Employees, Departments and Others*</th>
<th>Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS</td>
<td>$9991008</td>
<td>N/A</td>
</tr>
<tr>
<td>SP</td>
<td>$408414</td>
<td>N/A</td>
</tr>
<tr>
<td>SP, SV, UV</td>
<td>$372</td>
<td>N/A</td>
</tr>
<tr>
<td>A-Lot</td>
<td>$735741</td>
<td>N/A</td>
</tr>
<tr>
<td>B, U, UD</td>
<td>$408414</td>
<td>N/A</td>
</tr>
<tr>
<td>R</td>
<td>$3035</td>
<td>N/A</td>
</tr>
<tr>
<td>C</td>
<td>$318</td>
<td>N/A</td>
</tr>
<tr>
<td>RE</td>
<td>N/A</td>
<td>$292304</td>
</tr>
<tr>
<td>RW</td>
<td>N/A</td>
<td>$292304</td>
</tr>
<tr>
<td>CD</td>
<td>$318</td>
<td>$306318</td>
</tr>
<tr>
<td>DD</td>
<td>$348N/A</td>
<td>$306318</td>
</tr>
<tr>
<td>W, RP</td>
<td>N/A</td>
<td>$246252</td>
</tr>
<tr>
<td>P</td>
<td>N/A</td>
<td>$200207</td>
</tr>
<tr>
<td>M</td>
<td>$6063</td>
<td>$6063</td>
</tr>
<tr>
<td>RD</td>
<td>$348</td>
<td>N/A</td>
</tr>
<tr>
<td>SL</td>
<td>N/A</td>
<td>$306318</td>
</tr>
<tr>
<td>L</td>
<td>$5657/semester</td>
<td>$5657/semester</td>
</tr>
<tr>
<td>T</td>
<td>Trustee Permit $4035</td>
<td>N/A</td>
</tr>
<tr>
<td>V</td>
<td>$99</td>
<td>$99</td>
</tr>
<tr>
<td>RS</td>
<td>N/A</td>
<td>$183480</td>
</tr>
<tr>
<td>LZ</td>
<td>No Cost For First Departmental Permit, $25 Per Additional</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*"Others" represents non-University companies or individuals

#### 3.6 Transferable Permits

3.6.1 A permit holder with multiple vehicles registered to their permit may be assigned one of these types of permits to be transferred between vehicles: (1) hang tag permit for display hanging from rearview mirror, or (2) an adhesive or static cling removable permit for display directly on the lower right hand (passenger) side of the front windshield. The permit must be displayed on the vehicle that is parked on campus. This includes individuals who carpool.
3.7 Temporary Replacement Permits

3.7.1 Authorized permit holders may receive a temporary replacement permit if a vehicle they are driving to campus does not have the permit displayed.

   a. Permit holders are not entitled to obtain a temporary permit if the vehicle, which is displaying the original permit, is parked on campus.
   b. Transportation reserves the right to limit the number of temporary replacement permits issued to an individual.

3.8 Affixing/Displaying the Permit (Automobiles)

3.8.1 Permits must be displayed in the intended manner for the type of permit issued. The entire permit must be clearly visible and cannot be obscured in any way. Hang tag permits must be displayed hanging from the rearview mirror. If no rearview mirror exists, the permit must be displayed face up on the dash in the right hand (passenger) side of the front windshield. Adhesive or static cling permits must be affixed to the right hand (passenger) side of the front windshield with the original adhesive material provided on the permit.

3.8.2 Daily Visitor, Accessibility, or Access Hang Tag permits must be placed on the rearview mirror so that the permit number faces out. In vehicles without suspended mirrors, place permit number side up on right hand (passenger) side of dashboard.

3.8.3 A violation of this section (Improper Display of Permit) may result in a fine.

3.9 Permit Replacement

3.9.1 Replacement

If a permit holder can return an identifiable portion, including the number of the permit, and the permit is registered to that individual, then he may receive a replacement free of charge.

3.9.2 Charges for Replacement

   a. If a permit holder cannot return an identifiable portion of their permit, they will be charged $10 for a new permit.
   b. If a permit has been lost or stolen, the person to whom the permit was registered may receive a replacement permit for a processing fee of $10.
   c. A lost or stolen permit report must be filed with Transportation prior to replacement.
   d. If a gate card is lost or stolen, a replacement will be issued for a fee of $10. Damaged gate cards must be replaced and there is no charge to replace a defective card unless it is evident the card has been intentionally damaged.
   e. If a lost/stolen permit and/or gate card is found, it must be returned to Transportation and the processing fee will be refunded.
   f. Displaying and/or possession of a lost/stolen permit or gate card will result in a fine, loss of parking privileges for up to one year, and the restitution cost of the permit, and/or gate card.
3.10 Unlawful transfer or Use on Unauthorized Vehicle

3.10.1 Parking permits, gate cards, and remote electronic gate openers and access control devices remain the property of Transportation and as such, parking permits, replacement permits, gate cards and remote electronic gate openers and access control devices may not be given, sold or traded to another person.

3.10.2 A violation of this section (Unlawful transfer or Use on Unauthorized Vehicle) may result in a fine, loss of parking privileges for up to one year and/or restitution of said permit and/or gate card.

3.11 Forging, Counterfeiting or Altering of Permits

3.11.1 It is a violation to forge, counterfeit or alter a parking permit in any manner, way, shape or form.

3.11.2 A violation of this section (Forging, Counterfeiting or Altering permits) may result in a fine, loss of parking privileges for up to one year and/or restitution of the permit cost from beginning of the academic year up through recovery date of the counterfeit permit.

3.12 Presenting False Information

3.12.1 It is a violation to present, attempt to present or conspire to present information that an individual would have reason to believe is false, to any employee or agent of Transportation for the purpose of obtaining a permanent or temporary parking permit, maintaining a parking permit, processing a petition/appeal or the purpose of deceiving any employee or agent.

3.12.2 A violation of this section (Presenting False Information) may result in a fine and/or loss of parking privileges for up to one year.

3.13 Carpools

3.13.1 Members of carpools are required to follow all procedures and regulations according to this Ordinance with the following modifications:

   a. Carpoolers must register with Transportation each vehicle that will be driven to campus.
   b. One transferable permit will be issued to the carpool.
   c. The carpool will be charged for only one permit.

4.0 PARKING REGULATIONS

4.1 Permit Enforcement

4.1.1 Non-Reserved Parking Spaces/Areas

Parking enforcement is between the hours of 7 a.m. and 5 p.m. Monday through Friday, in any unreserved parking space. “RE” and “RW” zones are enforced from 7 a.m. to midnight, Monday
through Thursday and 5 p.m. on Friday. The Lot behind Peele Hall is enforced 7 a.m. through 7 p.m. Monday through Friday. During official University holidays: New Year's Day, Martin Luther King Jr.'s Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas unreserved parking spaces/areas are not enforced. At all other times, an appropriate permit must be displayed to park in these areas.

4.1.2 Reserved Parking Spaces/Gated "A"-Lots

Parking enforcement is twenty-four hours a day, seven days a week, including University Holidays. At all times, the appropriate permit for the reserved space/area/lot must be displayed on the vehicle.

4.1.3 If a gate to a reserved parking area is raised for any reason, enforcement will be maintained for the permit(s) required for that area.

4.1.4 Specifically designated Client/Visitor Spaces are for use by individuals utilizing business services of the adjacent building and not for general employee parking. Noted time frames apply.

4.1.5 "L" zone permits may park in the “CC”, “DD”, “CD”, “W”, “P” and “V” designated areas between the hours of 7 a.m. and 9 a.m. and after 3 p.m.

4.1.6 The Hillsborough East and West Lots require a "B" zone permit from 7 a.m. to 5 p.m. Monday through Friday, and ANY valid University permit at all other times. This lot is monitored 24 hours a day, 7 days a week.

4.1.7 The appropriate permit is required to be displayed at all times in any space marked "24 HOUR TOWING." A vehicle in violation is subject to a parking citation and immediate towing at the owner's expense.

4.1.8 Pay Lots will be enforced during posted times noted at each lot entrance. Overnight parking in a pay lot is subject to a parking citation for the violator and possible towing at the owner's expense.

4.1.9 Multiple citations may be issued in pay lots or at meters.

4.1.10 A violation of this section 4.1 will result in a fine and/or towing.
4.2 Permit Enforcement Zones

4.2.1 A current University Parking Permit is required to be displayed on the campus during the enforcement times, except while parking in parking meter zones or pay lots. Permit holders must pay the required fee for time parked at meters and in pay lots, even if a current permit is displayed on the vehicle.

4.2.2 Employee parking Permit Types are valid in the parking zone areas as indicated below

<table>
<thead>
<tr>
<th>Permit Type</th>
<th>Valid Individual Space</th>
<th>SV</th>
<th>B</th>
<th>C</th>
<th>CD</th>
<th>RE</th>
<th>RW</th>
<th>W</th>
<th>P</th>
<th>RS</th>
<th>V</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS</td>
<td>Specific assigned space/lot</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>A1-A4</td>
<td>Specific assigned space/lot</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>UV</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>SV/SP</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>U,R,UD</td>
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<tr>
<td>CD</td>
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<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Notes:
1) A1-5 permits are not interchangeable; i.e., A1 is not valid in A4, A4 is not valid in A1, A5, etc.
2) "L" permits are valid in the CC, CD, DD, W, V and P zones 7 a.m. to 9 a.m. and after 3 p.m.
3) Visitor parking is provided in designated areas in the Coliseum Deck, Dan Allen Deck and West Lot. A visitor permit must be displayed.
4.2.3 Student parking permit types are valid in the parking zone area as indicated below.

<table>
<thead>
<tr>
<th>Permit Type</th>
<th>Valid Individual Space</th>
<th>Valid Permit Zone(s) for Each Permit Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CC CD DD W P V RE RP RW RS</td>
<td></td>
</tr>
<tr>
<td>CC</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>CD</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>DD</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>W</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>V</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>RE</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>RP</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>RW</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>RS</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Notes: 1) “L” permits are valid in CC, CD, DD, W, P, and V areas 7 a.m. to 9 p.m. and after 3 p.m.
2) CC, CD, DD may cross park after 3 p.m. (ie. CC valid in CD & DD, CD valid in CC & DD, etc.)

4.3 Areas receiving 24 Hour Enforcement

4.3.1 No Parking Areas

It shall be unlawful for any person to park a vehicle on the campus in any area or lot except in spaces marked or designated for parking. This includes drive lanes and driveways, intersections, landscape areas, and blocking of any pedestrian route or accessible aisle or route.

This section is not intended to prohibit the stopping of a vehicle, while actually loading or unloading passengers, yielding to an emergency vehicle, yielding to pedestrians or other traffic, following the direction of a traffic sign, signal or other device, the stopping of a public conveyance or by instruction of a law enforcement officer, so long as said vehicle does not obstruct any crosswalk, accessibility parking areas, walkway, intersection or access to any accessibility parking areas.

4.3.2 Chancellor's residence: No person will park a vehicle at the Chancellor's residence, 1903 Hillsborough Street, 1570 Main Campus Drive except for the Chancellor, his/her family and their visitors or invited guests.

4.3.3 Fire Lanes: Certain campus areas are designated as "fire lanes" and carry a more severe penalty, including a fine and 24-hour towing, for blocking these zones. Fire lanes are typically designated with red painted curbs with "fire lanes" in white and/or signage. Yellow hatching or verbiage on the pavement may additionally define the area.
4.3.4 **Fire Hydrants:** Parking in a manner that blocks access to any fire hydrant, regardless of the presence of special "fire lane" designation, is a violation of this section.

4.3.5 **Stand pipes:** Parking in such a manner that blocks access to any standpipe or sprinkler system is a violation of this Ordinance.

4.3.6 **Barrier Posts:** Parking in front of or beyond removable barrier posts is a violation of this Ordinance.

4.3.7 **Street Access:** Certain streets, lanes or curbs may be designated by Transportation as fire lanes for other life safety reasons, such as high rise building access, fire truck turning radius, ambulance access, etc.

4.3.8 **Access areas to Accessibility Parking:** Parking in a manner that blocks a curb cut, path, and/or access point to an accessibility parking space. Parking illegally in an accessible parking space or blocking access to such a space is subject to 24-hour enforcement. This includes a fine and towing.

4.3.9 A violation of this section will result in a fine and the vehicle is subject to 24 hour towing.

Note: A list of the locations of fire hydrants, standpipes, barrier posts and street access is maintained at Transportation.

4.4 **Parking Restrictions**

4.4.1 A vehicle must always be parked in the manner and direction indicated by the parking markings and within the confines of the parking space. A vehicle may not encroach its wheels into another space.

4.4.2 **No vehicle parked on campus may:**

   a. be displayed for sale
   b. have maintenance performed on it, including washing, greasing, or repairing the vehicle except in the case of repairs necessitated by an emergency, and only then if the vehicle is in a marked space and has been reported to Transportation
   c. be exempted from ticketing because a note has been left on the vehicle windshield or flashing lights have been left on
   d. be stored in a manner which is not incident to the bonafide use and operation of the vehicle; or
   e. have a trailer attached to it when parked. Trailers may not be parked on campus without permission by Transportation.

4.4.3 No person will park a vehicle in any space labeled "24 HOUR TOWING" unless the proper permit for that space is displayed on said vehicle.

4.4.4 No person will park a vehicle in any space designated for accessibility parking unless the proper permit for that space is displayed on the vehicle.
4.4.5 No person will park a vehicle in a pay lot without payment for time indicated by ticket receipts received from an automated collection device, receipt of stated fees from an attendant, fee indicator, or posted sign.

4.4.6 A violation of this section 4.4 will result in a fine except for subsections 4.4.3 and 4.4.4, which will result in a fine and the vehicle is subject to towing.

4.5 Parking Meters/Automatic Pay Lot Devices

4.5.1 This section will apply between the hours of 7 a.m. and 5 p.m. Monday through Friday. Meters are enforced between the hours of 7 a.m. and 5 p.m. and times of enforcement for pay lots are posted.

4.5.2 When any vehicle will be parked in any parking space alongside or next to where a parking meter is located, the operator will, upon entering the parking meter space, immediately deposit the proper coin (U.S. currency) as is designated by proper directions on the meter. When required by the directions on the meter, the operator of the vehicle, after the deposit of the proper coin or coins, will also set in operation the timing mechanism of the meter in accordance with the directions appearing thereon. Failure to deposit such proper coins and setting the timing mechanism in operation correctly when so required, will constitute a violation of this section.

4.5.3 Any person placing a vehicle in a parking meter space which indicates that unused time has been left in the meter by a previous occupant of the space will not be required to deposit a coin if occupancy does not exceed the indicated unused parking time.

4.5.4 If any vehicle remains parked in any such parking meter space beyond the parking time limit set for such parking space and if the meter indicates such illegal parking, then, in that event, the vehicle will be considered as parking overtime and in violation of this section.

4.5.5 A violation of this section 4.5 will result in a fine.

4.5.6 Transportation will be responsible for posting parking meters of a specified time in locations as needed throughout campus.

4.5.7 No person will deposit or attempt to deposit a slug, button, foreign currency, or any other device or substance as a substitute for coins of United States currency. The parking meters accept nickels, dimes, and quarters for proper operation.

4.5.8 It is unlawful for any person to deface, damage, tamper with, willfully break, destroy or impair the usefulness of, or to open without lawful authority an entry or exit gate or parking meter. A violation of this subsection will result in a fine and the cost of repairs incurred.

4.5.9 For use of automatic pay lot devices see instructions posted on the pay on foot station. All vehicles parked in the Dan Allen Deck pay lot must make proper payment using the automatic pay lot device at the time of parking a vehicle.

Note: A list of parking meter locations is maintained in Transportation.
4.6 Pay Lots

4.6.1 Any vehicle may park in lots designated as pay lots. Pay lots may be controlled by attendants, automated collection devices or drop slots for payment, and will be monitored by Parking Enforcement.

4.6.2 Pay lots are located at the following sites:

- Dan Allen Drive Parking Deck/First Level
- Ground level of Coliseum Deck
- Partners Way Deck

Vehicles entering these lots may pay fees on an hourly basis. Hourly time periods are sixty (60) minutes from the time the vehicle entered.

4.6.3 Vehicles may not park overnight in any timed zone.

4.6.4 A violation of this section 4.6 will result in a fine or fines.

4.7 Timed Zones

4.7.1 It will be unlawful for any vehicle to remain in a space or area with a designated time limit for more than the stated time.

4.7.2 A violation of this section 4.7 will result in a fine.

4.8 Repeat Offenders

4.8.1 Upon receiving the sixth (6) violation within any six month period, the vehicle will be placed on the tow/immobilization list. A maximum of one (1) meter violation per day will count in total ticket count. Any additional violation of the Parking Ordinance may result in the vehicle being towed or immobilized. A vehicle will remain on the tow/immobilization list for as long as six (6) tickets have been received in the immediate preceding six-month (6) period.

4.9 Prohibited Use of Streets and Transportation Facilities

4.9.1 Any person or group who wishes to use campus streets or transportation facilities for any purpose other than that which they are intended or for mass distribution or posting of information in the form of flyers or anything else put on vehicles parked on campus, or on facilities and structures, must first obtain authorization from Transportation. It shall be unlawful for any person, firm, or corporation to use the streets, roadways, alleys, driveways, sidewalks, parking lots or parking areas on the campus for the purpose of:

a. Advertising any article, commodity, service or event by sign, poster, drawing or photograph, by crying out the same or by using any loudspeaker, musical instrument or noise making device, without expressed, written permission of the University.
b. Selling or offering for sale any article, commodity or service except by those persons, firms or
corporations who are official selling agencies of the University.

4.9.2 Any person or group who wishes to use campus streets or parking areas for any purpose other
than normal academic or administrative activities must obtain authorization from the Director of
Transportation.

a. There may be a rental fee charged based on size of lot, length of use and location.
b. There will be a fee assessed for any labor and/or materials provided by Transportation.
c. There will be a cleaning and maintenance charge assessed for any work required to return a lot
to its condition prior to rental, normal wear excepted.

4.10 Abandoned Vehicles

4.10.1 The Director of Transportation is hereby authorized to remove any vehicle that has been parked
illegally for more than ten days, or which is determined to be "derelict" under North Carolina General
Statute 20- 137.7, and dispose of such vehicles as prescribed by North Carolina General Statute 20-
137.6 to 20-137.14.

4.11 Blocking Vehicles/Disabled Vehicles

4.11.1 It shall be unlawful to park a vehicle in such a manner to prevent another vehicle from
movement.

a. Inoperable/disabled vehicles must be reported to NC State University Campus Police and/or
Transportation.
b. Inoperable/disabled vehicles left standing in driveways, driving lanes, tow lanes, blocking
vehicles or other no parking areas are subject to being towed and fined.
c. It is advised that the inoperable/disabled vehicle owner/driver move the car to the nearest
unreserved, designated parking space and obtain the proper permit from Transportation
immediately thereafter.
d. Operators of disabled vehicles must obtain and display a disabled vehicle permit if no zone
permit is displayed on the disabled vehicle.

5.0 ENFORCEMENT

5.1 Penalties

5.1.1 The Director of Transportation is hereby authorized to collect a fine in the following amount for
a violation of this Ordinance.

<table>
<thead>
<tr>
<th>Violation Code</th>
<th>Violation Description</th>
<th>Amount of Fine</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>No Parking Permit Displayed Expired Permit Visitor or Vendor Space</td>
<td>$40</td>
</tr>
<tr>
<td>02</td>
<td>Permit Improperly Displayed</td>
<td>$5</td>
</tr>
<tr>
<td>03</td>
<td>Parking Outside Authorized Permit Area</td>
<td>$30</td>
</tr>
<tr>
<td>04</td>
<td>Encroachment of Two Spaces</td>
<td>$20</td>
</tr>
</tbody>
</table>
### 6.3.A5.3.A

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Fine</th>
</tr>
</thead>
<tbody>
<tr>
<td>05</td>
<td>Unauthorized Parking in any Reserved Space, Lot or Area</td>
<td>$40</td>
</tr>
<tr>
<td>06</td>
<td>Overtime Parking at a Meter or Timed Space/Zone</td>
<td>$10</td>
</tr>
<tr>
<td>07</td>
<td>Unauthorized parking in an AV or SV space</td>
<td>$40</td>
</tr>
<tr>
<td>08</td>
<td>Failure To Pay in a Paylot</td>
<td>$30</td>
</tr>
<tr>
<td>09</td>
<td>Parking in a No Parking Area</td>
<td>$50</td>
</tr>
<tr>
<td>10</td>
<td>Parking in a fire lane</td>
<td>$50</td>
</tr>
<tr>
<td>11</td>
<td>Parking in an Accessibility Space, Blocking an Accessible Aisle, Path or Curb cut</td>
<td>$250</td>
</tr>
<tr>
<td>12</td>
<td>Displaying an Unauthorized Permit, Altering a Parking Permit, Forging a Parking Permit</td>
<td>$100, plus loss of parking privileges**</td>
</tr>
<tr>
<td>14</td>
<td>Warning, with directive to correct*</td>
<td>No Fine</td>
</tr>
<tr>
<td>15</td>
<td>Warning, with directive to correct*</td>
<td>No Fine</td>
</tr>
<tr>
<td>16</td>
<td>Warning, with directive to correct*</td>
<td>No Fine</td>
</tr>
<tr>
<td>17</td>
<td>Warning, with directive to correct*</td>
<td>No Fine</td>
</tr>
<tr>
<td>18</td>
<td>Warning, with directive to correct*</td>
<td>No Fine</td>
</tr>
<tr>
<td>19</td>
<td>Warning, with directive to correct*</td>
<td>No Fine</td>
</tr>
<tr>
<td>Other</td>
<td>Boot Removal Fee</td>
<td>1st Boot $50 / Subsequent Boot $100</td>
</tr>
<tr>
<td>Other</td>
<td>On Campus Relocation</td>
<td>Contract Rate</td>
</tr>
<tr>
<td>Other</td>
<td>Towing Relocation Fee</td>
<td>Contract Rate</td>
</tr>
<tr>
<td>Other</td>
<td>Damages to Transportation Facilities</td>
<td>Amount of Repairs</td>
</tr>
</tbody>
</table>

*Certain first-time parking violations will may result in a warning citation being issued with no fine associated.
**Plus restitution for cost of permit.

### 5.2 Towing

5.2.1 The Director of Transportation is hereby authorized to have vehicles towed from the campus of the University to a designated place of storage for any vehicle in violation of the following:

- unauthorized parking in a space marked 24 HOUR TOWING
- a violation of section 4.4.4 “unauthorized parking in a disabled space”
- parking in a no parking area
- unauthorized parking at 1903 Hillsborough Street, 1570 Main Campus Drive
- repeat offenders
- abandoned or stored vehicles
- unauthorized parking in a reserved space and/or lot
- a vehicle that has had an immobilization device placed on it, and remains unclaimed after 36 hours.
- Upon evidence of tampering with a boot or threatening to remove a boot.
- Unauthorized use of permit.

5.2.2 In addition to any fine assessed for a violation of this Ordinance, the owner of a vehicle which is towed from the University is responsible for payment directly to the towing contractor of any towing and/or storage fee charged for such towing.

5.2.3 Notice of North Carolina State Law Concerning Towed Vehicles
North Carolina State University provides an appeal procedure for the resolution of both towing and parking violations (see Section 6). North Carolina GS 20-119.11 provides the following:

Whenever a vehicle with a valid license plate or registration is towed as provided in G. S. 20-119.2, the authorizing person will immediately notify the last known registered owner of the vehicle of the following:

- description of the vehicle;
- location of vehicle;
- violation with which the owner is charged, if any;
- procedure the owner must follow to have the vehicle returned to him; and
- procedure the owner must follow to request a probable cause hearing on the towing.

The owner or any other person entitled to claim possession of the vehicle may request in writing a hearing to determine if probable cause existed for the towing. The request must be filed with the magistrate in the county where the vehicle was towed by the person entitled to claim possession.

The magistrate will set the hearing within 72 hours of his receiving the request. The only issue at this hearing is whether or not probable cause existed for the towing. If the magistrate finds that probable cause did exist, the tower's lien continues. If the magistrate finds that probable cause did not exist, the tower's lien is extinguished. Any aggrieved party may appeal the magistrate's decision to district court.

5.3 Vehicle Immobilization

5.3.1 Any vehicle parked in violation of this Ordinance or any parking regulation issued hereunder may be immobilized by use of a wheel boot.

5.3.2 Wheel boots may be removed only by Transportation staff, upon payment of the boot removal fee and all outstanding fines. The owner or custodian of a vehicle impounded under any regulation of this Ordinance may petition the immobilization. Submitting a petition is not a substitute for payment of the boot removal fee.

5.3.3 Vehicles immobilized for longer than thirty-six hours will be towed from the University to a designated storage facility. The owner or custodian of the vehicle will be responsible for both the boot removal and towing fees, applicable storage fees, and accumulated fines. A vehicle will not be released until restitution arrangements are complete.

5.3.4 Vehicles are released from towing and immobilization during normal office hours, 7 a.m. - 5 p.m., Monday through Friday.

5.4 Suspension of Parking Privileges

5.4.1 The Director of Transportation can, in addition to any other penalty, suspend the parking privileges of any individual found to be in violation of the following:

- unauthorized use of a permit
- counterfeiting or altering of permits
- presenting false information
- repeat offenders
6.3.3.4

e. failure to settle outstanding fines and fees
f. destruction or damage to University property

Chronic offenders are subject to escalating punitive enforcement measures that include, but are not limited to, booting of the vehicle on each subsequent violation, towing of vehicle on each subsequent violation, revocation of parking privileges and/or (as applicable) referral the Office on Student Conduct.

5.5 Payment of Fines, Fees and Charges

5.5.1 Payments due to Transportation may be made in the following manners:

a. Cash (not mailed), valid one-party checks, payroll deduction (employees only), debit, credit cards or All Campus Card. Coins will not be accepted as a primary source of payment.
b. Service Unit Billings - State funds may not be used for payment of parking violations or permits for employees' personal vehicles.
c. University Cashier - The University Cashier will accept payments for delinquent student parking violations that have been forwarded to the University Cashier's Office from Transportation.

5.6 Failure to Settle Fines, Fees and Charges

5.6.1 Failure to settle outstanding transportation fines, fees, and/or charges within the required time frame can result in the University's arranging for the collection of fees assessed against faculty, staff, students, and visitors in the following manner:

a. Penalties owed by employees of the University may be deducted from payroll checks.
b. Penalties owed by students will be forwarded to the University Cashier for collection in the same manner that other debts owed to the University by students are collected.
c. Individuals whose fines are not collected through payroll deduction or by the University Cashier's Office will be forwarded to a collection agency, the Attorney General's Office, or the Department of Revenue for collection.

Payments are expected for the following:

a. permits
b. parking violations
c. replacement of returned check
d. returned check charges
e. gate cards and remote-controlled gate openers
f. repairs to damaged property
g. boot removal fees and towing
h. imposed fines

5.7 Petition/Appeals
6.3 A 5.3. A

5.7.1 Individuals issued parking violations and other violation fines, restitution and/or suspension of parking privileges may petition appeal the penalty within fourteen calendar days of the date of the citation or letter imposing punishment.

a. Petitions Appeal must be filed online at the Transportation office or through the Transportation website.
b. All information requested on the petition appeal form must be provided to constitute a valid petition appeal.
c. Only those petitions appeals received during the fourteen-calendar day deadline will be reviewed.
d. Late or incomplete petitions appeals will not be reviewed.
e. Petitioners Appellants will be notified by mail and/or e-mail of the decision to grant or deny their request.

5.7.2 Petition and Appeal Rulings:

a. If the petition appeal is granted, no further action is necessary.
b. If the petition appeal is denied, the petitioner appellant may, in some cases, submit an a Request for an Appeal Board Hearing.
   1. Fine amounts must be paid prior to an Board Hearing Appeal request being accepted.
   2. Appeal Board Hearing requests must be received within 14 days of the petition appeal decision.
   3. All information on the appeal form must be provided to constitute a valid appeal Board Hearing Request.

c. Only appeals that meet the requirements of 5.7.2.b. will be reviewed.
d. Appeals Board Hearing Requests are not accepted for the following violations based on the defined circumstances:

   - Overtime Parking-If meter or timed permit has expired
   - No Parking Permit- On the third and subsequent violations of the same infraction received within a one year period. Parking outside permit area on the third and subsequent violations received within a one year period.
   - Parking in a Fire Lane-Unless documentation of a life threatening emergency is provided

5.7.3 Appeals Accepted Board Hearing Requests will be presented before an Appeals Hearing Board. The individual will be notified in writing of the hearing date, time and location. Attendance at the hearing is not required. Each individual is permitted one continuance of the hearing if they are unable to attend. A continuance must be requested at least 48 hours prior to the scheduled date. Individuals must be on time for their hearing; cases will not be rescheduled.

-Appellants are required to notify Petitions Appeals Officer on whether or not they will attend the hearing. Failure to do so will result in nullification of the Hearing Request and

-Appellants are not required to attend the hearing. However, no shows will not be reviewed and the fine reverts to the original amount.
The decision reached by the Hearing Board is final. There are no further procedures available with the University to have the appeal reviewed. If the appeal is denied, collection procedures will be initiated and payment must be made within 14 calendar days of the notice of denial.

5.7.4 The Appeals Hearing Board will hear and make decisions for all appeals. Board Hearing Requests.

Judgment for petitions or appeals of a Board is based on:

- Information provided by the petitioner/appellant.
- Any information provided by Transportation or Campus Police to include previous violations records.
- This Ordinance.
- Information contained in the parking violation notice.
- The issuing officer's testimony.

5.7.5 Appeals Hearing Board Membership

Student members are recommended by the Student Government. Faculty members are recommended by the Faculty Senate. Staff members are recommended by the Staff Senate.

5.7.6 Appeals Hearing Board Structure and Process at Hearings

Each appeal will be heard and a decision reached by a group of the appellant's peers.

- A member of the University Legal Counsel may be used as a consultant to answer legal concerns posed by the Appeals Hearings Board.
- A representative of Transportation may attend each hearing to clarify any operational questions that may arise.
- Appeals Hearings Board will meet monthly, as the academic schedule allows. When additional hearings are necessary to process appeals, the Hearing Officer will determine and schedule appropriate date and time.

5.7.7 Outside Legal Counsel

Although active participation by legal counsel is not permitted, a third party observer may be allowed. This observer may not actively participate during the hearing process. The appellant must inform the Hearings Officer at least 48 hours prior to their hearing date if they wish to have an observer present and the name of that individual.

6.0 TRAFFIC REGULATIONS

6.1 The Director of Transportation is responsible for establishing and posting all traffic control signs and devices on campus for the purpose of regulating vehicular operations and speeds for University streets, roads, parking lots, parking structures, or anywhere vehicles may travel. These signs/devices
may regulate vehicle direction, vehicle stopping or yielding, fire lanes, no parking areas, pedestrian crossings or any other regulatory needs to direct or control the flow of vehicles.

6.2 Speed Limits

6.2.1 Pursuant to the provisions of North Carolina General Statute 116-44.4, 25 miles per hour is the maximum allowable speed on the campus of the University, unless otherwise posted.

6.2.2 Speed limits will be enforced campus-wide by NC State University Campus Police for the maximum speed posted along each street, road, alley and driveway, and within each parking lot or parking deck.

6.3 Directional Signs

6.3.1 No vehicle will be driven or operated to go in a direction opposite to that indicated by signs or markings placed, posted or installed to indicate one-way streets or "Do Not Enter" areas. All one-way streets are marked by "ONE WAY" and/or "DO NOT ENTER" signs.

6.4 Instructional Signs

6.4.1 No vehicle will be driven or operated to go in any manner opposite to that indicated by the signs or markings that direct traffic in a specific manner or way.

6.5 Stop Signs

6.5.1 When stop signs are posted, placed or installed or when clearly marked stop bars are painted upon any streets or roadways intersecting any other streets or roadways, the operator of a vehicle will stop in obedience thereto and yield the right of way to vehicles operating on designated main traveled or through streets.

6.6 Yield Signs

6.6.1 When yield signs are posted, placed or installed, upon any streets or roadways, the operator of a vehicle will yield at every such sign, except when directed otherwise by a law enforcement officer or by a traffic control signal or traffic control device.

6.7 Traffic Control Signals

6.7.1 Vehicles facing a red light from a steady or strobe beam traffic signal will not enter the intersection while the steady or strobe beam traffic signal is emitting a red light; except where prohibited by an appropriate sign, vehicular traffic facing a red light, after coming to a complete stop at the intersection, may enter the intersection to make a right turn. Vehicles will yield the right-of-way to pedestrians and to other traffic using the intersection. When the traffic signal is emitting a steady yellow light, vehicles facing the yellow light are warned that a red light will be immediately forthcoming. When the traffic signal is emitting a steady green light, vehicles may proceed with due
6.3.5 A

Care through the intersection subject to the rights of pedestrians and other vehicles as may otherwise be provided by law.

6.7.2 When a flashing red light has been erected or installed at an intersection, approaching vehicles facing the red light will stop and yield the right-of-way to vehicles in or approaching the intersection. The right to proceed will be subject to the rules applicable to making a stop at a stop sign.

6.7.3 When a flashing yellow light has been erected or installed at an intersection, approaching vehicles facing the yellow flashing light may proceed through the intersection with caution, yielding the right-of-way to vehicles in or approaching the intersection.

6.7.4 When a stop sign, traffic signal, flashing light, or other traffic-control device requires a vehicle to stop at an intersection, the driver will stop at an appropriately marked stop line or, if none, before entering a marked crosswalk or, if none, before entering the intersection at the point nearest the intersecting street where the driver has a view of approaching traffic on the intersecting street.

**6.8 Penalty for Violation of this Article**

6.8.1 The penalty for violation of any regulation prescribed in 6.0 will be a criminal penalty payable to District Court consistent with General Statute 20.
"CC" permits are valid in the Partner’s Way Deck, Toxicology Deck, MRC Deck, and CBC Deck.

"DO" permits are ONLY valid in the Dan Allen Deck.

"RE" and "RW" permits are NOT interchangeable and are enforced 7 a.m. - Midnight, Mon. - Thur. and 7 a.m. - 5 p.m. on Friday.

University permits required in Hillsborough East/West Lots at all times.

"L." Permit is valid 7 a.m. to 9 a.m. and after 3 p.m. in "CC," "DD," "CD," "P," and "W" zones.

For more information about Transportation Parking Policies visit: www.ncsu.edu/transportation
### Approval of Plans and Specifications of Formal Projects
#### Less than $2,000,000

**Note:** The projects below are submitted to the Trustees’ Buildings and Property Committee for formal acceptance of plans and specifications. This listing represents projects received since the February 16 meeting.

<table>
<thead>
<tr>
<th>Project</th>
<th>Construction Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>CALS Dairy Office and Milking Parlor</td>
<td>$450,000</td>
</tr>
<tr>
<td>Dairy Museum: Renovate Dairy Room</td>
<td></td>
</tr>
<tr>
<td>Designer: HH Architecture</td>
<td></td>
</tr>
<tr>
<td>Raleigh, NC</td>
<td></td>
</tr>
<tr>
<td>Fund Source: Departmental</td>
<td></td>
</tr>
<tr>
<td><strong>Partners I</strong></td>
<td><strong>$250,000</strong></td>
</tr>
<tr>
<td>New Generator/CMDF Telecom Room</td>
<td></td>
</tr>
<tr>
<td>Designer: Spring Stoop McCullen Engineers</td>
<td></td>
</tr>
<tr>
<td>Durham, NC</td>
<td></td>
</tr>
<tr>
<td>Funding: Departmental</td>
<td></td>
</tr>
</tbody>
</table>
# NORTH CAROLINA STATE UNIVERSITY

<table>
<thead>
<tr>
<th>Code/Item</th>
<th>Project Name</th>
<th>Status</th>
<th>Bid</th>
<th>Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>41024 306</td>
<td>Broughton Hall</td>
<td>In Design</td>
<td>SD Production Underway</td>
<td>- Project going on hold after SD</td>
</tr>
<tr>
<td>40824 313</td>
<td>Gregg Museum</td>
<td>In Design</td>
<td>SD/DD Production Underway</td>
<td>- Project on hold after DD</td>
</tr>
<tr>
<td>40624 315</td>
<td>Yarbrough Chiller Plant Capacity Expansion</td>
<td>In Design</td>
<td>4/5/12 - 12/20/12</td>
<td>Advertising for Bids</td>
</tr>
<tr>
<td>41024 305</td>
<td>Sullivan Substation Redundancy</td>
<td>In Design</td>
<td>5/1/12 - 12/12/12</td>
<td>CD Review Underway</td>
</tr>
<tr>
<td>41024 303</td>
<td>Alternate Communications Route - Permanent</td>
<td>In Design</td>
<td>5/1/12 - 11/7/12</td>
<td>Advertising to Prequalify GC</td>
</tr>
<tr>
<td>41024 309</td>
<td>Early College High School</td>
<td>In Design</td>
<td>5/14/12 - 6/20/13</td>
<td>CD Review Underway</td>
</tr>
<tr>
<td>41024 308</td>
<td>Phytotron Renovation - Grant Funded Project</td>
<td>In Design</td>
<td>8/29/12 - 4/8/13</td>
<td>CD Production Underway</td>
</tr>
<tr>
<td>41024 310</td>
<td>Burlington Labs Upgrades</td>
<td>In Design</td>
<td>10/5/12 - 2/20/13</td>
<td>Negotiating Design Fee Based on Revised Scope</td>
</tr>
<tr>
<td>40624 314</td>
<td>Dairy Milking Parlor</td>
<td>In Construction</td>
<td>3/16/12</td>
<td>Construction of metal building is complete. Upfit 85% construction complete</td>
</tr>
<tr>
<td>40024 303</td>
<td>Corporate Research I - HVAC &amp; Central Utility Connection</td>
<td>In Construction</td>
<td>3/26/12</td>
<td>55% Construction complete</td>
</tr>
<tr>
<td>41024 313</td>
<td>Slocum Forestry Camp - 4 New Cabins</td>
<td>In Construction</td>
<td>3/30/12</td>
<td>80% Construction complete</td>
</tr>
<tr>
<td>41024 313</td>
<td>Slocum Forestry Camp - New Classroom</td>
<td>In Construction</td>
<td>3/30/12</td>
<td>80% Construction complete</td>
</tr>
<tr>
<td>40024 303</td>
<td>Partners I &amp; Research IV Interior Renovation</td>
<td>In Construction</td>
<td>6/14/12</td>
<td>15% Construction complete</td>
</tr>
<tr>
<td>40724 301</td>
<td>Hunt Library Complex</td>
<td>In Construction</td>
<td>6/14/12</td>
<td>Clearing Package - Complete Deck - Complete Infrastructure 98% construction complete Building 83% construction complete IEI Gallery - expected completion date 12/21/12</td>
</tr>
<tr>
<td>41024 370</td>
<td>(Cogen) Cates &amp; Yarbrough Plants - Boiler Replacement</td>
<td>In Construction</td>
<td>5/22/13</td>
<td>43% Construction complete</td>
</tr>
<tr>
<td>41024 312</td>
<td>Lee &amp; Sullivan Residence Halls Room Renovations</td>
<td>In Award</td>
<td>8/2/13</td>
<td>Requesting Award</td>
</tr>
<tr>
<td>40824 314</td>
<td>Centennial Campus Student Housing</td>
<td>In Construction</td>
<td>8/1/14</td>
<td>Executing Change Order for Buildings 5% Construction complete</td>
</tr>
<tr>
<td>40824 313</td>
<td>Talley Student Center Addition and Renovation</td>
<td>In Construction</td>
<td>7/6/12 - 11/27/14</td>
<td>CD Production Underway Bid date shown is for Phase I - Building Addition &amp; Renovation 6% Construction complete</td>
</tr>
<tr>
<td>41024 314</td>
<td>CBC Facilities Zone Shop - Site Work</td>
<td>Complete</td>
<td>Acceptance 3/12/12</td>
<td></td>
</tr>
<tr>
<td>40624 303</td>
<td>Non-Wovens Institute - Partners I Upfit - Centennial Campus LLC</td>
<td>Complete</td>
<td>Acceptance 3/12/12</td>
<td></td>
</tr>
<tr>
<td>40724 306</td>
<td>Carol Poole Golf Clubhouse</td>
<td>On Hold</td>
<td>Designer Selected</td>
<td></td>
</tr>
<tr>
<td>40924 307</td>
<td>Engineering Building IV</td>
<td>On Hold</td>
<td>Designer Selected</td>
<td></td>
</tr>
<tr>
<td>40924 307</td>
<td>Greek Village Townhomes</td>
<td>On Hold</td>
<td>Advanced Planning approved by State Construction on 1/7/11. Project on hold.</td>
<td></td>
</tr>
<tr>
<td>40824 312</td>
<td>J.W. Isenhour Tennis Complex Weight Room</td>
<td>On Hold</td>
<td>CD Review complete - Project on Hold</td>
<td></td>
</tr>
<tr>
<td>40624 320</td>
<td>NCSU Bell Tower Masonry Repairs, Waterproofing, &amp; Tuckpoint</td>
<td>On Hold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40724 306</td>
<td>Schaub Food Science Building - Dairy Retail Facility</td>
<td>On Hold</td>
<td>Fundraising underway in Jan. 2010; business plan not yet approved</td>
<td></td>
</tr>
<tr>
<td>SUBMITTAL NUMBER</td>
<td>PROJECT NAME</td>
<td>SCOPE</td>
<td>DESIGNER</td>
<td>PHYSICAL ENVIRONMENT REVIEW</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------</td>
<td>-------</td>
<td>----------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>017</td>
<td>Conference Center Hotel Centennial Campus</td>
<td>$500,000.00</td>
<td>Cooper Eastbridge</td>
<td>10/2/10</td>
</tr>
<tr>
<td>125</td>
<td>Witherspoon Facades and Entrance Improvements</td>
<td>$400,000</td>
<td>Jaxxis Architects</td>
<td>NA</td>
</tr>
<tr>
<td>007</td>
<td>North Shore Residential Project - Phase I</td>
<td>$25,000,000</td>
<td>Craig Davis Properties</td>
<td>On Hold</td>
</tr>
<tr>
<td>074</td>
<td>Center for Marine Sciences &amp; Technology (CMAST) Guest House</td>
<td>$1,500,000</td>
<td>Wolfe-Belanger Faulkner Architects</td>
<td>On Hold</td>
</tr>
<tr>
<td>081</td>
<td>Centennial Biomedical Campus Flex Building</td>
<td>$10,000,000</td>
<td>Jenkins-Peer Architects</td>
<td>On Hold</td>
</tr>
<tr>
<td>090</td>
<td>Greek Village - Sigma Nu House</td>
<td>$3,000,000</td>
<td>Joglehans Architects</td>
<td>3/27/07</td>
</tr>
<tr>
<td>095</td>
<td>Alliance Center</td>
<td>$27,500,000</td>
<td>Jenkins-Peer Architects</td>
<td>11/17/11/1(Deck)</td>
</tr>
<tr>
<td>097</td>
<td>James B. Hunt, Jr. Library on Centennial Campus</td>
<td>$114,000,000</td>
<td>PBCL</td>
<td>8/20/09</td>
</tr>
<tr>
<td>099</td>
<td>Co-Gen Plant (Cates &amp; Yarbrough)</td>
<td>$5,614,371</td>
<td>Joglehans Architects</td>
<td>2/19/11</td>
</tr>
<tr>
<td>100</td>
<td>Shuck Dairy Facility</td>
<td>$4,500,000</td>
<td>Cherry Huffman Architects</td>
<td>2/23/10</td>
</tr>
<tr>
<td>105</td>
<td>JW Isenhour Tennis Complex</td>
<td>$2,250,000</td>
<td>Woodard NC</td>
<td>7/18/09</td>
</tr>
<tr>
<td>106</td>
<td>Yates Hill Multi-purpose Building</td>
<td>$250,000</td>
<td>J.O. Craig Architects</td>
<td>11/18/09</td>
</tr>
<tr>
<td>112</td>
<td>Talley Student Center Addition and Renovation</td>
<td>$120,000,000</td>
<td>DLS Landscape Architects and Planners</td>
<td>11/11/10</td>
</tr>
<tr>
<td>113</td>
<td>Dan Allen Gateway</td>
<td>$171,000</td>
<td>OB Landscape Architects and Planners</td>
<td>11/18/09</td>
</tr>
<tr>
<td>114</td>
<td>Centennial Campus Student Housing</td>
<td>$120,000,000</td>
<td>LSIP Associates, Ltd.</td>
<td>10/2/10</td>
</tr>
<tr>
<td>115</td>
<td>Isenhour Tennis Center Weightroom Addition</td>
<td>$500,000</td>
<td>WHA Architects</td>
<td>11/17/11</td>
</tr>
<tr>
<td>116</td>
<td>Carol Forms Poor Clubhouse</td>
<td>$5,000,000</td>
<td>Cline Design Associates</td>
<td>11/17/11</td>
</tr>
<tr>
<td>118</td>
<td>Kappa Delta Sorority House</td>
<td>$4,000,000</td>
<td>Winstead Wilkinson Architects</td>
<td>8/27/11</td>
</tr>
<tr>
<td>120</td>
<td>University Club Improvements</td>
<td>$2,000,000</td>
<td>Winstead Wilkinson Architects</td>
<td>10/26/11</td>
</tr>
<tr>
<td>121</td>
<td>Method Road Field House</td>
<td>$415,000</td>
<td>Dan Hoffman Architects</td>
<td>8/27/11</td>
</tr>
</tbody>
</table>
## Status of Projects In Planning

**Trustees’ Buildings and Property Committee**  
and **Campus Design Review Panel**

### Firm Name

<table>
<thead>
<tr>
<th>Number</th>
<th>Project Name</th>
<th>Scope</th>
<th>Designer</th>
<th>Date Selected</th>
<th>Physical Environment Committee Review</th>
<th>TRUSTEE’S BPC REVIEW</th>
<th>Site Selection Committee Review</th>
<th>Campus Design Review Panel Review</th>
<th>TRUSTEE’S BPC Approval</th>
<th>Site Selection Committee Approval</th>
<th>TRUSTEE’S BPC Approval</th>
<th>Construction Start</th>
<th>Estimated Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>122</td>
<td>Varsity Drive Gateway</td>
<td>$150,000</td>
<td>OBS Landscape Architects</td>
<td>9/15/11</td>
<td>NA</td>
<td>NA</td>
<td>10/26/11</td>
<td>NA</td>
<td>On Hold</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>124</td>
<td>Dairy Museum at Lake Wheeler</td>
<td>$500,000</td>
<td>HH Architects</td>
<td>10/12/11</td>
<td>NA</td>
<td>NA</td>
<td>11/16/11</td>
<td>11/16/11</td>
<td>NA</td>
<td>April, 2012</td>
<td>December, 2012</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
AGENDA

CALL TO ORDER – Chair Jenkins reads State Government Ethics Act

1. CONSENT AGENDA Tab 6.1
   A. Approval of February 16, 2011 Minutes*

2. INFORMATIONAL REPORTS Tab 6.2
   A. Capital Projects
   B. Fund Raising Reports February 2012
   C. Annual Giving Reports February 2012

3. TOPIC FOR DISCUSSION Tab 6.3
   A. Branding NC State

4. CLOSED SESSION Tab 6.4
   A. Approval of November 17, 2011 Minutes*
   √ B. Request approval for Naming a Specific University Facility

RECONVENE OPEN SESSION

   Approval of all actions in closed session*

ADJOURN

* Committee Approval
√ Full Board Approval
The University Advancement Committee of the Board of Trustees of North Carolina State University met at 1:00 p.m. in the Chancellor’s Conference Room in Holladay Hall.

Members Present: Benjamin Jenkins, III., Chair
Jimmy Clark
Jack L. Cozort
Lawrence Davenport
Bob Mattocks
Barbara Mulkey, Board of Trustee Chair
W. Randolph Woodson, Chancellor

Others Present: Shawn Associate General Counsel
Brad Bohlander, Associate Vice Chancellor, University Communications
Nevin E. Kessler, Vice Chancellor for University Advancement
Jordan Moore, Student
Hilda Renfrow, Executive Assistant, University Advancement
Benny Suggs, Associate Vice Chancellor, Alumni Relations
John Taylor, Associate Vice Chancellor, Advancement Services
P.J. Teal, Secretary, NC State University
Steve Watt, Interim Associate Vice Chancellor, University Development
Laura Wilkinson, Student

Chair Ben Jenkins called the session to order and read the State of North Carolina’s Government Ethics Act. He welcomed new board member, Jimmy Clark to the committee.

Chair Jenkins reviewed the 2011-12 workplan and provided a brief overview of the first two meetings of the fiscal-year.

Bob Mattocks made a motion to approve the minutes of the November 17, 2011 meeting, seconded by Jack Cozort. The motion was approved by general consent.

The Committee was provided with an update on capital fund raising projects. Steve Watt, Interim Associate Vice Chancellor for University Advancement, reported that the fund raising goal for the Chancellor’s Residence has been met. Steve also shared that great progress is being made on the Carol Johnson Poole Clubhouse on the Lonnie Poole Golf Course, with $4.1 million raised to date against a tentative goal of $6 million.

Mr. Watt reported on fund raising results for the second quarter of fiscal year 2012 as well as an update for the period ending January 31, 2012. As of January 31, NC State trails year-to-date
totals for gifts and new commitments by 15%. If we discount last year’s totals by the $40 million gift from the Pooles, FY’12 funding raising numbers are up almost 11%. With 248 proposals valued at $123.5 million in front of donors, and another $48.1 million to be solicited before the end of the fiscal year, the staff continues to be optimistic that NC State can achieve its $110 million fund raising goal for this fiscal year.

The committee reviewed a proposal for counting gifts made prior to July 1, 2013, the beginning of the silent phase of the next campaign. These guidelines for grandfathering gifts have been reviewed and approved by the chief development officers, who will use these guidelines in their discussions with donors. Bob Mattocks made a motion to approve the guidelines, seconded by Lawrence Davenport, and it was approved by general consent.

Judy Jobbitt, our campaign consultant from Bentz Whaley Flessner, led a discussion on planning for the next campaign. She and her colleagues will focus on three main areas as they prepare their report, to be delivered to this committee at our September 2012 meeting. First, they are conducting an internal audit of our leadership, deans, staff and infrastructure to assess our readiness to embark on an aggressive campaign. Second, they will work with the leadership of the University in developing the big ideas that will motivate donors to make stretch gifts. These big ideas must be aligned with the strategic plan, to ensure that as a result of the campaign, we have the financial resources to implement the plan. And finally, they will help us assess the capacity of our donor pool to support a campaign in the $1.5 billion range. Bentz Whaley Flessner is a national leader in fund raising consulting, whose clients include some of the nation’s other great land grant universities.

With no further business, the meeting adjourned at 2:00 p.m.

Respectfully submitted,

Benjamin J. Jenkins, III.
### Approved Capital Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Private Fundraising Goal</th>
<th>Cash Gifts &amp; Pledges Received</th>
<th>Gifts-in-Kind Received</th>
<th>Total Gifts Received</th>
<th>Percent to Private Fundraising Goal</th>
<th># Proposals Submitted Since Last Report</th>
<th>Total # Proposals Pending</th>
<th>Total Amount of Proposals Pending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lonnie Poole Golf Course (Note 1)</td>
<td>$18,100,000</td>
<td>$10,985,552</td>
<td>$3,627,987</td>
<td>$14,613,539</td>
<td>81%</td>
<td>3</td>
<td>10</td>
<td>$2,250,000</td>
</tr>
<tr>
<td>Campaign for the Hunt Library</td>
<td>$6,000,000</td>
<td>$2,179,493</td>
<td>$0</td>
<td>$2,179,493</td>
<td>36%</td>
<td>7</td>
<td>22</td>
<td>$1,700,000</td>
</tr>
<tr>
<td>Campaign for Gregg Museum of Art &amp; Design</td>
<td>$3,870,000</td>
<td>$676,421</td>
<td>$0</td>
<td>$676,421</td>
<td>17%</td>
<td>5</td>
<td>5</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>NC State University Club: A Bright Future Ahead (Note 2)</td>
<td>$1,700,000</td>
<td>$313,203</td>
<td>$0</td>
<td>$313,203</td>
<td>18%</td>
<td>5</td>
<td>10</td>
<td>$150,000</td>
</tr>
<tr>
<td>The Institute for Emerging Issues: Legacy in Action Campaign</td>
<td>$20,000,000</td>
<td>$8,168,650</td>
<td>$0</td>
<td>$8,168,650</td>
<td>41%</td>
<td>8</td>
<td>6</td>
<td>$1,150,000</td>
</tr>
<tr>
<td>NC 4-H: Campaign for the Clover</td>
<td>$11,500,000</td>
<td>$8,153,650</td>
<td>$139,608</td>
<td>$8,293,258</td>
<td>72%</td>
<td>13</td>
<td>24</td>
<td>$3,010,000</td>
</tr>
<tr>
<td>Dairy Campaign for Excellence</td>
<td>$2,500,000</td>
<td>$1,184,236</td>
<td>$0</td>
<td>$1,184,236</td>
<td>47%</td>
<td>0</td>
<td>1</td>
<td>$45,000</td>
</tr>
<tr>
<td>Randall B. Terry, Jr. Companion Animal Veterinary Medical Center (Note 3)</td>
<td>$34,000,000</td>
<td>$32,709,439</td>
<td>$479,745</td>
<td>$33,189,184</td>
<td>98%</td>
<td>5</td>
<td>5</td>
<td>$225,000</td>
</tr>
</tbody>
</table>

**Notes**

1. Cash goals: Course - $9.6MM and Clubhouse - $6MM, In-kind goal: $3.5MM
2. Phase II of campaign includes revised goal for Pack House concept.
3. Does not include the Terry Foundation Challenge Match of $5MM.
### NC State University

**Gifts and New Commitments by Gift Source**  
*(Outright Gifts and New Commitments - No Pledge Payments)*  
July 1, 2011 to February 29, 2012

<table>
<thead>
<tr>
<th>College</th>
<th>Alumni</th>
<th>Parents</th>
<th>Faculty Staff</th>
<th>Other Individuals</th>
<th>Corporations</th>
<th>Foundations</th>
<th>Other Organizations</th>
<th>Year-to-date FY '12 Totals</th>
<th>Year-to-date FY '11 Totals</th>
<th>YTD Period % Change FY11/FY12</th>
<th>Year End FY '11 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Agriculture and Life Sciences</td>
<td>$864,419</td>
<td>$6,521</td>
<td>$67,298</td>
<td>$2,300,980</td>
<td>$7,205,922</td>
<td>$1,178,404</td>
<td>$3,760,370</td>
<td>$15,383,914</td>
<td>$18,027,299</td>
<td>-15%</td>
<td>$23,990,556</td>
</tr>
<tr>
<td>College of Design</td>
<td>$106,733</td>
<td>$445</td>
<td>$4,350</td>
<td>$6,670</td>
<td>$45,533</td>
<td>$5,000</td>
<td>$23,100</td>
<td>$191,831</td>
<td>$318,946</td>
<td>-40%</td>
<td>$1,184,271</td>
</tr>
<tr>
<td>College of Education</td>
<td>$52,807</td>
<td>$0</td>
<td>$1,410</td>
<td>$11,235</td>
<td>$20,765</td>
<td>$191,213</td>
<td>$28,445</td>
<td>$305,875</td>
<td>$850,543</td>
<td>-64%</td>
<td>$927,872</td>
</tr>
<tr>
<td>College of Engineering</td>
<td>$2,581,545</td>
<td>$6,655</td>
<td>$10,750</td>
<td>$764,179</td>
<td>$3,423,091</td>
<td>$251,840</td>
<td>$1,327,741</td>
<td>$8,365,801</td>
<td>$6,876,252</td>
<td>22%</td>
<td>$10,251,142</td>
</tr>
<tr>
<td>College of Humanities &amp; Social Sciences</td>
<td>$186,264</td>
<td>$335</td>
<td>$27,260</td>
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<td>$26,580</td>
<td>$72,800</td>
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<td>$471,845</td>
<td>$693,184</td>
<td>-32%</td>
<td>$1,165,396</td>
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<td>$444,316</td>
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<td>21%</td>
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<td>$729,120</td>
<td>-55%</td>
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<td>$6,045</td>
<td>$5,530</td>
<td>$6,164,182</td>
<td>$320,699</td>
<td>$663,779</td>
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<td>$7,378,798</td>
<td>$8,208,355</td>
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<td>$200</td>
<td>$4,575</td>
<td>$13,792</td>
<td>$239,225</td>
<td>$5,383</td>
<td>$623,866</td>
<td>$426,050</td>
<td>46%</td>
<td>$536,596</td>
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<tr>
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<td>$286,940</td>
<td>$25,950</td>
<td>$7,116</td>
<td>$231,115</td>
<td>$6,684</td>
<td>$157,195</td>
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<td>$717,675</td>
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<td>$20</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$7,800</td>
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<td>$71,674</td>
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<td>$558,506</td>
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<td>-69%</td>
<td>$2,320,474</td>
</tr>
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<td>$565,771</td>
<td>$2,306,015</td>
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<td>$805,120</td>
<td>$27,413,644</td>
<td>$8,640,147</td>
<td>217%</td>
<td>$11,143,131</td>
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<tr>
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<td>$0</td>
<td>$203,387</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$15,588,618</td>
<td>$6,703,309</td>
<td>133%</td>
<td>$10,756,698</td>
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<tr>
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<td>$15,622,127</td>
<td>$10,017,385</td>
<td>$6,614,585</td>
<td>$81,570,209</td>
<td>$74,329,668</td>
<td>10%</td>
<td>$106,853,332</td>
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## Gifts and New Commitments by Gift Type

(Outright Gifts and New Commitments - No Pledge Payments)

July 1, 2011 to February 29, 2012

<table>
<thead>
<tr>
<th>College Name</th>
<th>Cash Gifts</th>
<th>Gifts-in-Kind</th>
<th>Matching Gifts</th>
<th>PG Life Income</th>
<th>Realized Bequests</th>
<th>Bequest Expectancies</th>
<th>Pledges</th>
<th>Year-to-date FY '12 Totals</th>
<th>Year-to-date FY '11 Totals</th>
<th>YTD Period % Change FY11/FY12</th>
<th>Year End FY '11 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Agriculture and Life Sciences</td>
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<td>$18,027,299</td>
<td>-15%</td>
<td>$23,990,556</td>
</tr>
<tr>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$15,833</td>
<td>$191,831</td>
<td>$318,946</td>
<td>-40%</td>
<td>$1,184,271</td>
</tr>
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<td>$2,250</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$23,458</td>
<td>$305,875</td>
<td>$850,543</td>
<td>-64%</td>
<td>$927,872</td>
</tr>
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<td>$54,708</td>
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<td>$29,226</td>
<td>$1,000,000</td>
<td>$1,181,664</td>
<td>$8,365,801</td>
<td>$6,876,252</td>
<td>22%</td>
<td>$10,251,142</td>
</tr>
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<td>$5,788</td>
<td>$1,930</td>
<td>$19,105</td>
<td>$0</td>
<td>$50,000</td>
<td>$108,585</td>
<td>$471,845</td>
<td>$693,184</td>
<td>-32%</td>
<td>$1,165,396</td>
</tr>
<tr>
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<td>$18,331</td>
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<td>$0</td>
<td>$0</td>
<td>$265,926</td>
<td>$1,405,964</td>
<td>$18,159,949</td>
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</tr>
<tr>
<td>College of Natural Resources</td>
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<td>$3,540</td>
<td>$10,078</td>
<td>$127,393</td>
<td>$75,000</td>
<td>$177,393</td>
<td>$1,083,226</td>
<td>$897,972</td>
<td>21%</td>
<td>$1,972,865</td>
</tr>
<tr>
<td>College of Physical &amp; Mathematical Sciences</td>
<td>$895,496</td>
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<td>$0</td>
<td>$0</td>
<td>$330,548</td>
<td>$1,746,895</td>
<td>$1,748,315</td>
<td>-0%</td>
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</tr>
<tr>
<td>College of Textiles</td>
<td>$306,534</td>
<td>$1,440</td>
<td>$225</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$17,753</td>
<td>$325,952</td>
<td>$729,120</td>
<td>-55%</td>
<td>$1,211,701</td>
</tr>
<tr>
<td>College of Veterinary Medicine</td>
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<td>$5,432</td>
<td>$26,057</td>
<td>$30,311</td>
<td>$5,658,011</td>
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<td>$7,378,798</td>
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<td>46%</td>
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<tr>
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<td>$15,000</td>
<td>$445,083</td>
<td>$717,675</td>
<td>$247,436</td>
<td>190%</td>
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<tr>
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</tr>
<tr>
<td>Athletics</td>
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<td>$0</td>
<td>$0</td>
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</tr>
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<td>$81,570,209</td>
<td>$74,329,668</td>
<td>10%</td>
<td>$106,853,332</td>
</tr>
</tbody>
</table>
### NC State University

**Gifts and New Commitments by Gift Use**

*(Outright Gifts and New Commitments - No Pledge Payments)*

*July 1, 2011 to February 29, 2012*

<table>
<thead>
<tr>
<th>College</th>
<th>Current Operations Restricted</th>
<th>Current Operations Unrestricted</th>
<th>Endowment Restricted</th>
<th>Endowment Unrestricted</th>
<th>Facilities</th>
<th>Year-to-date FY’12 Totals</th>
<th>Year-to-date FY’11 Totals</th>
<th>YTD Period % Change FY11/FY12</th>
<th>Year End FY’11 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Agriculture and Life Sciences</td>
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<td>$2,117</td>
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<tr>
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</tr>
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<td>$8,359</td>
<td>$1,083,226</td>
<td>$897,972</td>
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<td>$1,972,865</td>
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<tr>
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<td>$1,748,315</td>
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</tr>
<tr>
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<td>$325,952</td>
<td>$729,120</td>
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</tr>
<tr>
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</tr>
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<td>46%</td>
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</tr>
<tr>
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<td>$577,250</td>
<td>$717,675</td>
<td>$247,436</td>
<td>190%</td>
<td>$2,284,124</td>
</tr>
<tr>
<td>Graduate School</td>
<td>$5,750</td>
<td>$2,050</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$7,800</td>
<td>$7,470</td>
<td>4%</td>
<td>$8,120</td>
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<td>-69%</td>
<td>$2,320,474</td>
</tr>
<tr>
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<td>$15,500</td>
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<td>$27,413,644</td>
<td>$8,640,147</td>
<td>217%</td>
<td>$11,143,131</td>
</tr>
<tr>
<td>Wolfpack Club/Athletics</td>
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<td>$15,588,618</td>
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<td>133%</td>
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<td><strong>$81,570,209</strong></td>
<td><strong>$74,329,668</strong></td>
<td><strong>10%</strong></td>
<td><strong>$106,853,332</strong></td>
</tr>
<tr>
<td>College</td>
<td>Alumni</td>
<td>Parents</td>
<td>Faculty Staff</td>
<td>Other Individuals</td>
<td>Corporations</td>
<td>Foundations</td>
<td>Other Organizations</td>
<td>Year-to-date FY '12 Totals</td>
<td>Year-to-date FY '11 Totals</td>
</tr>
<tr>
<td>----------------------------------------</td>
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<td>---------------------</td>
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<td>-----------------------------</td>
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<tr>
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<tr>
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<td>$72,800</td>
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<td>$693,151</td>
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<td>$1,559,292</td>
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<tr>
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<td>Year-to-date FY '11 Totals</td>
<td>YTD Period % Change FY11/FY12</td>
<td>Year End FY '11 Totals</td>
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<td>Endowment Restricted</td>
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<td>Year-to-date FY '11 Totals</td>
<td>YTD Period % Change FY11/FY12</td>
<td>Year End FY '11 Totals</td>
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<tr>
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<td>$2,433,708</td>
<td>$27,783,320</td>
<td>$7,342,150</td>
<td>278%</td>
<td>$9,818,478</td>
</tr>
<tr>
<td>Wolfpack Club/Athletics</td>
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<td>$0</td>
<td>$3,810,693</td>
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<td><strong>$66,733,150</strong></td>
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## Overall Performance

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<th></th>
<th>FY12</th>
<th>FY11</th>
<th>Chng</th>
<th>% Chng</th>
<th>FY12</th>
<th>FY11</th>
<th>Chng</th>
<th>% Chng</th>
<th>FY12</th>
<th>FY11</th>
<th>Chng</th>
<th>% Chng</th>
<th>FY12</th>
<th>FY11</th>
<th>Chng</th>
<th>% Chng</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD Total</td>
<td>$1,068,357</td>
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<td>$232,611</td>
<td>27.83%</td>
<td>$1,310,522</td>
<td>$1,019,502</td>
<td>$291,020</td>
<td>28.55%</td>
<td>8,803</td>
<td>7,715</td>
<td>1,088</td>
<td>14.10%</td>
<td>11,035</td>
<td>9,462</td>
<td>1,573</td>
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<td>$1,000+ household donors (Primary donors only)</td>
<td>$240,609</td>
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<td>$316,564</td>
<td>$162,695</td>
<td>$153,870</td>
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<td>189</td>
<td>87</td>
<td>102</td>
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<td>239</td>
<td>112</td>
<td>127</td>
<td>113.39%</td>
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## Progress to Goals

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<th>Needed to Meet Goals</th>
<th>FY12 % To Goal</th>
<th>FY11 Rpt Date to 6/30/11</th>
<th>Projection</th>
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<tr>
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## Average Gift

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<th>FY11</th>
<th>Chng</th>
<th>% Chng</th>
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</thead>
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<tr>
<td></td>
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## Corporate Matching Gifts

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<th>Number Corporate Match Gifts</th>
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<td>FY11</td>
<td>Chng</td>
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<td>$46,681</td>
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FY11 numbers adjusted to match FY11 Year end numbers
FY12 AG mailed to Eng. Dean's Circle
### FY12 YTD Monthly Progress and College Comparison Report

**As of February 29, 2012**

#### Page 2

<table>
<thead>
<tr>
<th>Academic Unit Detail - Mailable Alumni</th>
<th>FY12 Dollars No Match</th>
<th>FY11 Dollars No Match</th>
<th>% Chang</th>
<th>FY12 Donors No Match</th>
<th>FY11 Donors No Match</th>
<th>% Chang</th>
<th>Average Gift FY12</th>
<th>Average Gift FY11</th>
<th>Corporate Matching FY12</th>
<th>Corporate Matching FY11</th>
<th>Total Gifts and Matching FY12</th>
<th>Total Gifts and Matching FY11</th>
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<td>$80</td>
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<tr>
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<td>44.71%</td>
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<td>$72</td>
<td>$2,004</td>
<td>$445</td>
<td>$341,563</td>
<td>$299,041</td>
</tr>
<tr>
<td>Management - 21,214</td>
<td>$64,470</td>
<td>$60,539</td>
<td>6.5%</td>
<td>806</td>
<td>755</td>
<td>6.75%</td>
<td>$73</td>
<td>$73</td>
<td>$2,004</td>
<td>$445</td>
<td>$68,724</td>
<td>$64,705</td>
</tr>
<tr>
<td>Natural Resources - 8,607</td>
<td>$46,578</td>
<td>$47,365</td>
<td>(1.7)%</td>
<td>409</td>
<td>349</td>
<td>17.19%</td>
<td>$83</td>
<td>$87</td>
<td>$2,004</td>
<td>$445</td>
<td>$46,578</td>
<td>$44,946</td>
</tr>
<tr>
<td>PAMS - 11,856</td>
<td>$55,838</td>
<td>$53,109</td>
<td>5.1%</td>
<td>541</td>
<td>487</td>
<td>10.9%</td>
<td>$94</td>
<td>$99</td>
<td>$2,004</td>
<td>$445</td>
<td>$55,838</td>
<td>$55,594</td>
</tr>
<tr>
<td>Textiles - 7,993</td>
<td>$34,275</td>
<td>$26,317</td>
<td>30.2%</td>
<td>402</td>
<td>319</td>
<td>26.02%</td>
<td>$79</td>
<td>$72</td>
<td>$2,004</td>
<td>$445</td>
<td>$34,275</td>
<td>$28,504</td>
</tr>
<tr>
<td>Vet Med - 2,153 (709 = undergrad)</td>
<td>$21,045</td>
<td>$10,603</td>
<td>102.7%</td>
<td>141</td>
<td>96</td>
<td>46.88%</td>
<td>$133</td>
<td>$89</td>
<td>$2,004</td>
<td>$445</td>
<td>$21,045</td>
<td>$11,003</td>
</tr>
<tr>
<td>Arts NC State</td>
<td>$13,034</td>
<td>$6,430</td>
<td>102.7%</td>
<td>90</td>
<td>50</td>
<td>80.00%</td>
<td>$106</td>
<td>$69</td>
<td>$2,004</td>
<td>$445</td>
<td>$13,034</td>
<td>$7,030</td>
</tr>
<tr>
<td>First Year College</td>
<td>$8,183</td>
<td>$6,058</td>
<td>35.1%</td>
<td>36</td>
<td>28</td>
<td>28.57%</td>
<td>$182</td>
<td>$202</td>
<td>$2,004</td>
<td>$445</td>
<td>$8,183</td>
<td>$6,058</td>
</tr>
<tr>
<td>Graduate School</td>
<td>$5,620</td>
<td>$6,355</td>
<td>(11.6)%</td>
<td>23</td>
<td>16</td>
<td>43.75%</td>
<td>$216</td>
<td>$197</td>
<td>$2,004</td>
<td>$445</td>
<td>$5,620</td>
<td>$6,355</td>
</tr>
<tr>
<td>Library</td>
<td>$19,565</td>
<td>$13,798</td>
<td>41.8%</td>
<td>132</td>
<td>95</td>
<td>38.95%</td>
<td>$63</td>
<td>$48</td>
<td>$2,004</td>
<td>$445</td>
<td>$19,565</td>
<td>$13,823</td>
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<tr>
<td>Parents’ Fund</td>
<td>$85,469</td>
<td>$69,176</td>
<td>23.0%</td>
<td>1,507</td>
<td>1,283</td>
<td>17.46%</td>
<td>$56</td>
<td>$52</td>
<td>$2,004</td>
<td>$445</td>
<td>$85,469</td>
<td>$71,729</td>
</tr>
<tr>
<td>Student Financial Aid Fund</td>
<td>$37,415</td>
<td>$16,682</td>
<td>124.3%</td>
<td>350</td>
<td>159</td>
<td>120.13%</td>
<td>$106</td>
<td>$102</td>
<td>$2,004</td>
<td>$445</td>
<td>$37,415</td>
<td>$16,682</td>
</tr>
<tr>
<td>University’s Greatest Needs Fund</td>
<td>$110,852</td>
<td>$94,990</td>
<td>17.8%</td>
<td>913</td>
<td>582</td>
<td>56.87%</td>
<td>$113</td>
<td>$150</td>
<td>$2,004</td>
<td>$445</td>
<td>$110,852</td>
<td>$99,190</td>
</tr>
<tr>
<td>Other/University-wide</td>
<td>$75,358</td>
<td>$36,051</td>
<td>109.0%</td>
<td>360</td>
<td>176</td>
<td>104.55%</td>
<td>$142</td>
<td>$105</td>
<td>$2,004</td>
<td>$445</td>
<td>$75,358</td>
<td>$36,476</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,263,841</strong></td>
<td><strong>$981,719</strong></td>
<td><strong>28.7%</strong></td>
<td><strong>11,035</strong></td>
<td><strong>9,462</strong></td>
<td><strong>16.62%</strong></td>
<td><strong>$94</strong></td>
<td><strong>$84</strong></td>
<td><strong>$468,681</strong></td>
<td><strong>$37,784</strong></td>
<td><strong>$1,310,522</strong></td>
<td><strong>$1,019,502</strong></td>
</tr>
</tbody>
</table>

- FY12 equals money that came in during FY11 / Gifts could be for FY12 or FY11 Class Gift. FY11 does not include S7,100 IDF (# 0000090787) from Athletics proceeds of student tickets from Boston College football game.
- FY12 and FY11 Donor No Match TOTAL adjusted for donors who gave to multiple designations.
- Average Gift calculated by gifts, including payroll deduction and EFT, not donors.

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**Agenda**

**Annual Giving** for NC State University

**GIVING | 11-12**

**FY12 YTD Monthly Progress and College Comparison Report

As of February 29, 2012**

Page 2
Topic for Discussion

Branding/Marketing NC State University
CALL TO ORDER
Norris Tolson
Chair of Committee

ROLL CALL

READING OF STATE GOVERNMENT ETHICS ACT CONFLICT OF INTEREST STATEMENT

1. AGENDA
   Approval of February 16, 2012 Minutes

2. DISCUSSION ITEMS (No action necessary)

   A. Residency for Full Scholarship Undergraduate Students
      Presenter: Ms. Krista Domnick, Interim Director, Scholarships and Financial Aid
      The Chancellor is required to provide an annual report to the Board of Trustees on
      the list of recognized entities awarding full scholarships to undergraduates and the
      number of students receiving full scholarships from each entity. An overview of the
      11-12 Annual Report will be provided.

   B. Students Requiring Special Consideration
      Presenter: Dr. Louis D. Hunt, University Registrar and Vice Provost, Enrollment
      Management & Services
      Per Regulation 02.10.04 (Identification and Performance Monitoring of Selected
      Students Requiring Special Consideration for Admissions), the Chancellor is required to
      provide to the Board of Trustees and to UNC General Administration an annual update
      on the special consideration process of Undergraduate Admissions. This report will
      also include a review of the performance of students previously admitted through that
      process.

3. REQUESTED ACTION

   A. Consideration of Approval of the Proposed Salary Ranges for Senior
      Academic and Administrative Officers (SAAO)
      Presenter: Ms. Barbara Carroll, Associate Vice Chancellor for Human Resources
      As a condition of management flexibility delegated by the UNC Board of Governors, the
      BOT (delegated to the University Affairs Committee) establishes pay ranges for senior
      academic and administrative officer (SAAO) positions not otherwise established by UNC-
      General Administration. The discussion describes this year’s salary market analysis and
      presents for committee approval the recommended SAAO pay ranges for FY12-13.
      Faculty salary ranges are approved by the Chancellor and will be shared with the
      University Affairs Committee at a future meeting.
B. **Revisions to Code of Student Conduct (POL 11.35.1)**

**Reason for Revisions:** The Division of Student Affairs seeks to revise POL 11.35.1, Code of Student Conduct ("Code") in order to: re-format the structure so that the Code is more user friendly; delete a great deal of the commentary in the Code (to be provided in other documents); update the definitions section as well as the definitions of misconduct; update to coincide with current University practice; bring the Code into compliance with federal regulations and practice, as outlined by the Department of Education’s Dear Colleague Letter of April 4, 2011 in relation to sexual violence; bring the Code into Compliance to comply with the Department of Justice’s revised ADA Title II regulations on Direct Threat; and remove academic integrity as a mandatory, minimum sanction.

4. **INFORMATIONAL REPORTS**

A. **Faculty Senate Report**

*Presenter: Hans Kellner, Chair*

B. **Staff Senate Report**

*Presenter: David DeFoor, Chair*

C. **Provost Update**

Activities in Academic Affairs since the February 16, 2012 Board Meeting

- University Graduate Certificate in City Design
- University Graduate Certificate in Energy and Technology in Architecture
- Department Name Change: Department of Physical Education to Department of Health and Exercise Studies
- 2020 Enrollment Plan
- Community Compact Statement
- University Faculty Scholars Program
- Faculty Interdisciplinary Cluster Hire Process
- Update on Strategic Planning
- Update on Leadership Position Searches
- Nepotism Report
- Update on Salary Adjustments

5. **PERSONNEL MATTERS AND HONORARY AWARDS**

Executive Summary of All Personnel Actions Requiring Approval

A. To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee.

B. To establish or to instruct the staff or agent concerning the amount of compensation and other material terms of an employment contract or proposed employment contract.

C. To prevent the premature disclosure of an honorary award or scholarship.

6. **ADJOURN**

*Discussed in Closed Session*

*Requires Full Board Approval*
The University Affairs Committee of the Board of Trustees of North Carolina State University met February 16, 2012 at 2:45 p.m. in the Winslow Hall Conference Room.

Members Present: Norris Tolson, Committee Chair  
Lawrence Davenport  
Jim Owens  
Chandler Thompson  
Susan Ward  
Barbara Mulkey, Board Chair

Others Present: Randy Woodson  Hans Kellner  
Warwick Arden  Sarah Lannom  
John Ambrose  Duane Larick  
Betsy Brown  Carrie Leger  
Barbara Carroll  Christy Scheid  
David DeFoor  Tom Stafford  
Eileen Goldgeier  PJ Teal  
Marc Hoit  Shawn Troxler  
Amy Jinnette

Chair Tolson called the meeting to order. A quorum was present.

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 University Affairs Committee at this meeting. Hearing none, Chair Tolson proceeded with the Committee agenda.

A motion was made by Mr. Davenport and seconded by Mr. Owens to approve minutes from the open and closed sessions of the November 17, 2011 meeting as distributed. The motion carried.

A motion was made by Ms. Ward and seconded by Mr. Davenport to approve minutes from the open and closed sessions of the January 10, 2012 meeting as distributed. The motion carried.

Provost Arden provided an update on fall graduation statistics and graduation trends. NC State awarded 3,276 degrees in December of 2011. The College of Humanities and Social Sciences awarded the largest number of bachelor degrees (525) and the College of Engineering awarded the largest total number of degrees (825). Discussion focused on NC State's retention and graduation rate trends.

Ms. Carrie Leger, Associate Athletics Director for Academics and Director of the Academic Support Program for Student-Athletes (ASPSA), presented an overview of the ASPSA, which is a component of the Division of Undergraduate Academic Programs in the Provost's Office but receives its funding from the Athletic Department. The unit assists with the recruitment, retention and graduation of student-athletes, and provides support to all student-athletes on a roster (regardless of their scholarship status) and student-athletes who return to the university to complete their degree. The
various measurements for evaluating student-athlete graduation success were discussed with a focus on the Academic Progress Rate (APR) which was developed as a more real-time assessment of teams’ academic performance. APR highlights as well as strategies for improvement were also shared.

Provost Arden presented proposed revisions to the Appointment, Reappointment, Promotion and Permanent Tenure Policy (POL 05.20.1). The revisions incorporate language requested by UNC-GA and also incorporate contents of the Regulation on Qualifications for Rank and the Regulation on Joint and Associate Faculty Appointments, allowing these two regulations to be repealed. The revisions allow for minor edits or updates to other sections. Mr. Davenport moved to recommend the policy revisions to the full board for approval. Mr. Owens seconded the motion. The motion carried.

Provost Arden presented the request to change the BA degree program title of Arts Applications to Arts Studies. The degree is housed in the Division of Interdisciplinary Studies in the College of Humanities and Social Sciences. The current degree title of “Arts Applications” is misleading and does not reflect the content of the degree which is a liberal arts “arts studies” degree. The name change would make the degree more consistent with other degree names in the Division of Interdisciplinary Studies such as International Studies, Africana Studies and Women and Gender Studies. It would also allow for consistency with the name of the program which is “Arts Studies”, the name of the minor which is “Arts Studies” and the courses which are described as “Arts Studies courses”. In addition, changing the name of the degree to Arts Studies would more clearly transmit the idea of the degree to potential employers and graduate schools. Ms. Ward made a motion, seconded by Mr. Davenport, to recommend the degree program title change to the full board for approval. The motion carried.

Chancellor Woodson shared that Mr. Philip Rivers, NC State alumnus and starting quarterback for the NFL’s San Diego Chargers, will deliver the May graduation address. Rivers was a record-setting quarterback at NC State from 2000-2003. In addition to many other honors, he was an Academic All-ACC performer. He and his wife, Tiffany, started the Rivers of Hope Foundation in 2010 to help unwanted, abandoned and orphaned children find permanent loving homes.

Student Body President Chandler Thompson provided a look ahead to Student Government’s work in 2012. The big action items for Spring 2012 include: Campout, Community Service events, Tuition and Fees, 125th Anniversary Celebration, Search Committee for Vice-Chancellor and Dean of Division of Academic and Student Affairs, Improved Communication strategies including the new “Current Students” page on ncsu.edu and the Tradition Keeper Program. Filing for spring elections begins February 20 and campaigning will start after Spring Break. Student Government is also working on a bill relative to smoking on campus which is generating a lot of discussion.

In the Provost’s Update, the committee was informed about the new University Associate of Applied Science Certificate in Agribusiness Management. Provost Arden shared that searches have begun for new deans of the Colleges of Agriculture and Life Sciences and Natural Resources and for the Vice Chancellor and Dean of the Division of Academic and Student Affairs. External search firms will be assisting with all three searches, and there is Trustee participation on each committee. Job descriptions for these positions were distributed to committee members. Provost Arden provided an update on strategic planning. He also provided a handout regarding the Chancellor’s Faculty Excellence Program – Selected Proposals and Cluster Areas. The Office of the Provost received over 70 Faculty Excellence proposals from faculty in all 10 colleges. Seventeen proposals, some of which were combined, have been selected for funding through the Chancellor’s Faculty Excellence Program in twelve cluster areas. The program will allow the university to hire almost 40 faculty in the next one-two years, and is an action item related to the first three goals of the strategic plan. Provost Arden shared that 134 faculty members have submitted dossiers for review in the annual reappointment, promotion and tenure process. Finally, Provost Arden provided an update on salary adjustments that have been submitted by the university and approved by the Board of Governors under the 2011
Appropriations Act for the November, 2011 – January, 2012 time period, and a quarterly update of all salary increases approved where the final annual salary exceeded $100,000.

A motion was made by Mr. Davenport to go into closed session to establish or instruct the staff or agent concerning the negotiations of the amount of compensation or other terms of an employment contract according to North Carolina General Statute, Section 143-318.11(a)(5), and to prevent the premature disclosure of an honorary award or scholarship according to North Carolina General Statute, Section 143-318.11(a)(2). Ms. Ward seconded the motion. The motion carried.

After coming out of closed session, Mr. Tolson announced the meeting in open session.

Ms. Ward made a motion, seconded by Mr. Owens, to approve the non-salary compensation request discussed in Closed Session. The motion carried.

With no further business, Chair Tolson announced the meeting adjourned at 4:00 p.m.

Norris Tolson, Chair
Residency for Full Scholarship Undergraduate Students
REG 02.70.3

1. INTRODUCTION

1.1 Pursuant to North Carolina General Statute 116-143.6, the North Carolina State University Board of Trustees authorized the Chancellor to recognize entities as he/she may deem appropriate as providers of full scholarships for undergraduate students. Pursuant to that authority, the Chancellor will post annually a list of such providers in the Standard Operating Practice on Residency for Full Scholarship Undergraduates, at least six months prior to the semester in which it is to be effective.

1.2 Effective with the Summer II 2006 semester, NC State University will consider students who accepted admission on or after July 1, 2005 and who receive full scholarships, as defined by North Carolina General Statute 116-143.6, from the entities designated pursuant to Section 1.1, to be residents of North Carolina for all purposes intended by N.C.G.S. 116-143.6.

2. REPORT TO THE BOARD OF TRUSTEES

The Chancellor will provide the Board of Trustees with an annual report showing a list of the recognized entities and the number of students receiving full scholarships from each entity.

2011-12 Annual Report
Approved Recognized Entities for 2011-12:

- Park Foundation
- NCSU Foundation, Inc.
- Endowment Fund of NCSU
- NC Agricultural Foundation, Inc.
- NC Dairy Foundation, Inc.
- NC Tobacco Foundation, Inc.
- NCSU Engineering Foundation
- NC Forestry Foundation
- Pulp and Paper Foundation, Inc.
- NCSU Physical and Mathematical Sciences
- NC Textile Foundation
- NC Veterinary Medical Foundation, Inc.
- NCSU Alumni Association, Inc.
- Provost's Academic Award, in conjunction with University Endowed Scholarship Founding

The NCSU Student Aid Association/Wolfpack Club was an approved entity by NC State until July 1, 2010 when the NC General Assembly rescinded the resident tuition benefit for student athletes.

<table>
<thead>
<tr>
<th>Recognized Entity</th>
<th># New FR/TR Full Scholarship Non-Resident Students Receiving Resident Tuition Benefit</th>
<th>Total # (New + Continuing) Full Scholarship Non-Resident Students Receiving Resident Tuition Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park Foundation</td>
<td>17</td>
<td>59</td>
</tr>
<tr>
<td>Endowment Fund of NCSU</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>NCSU Physical &amp; Mathematical Sciences</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>NCSU Pulp and Paper Foundation</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>TOTALS</td>
<td>18</td>
<td>73</td>
</tr>
</tbody>
</table>
Undergraduate Admissions: Special Consideration Process Update

Louis Hunt
Vice Provost and University Registrar
Enrollment Management and Services
Purpose:

• 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.

• Process is governed by REG 02.10.4
  – “Identification and Performance Monitoring of Selected Students Requiring Special Consideration for Admissions” – Issued in 2003 for the 2004/05 academic year.

• Complies with UNC-GA Regulation 700.1.1[R]
Criteria:

• The special consideration process includes students that do not meet **UNC Minimum Admissions Requirements**

• Or, meet **two** of the following criteria:
  • Rank in bottom half of high school class
  • High School GPA less than 2.5
  • Total SAT less than 900 (verbal and math)
  • SAT Verbal less than 420
  • SAT Math less than 420
Process:

- Students are selected for consideration on the basis of their application or advocacy by one or more campus units:
  - Undergraduate Admissions
  - Academic College or Department
  - Athletics
    - Academic Support for Student Athletes
    - Coaching Staff
  - Other campus units
- Students are presented to the committee by the Director of Admissions.
Committee Process:

- The committee includes the following representation:
  - Admissions Committee, Chair
  - Admissions Committee, Former Chair
  - Vice Provost, Enrollment Management and Services
  - Dean, Undergraduate Academic Programs
  - Director, Academic Support for Student Athletes
  - Director, Undergraduate Admissions
- Each case is individually reviewed in detail.
- Additional materials may be required from internal or external sources.
Selection Results
(2007 – 2011 Cohorts)
Admissions Data

<table>
<thead>
<tr>
<th></th>
<th>All Freshmen</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>Enrolled</td>
<td>4791</td>
</tr>
<tr>
<td>High School GPA</td>
<td>4.12</td>
</tr>
<tr>
<td>SAT Total</td>
<td>1174</td>
</tr>
<tr>
<td>SAT Verbal</td>
<td>570</td>
</tr>
<tr>
<td>SAT Math</td>
<td>604</td>
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</table>
# Admissions Data

<table>
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<tr>
<th></th>
<th>Special Consideration Cases</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolled</td>
<td>Athletes</td>
<td>20</td>
<td>15</td>
<td>19</td>
<td>20</td>
<td>10</td>
<td>24</td>
<td>35</td>
<td>21</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td>High School GPA</td>
<td>Non-Athletes</td>
<td>2.65</td>
<td>2.72</td>
<td>2.60</td>
<td>2.90</td>
<td>2.78</td>
<td>3.50</td>
<td>3.72</td>
<td>3.72</td>
<td>3.75</td>
<td>3.89</td>
</tr>
<tr>
<td>SAT Total</td>
<td>Non-Athletes</td>
<td>916</td>
<td>876</td>
<td>915</td>
<td>865</td>
<td>876</td>
<td>845</td>
<td>852</td>
<td>855</td>
<td>870</td>
<td>861</td>
</tr>
<tr>
<td>SAT Verbal</td>
<td>Non-Athletes</td>
<td>450</td>
<td>427</td>
<td>453</td>
<td>414</td>
<td>425</td>
<td>413</td>
<td>433</td>
<td>412</td>
<td>416</td>
<td>419</td>
</tr>
<tr>
<td>SAT Math</td>
<td>Non-Athletes</td>
<td>466</td>
<td>442</td>
<td>462</td>
<td>451</td>
<td>461</td>
<td>432</td>
<td>419</td>
<td>443</td>
<td>454</td>
<td>443</td>
</tr>
</tbody>
</table>
Academic Performance
Of Special Consideration Cohorts
## NC State Academic Data

### Special Consideration Cases

<table>
<thead>
<tr>
<th></th>
<th>Athletes</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Non-Athletes</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cohort Size</strong></td>
<td>20</td>
<td>15</td>
<td>19</td>
<td>20</td>
<td>10</td>
<td>24</td>
<td>35</td>
<td>20</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td><strong>Avg. GPA</strong></td>
<td>2.38</td>
<td>2.20</td>
<td>2.21</td>
<td>2.40</td>
<td>2.35</td>
<td>2.50</td>
<td>2.51</td>
<td>2.72</td>
<td>2.46</td>
<td>2.54</td>
</tr>
<tr>
<td><strong>Avg. Hours Passed</strong></td>
<td>126.3</td>
<td>102</td>
<td>72.46</td>
<td>47.39</td>
<td>19.22</td>
<td>127.5</td>
<td>101.6</td>
<td>68.41</td>
<td>35.6</td>
<td>25</td>
</tr>
<tr>
<td><strong>Percent Enrolled</strong></td>
<td>45</td>
<td>66.7</td>
<td>68.4</td>
<td>90</td>
<td>90</td>
<td>45.8</td>
<td>71.4</td>
<td>85</td>
<td>88.2</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total Enrolled</strong></td>
<td>9</td>
<td>10</td>
<td>13</td>
<td>18</td>
<td>9</td>
<td>11</td>
<td>25</td>
<td>17</td>
<td>15</td>
<td>7</td>
</tr>
</tbody>
</table>

*Avg. GPA and Avg. Hours Passed only include currently enrolled students.
Data reflects status as of Fall 2011 End of Term.*
# NC State Academic Data

## Special Consideration Athletes by Academic Program

<table>
<thead>
<tr>
<th>Academic Program</th>
<th>Fall 2007</th>
<th>Fall 2008</th>
<th>Fall 2009</th>
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Data reflects status as of Fall 2011 End of Term.
# NC State Academic Data

## Special Consideration Non Athletes by Academic Program

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Data reflects status as of Fall 2011 End of Term.
Data reflects status as of Fall 2011 End of Term.
## Special Consideration Athletes Summary

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<th>Cohort Year</th>
<th>Total Enrolled</th>
<th>Graduated</th>
<th>Went Pro</th>
<th>Withdrew</th>
<th>Withdrew - Not Eligible</th>
<th>Suspended</th>
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Data reflects status as of March 20, 2012
### Special Consideration Non Athletes Summary

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*Data reflects status as of Spring Census Date 2012*
Assessment:

• Students admitted through the special consideration process are closely monitored and success rates are reported to the following:
  – Admissions Committee
  – Faculty Senate
  – Special Consideration Committee
  – Provost’s Athletics Roundtable
  – Board of Trustees
Conclusion / Questions
<table>
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<th>College/Division</th>
<th>Range Title</th>
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<th>Range Maximum</th>
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<tr>
<td></td>
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<tr>
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<td>125,200</td>
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*Ranges for positions listed in red are set by UNC General Administration

** Units are in transition as part of organizational realignment

updated 032112
PROPOSED REVISION TO: POL 11.35.1, Code of Student Conduct

**Rationale:** The Division of Student Affairs seeks to revise POL 11.35.1, Code of Student Conduct ("Code") in order to:
- Re-formatting the structure so that the Code is more user friendly;
- Deleting a great deal of the commentary in the Code (to be provided in other documents);
- Updating the definitions section as well as the definitions of misconduct;
- Updating to coincide with current University practice;
- Bring the Code into compliance with federal regulations and practice, as outlined by the Department of Education’s Dear Colleague Letter of April 4, 2011 in relation to sexual violence;
- Bring the Code into Compliance to comply with the Department of Justice's revised ADA Title II regulations on Direct Threat; and
- remove academic integrity as a mandatory, minimum sanction

**Consultation Process:**

5/27/11 Vice Chancellor for Student Affairs authorizes transmittal of PRR for review

6/6/11 General Counsel preliminary review

8/10/11 Division of Student Affairs and Office of Student Conduct review

9/26/11 Student Leadership review

9/30/11 Faculty Senate review

11/16/11 General Counsel final review

1/12/12 Dean’s Council review

1/19/12 Associate Dean’s review

2/02/12 Graduate Operations Council Review

2/21/12 Provost and Executive Vice Chancellor Review

3/27/12 EOM Review

_______ Board of Trustees approval


1. INTRODUCTION

All students at North Carolina State University (NC State) are responsible for conducting themselves in a manner that helps enhance an environment of learning in which the rights, dignity, worth, and freedom of each member of the academic community are respected. Violations of campus or University policies, rules or regulations, or federal, state, or local law may result in a violation of the Code of Student Conduct and imposition of sanctions.

This Code of Student Conduct (Code) establishes the expectations for student conduct in the University community. The Code, therefore, proscribes the types of behavior that adversely affects the University community, and the resulting actions that may be taken to both educate students about behavioral expectations and to protect NC State’s community. This Code and its accompanying Student Disciplinary Procedures describe the process to be followed when a student has been charged with a violation of the Code.
NC State embraces and strives to uphold the freedoms of expression and speech guaranteed by the First Amendment of the U.S. Constitution and the North Carolina Constitution. The University has the right under appropriate circumstances to regulate the time, place, and manner of exercising these and other constitutionally protected rights.

2. DEFINITIONS

When used in the Code:

2.1 The terms Chancellor, Provost, Dean of the Graduate School, Dean of the College of Veterinary Medicine, Director, University Housing, Director, Office of Student Conduct, include their designees or appointees.

2.2 “Complainant” means an individual(s) making a complaint or a formal accusation against a student or group/organization. At hearings, the complainant is a designated university official who may offer information or documentary information to present a case of misconduct and/or call other witnesses to do so, and may be someone other than the individual who submitted the formal accusation against a student or group/organization.

2.3 “Course of Conduct” means two or more acts, including, but not limited to, acts in which the person directly, indirectly, or through third parties, by any action, method, device, or means, follows, monitors, observes, surveils, threatens, or communicates to or about a person, or interferes with a person’s property.

2.4 “Delivery” means sale, exchange or sharing of any kind.

2.5 “Electronic communication” means the transmission of information or communication by the use of the Internet, including any form of social media, a computer, facsimile machine, a pager, cellular telephone, a video recorder, or other electronic means sent to or directed at a person.

2.6 “Faculty member” means any person with a University designation of Professor, Associate Professor, Assistant Professor, Lecturer, Instructor, and shall include personnel of the United States armed forces during the time they are assigned under military orders to an ROTC program of a constituent institution of the University of North Carolina as a permanent change of station. For the purposes of this Code, graduate teaching assistants will also be included in this category.

2.7 “Group” means a number of persons who are associated with each other and who have not complied with University requirements for registration as a student organization.

2.8 “Organization” means a number of students who have complied with University requirements for registration or recognition.

2.9 “Protected class” means a group of people who share common characteristics and are protected from discrimination and harassment under federal and state laws, and/or University policy. The following protected class groups are protected by law and/or University policy: race, color, religion, national origin, gender, sexual orientation, gender-identity, disability, genetic information, creed, and veteran status.
2.10 "Reckless" means conduct which one should reasonably be expected to know would create a substantial risk of harm to persons or property or which would otherwise be likely to result in interference with normal University or University-sponsored activities.

2.11 "Staff member" shall mean a person whose employment obligations within the University of North Carolina renders the employee eligible for membership in the Teachers' and State Employees' Retirement System of North Carolina, the Optional Retirement Plan or the Law-Enforcement Officers', Firemen's, Rescue Squad Workers', and Civil Air Patrol Members' Death Benefits Act established under N.C. Gen. Stat. § 143-166.1.

2.12 "Student" means any person from the time they accept admission to NC State through the date of their graduation. This includes but is not limited to: new students at Orientation, persons not currently enrolled but who are still seeking a degree from NC State, and any other person enrolled in a credit earning course offered by NC State. For purposes of exercising jurisdiction for university discipline, it also includes any person who has graduated if the University determines that his/her graduation or receipt of credit may have involved academic misconduct while he/she was working toward a degree.

2.13 "Student Conduct Referral" (SCR) refers to a document written by University Police or other University employees and given to a respondent that notifies them of the charges against them. The SCR may be amended to reflect additional charges or a more accurate description of charges by University Police or the Director, Office of Student Conduct, providing the respondent is notified in writing.

2.14 "University" means NC State and all of its undergraduate, graduate, and professional schools, colleges, and administrative units.

2.15 "University premises" means buildings or grounds owned, leased, operated, controlled or supervised by NC State.

2.16 "University-sponsored activity" means any activity on or off-campus which is initiated, aided, authorized, or supervised by the University or a University organization.

2.17 "Weapon" means any object, instrument, or substance used, attempted to be used, or capable of inflicting a wound, causing injury, or incapacitating and may include, but is not limited to: all firearms, pellet guns, paintball guns, tasers or stun guns, switchblade knives, bowie knives, chemicals such as "mace" or tear gas (if used in an illegal manner), any explosive agents, or any other object as defined in NC General Statutes 14-269.2.

2.18 "Without consent" means that an act was committed either by threat, coercion, force, or intimidation, or through the manipulation of the victim's mental or physical ability such as when the victim is physically or mentally incapacitated by alcohol or other drugs. One who is incapacitated as a result of alcohol or other drug consumption (voluntary or involuntary), or who is unconscious, unaware, or otherwise unable or under the legal age to provide consent, is incapable of giving consent.

3. AUTHORITY FOR STUDENT DISCIPLINE

The Chancellor has the authority to impose disciplinary action on a student. The Chancellor may delegate such authority to University administrators or other officials as set forth in the Code or in other appropriate policies, regulations or rules.
4. DEFINITION OF MISCONDUCT

The definition of misconduct at NC State is set forth in this Code in order to give students general notice of prohibited conduct and is not designed to define misconduct in exhaustive terms.

5. JURISDICTION

5.1 Coverage

5.1.1 Locations Included

The Code applies to conduct that occurs on University premises, at University-sponsored activities, and to off-campus conduct that adversely affects the University community, its mission, programs, or the pursuit of its objectives. The Provost shall determine whether off-campus conduct falls within the scope of application of the Code.

5.1.2 Persons Covered

The Code applies to all students as defined in section 2.12 above. The University may initiate a disciplinary action against a student who violates this Code or other applicable University policies, regulations or rules, federal, state or local law regardless of the actions taken by civil or criminal authorities or private litigants.

5.1.3 Violations of Law and Disciplinary Action

Students may be accountable to both civil authorities and to the University for acts that constitute violations of law and of this Code. Disciplinary action at the University will normally proceed while criminal proceedings are pending and cannot be challenged on the basis that criminal charges involving the same incident have been dismissed, resolved, or reduced. However, a student who faces criminal charges may choose to submit to interim sanctions, which may include suspension and/or eviction, while the criminal proceeding is pending. The interim sanctions will be imposed by the Director, Office of Student Conduct, without a hearing or ruling on the behavior in question, so as to protect the campus community while protecting the respondent from creating a record that may be used against him or her in criminal court. Once a criminal judgment has been rendered (including prayer for judgment), campus disciplinary action may proceed.

5.2 Student Groups or Organizations

5.2.1 A student group or organization and its officers may be held collectively or individually responsible for violations of this Code. Student groups and organizations may be charged with violations of the Code without regard to whether members of such groups or organizations are individually charged with violations arising from the same incidents.

5.2.2 A position of leadership in a student group or organization entails responsibility. Student officers cannot knowingly permit, condone or acquiesce in any violation of this Code by the group or organization.

5.2.3 The officers or leaders or any identifiable representative for a student group or organization may be directed by the Director, Office of Student Conduct, to take appropriate action designed to prevent or
end violation of this Code by the group or organization. Failure to make reasonable efforts to comply with the Director’s directive shall be considered a violation of this Code, both by the officers, leaders, or representative for the group or organization and by the group or organization itself.

5.3 Additional Standards

Students in certain categories may also be subject to other University conduct codes. For example, students who are enrolled in the Graduate School, the College of Veterinary Medicine, student athletes, ROTC, or students who live in residence halls may be subject to additional standards of behavior.

6. STANDARDS OF CLASSROOM BEHAVIOR

The primary responsibility for managing the classroom environment rests with the faculty. Students who engage in any prohibited or unlawful acts, including those expressly prohibited by the instructor as a means of establishing classroom expectations, which result in disruption of a class, may be directed by the faculty member or University Police to leave the class for the remainder of the class period. If a disruptive student refuses to leave when the instructor tells him or her to do so, the instructor shall avoid a potential or actual altercation by leaving the classroom and calling University Police to remove the student. Longer suspensions from a class, or disenrollment on disciplinary grounds, must be preceded by a disciplinary conference or hearing via Extraordinary Intervention Procedures as described in the Student Discipline Procedures. This provision is not designed to be used as a means to punish differing academic interpretations of course content, but to address behavior that is contrary to or disruptive within the educational environment.

7. CASE REFERRALS

7.1 Any person may refer a student or a student group or organization suspected of violating this Code to the Office of Student Conduct. Charges should be filed in as timely a fashion as possible to ensure the opportunity for affecting behavior change. Failure to file charges in a timely fashion may result in the dismissal of the charges.

7.2 Allegations of violations occurring within residence halls should be referred to the appropriate hall or area staff from University Housing unless there are other aggravating circumstances present.

7.3 A University employee who refers a case is normally expected to serve as the complainant, and to present relevant information in disciplinary hearings or conferences. Students or others who refer cases may serve as witnesses in the disciplinary process while a designated University employee serves as a complainant. University Police may document behavior to the Office of Student Conduct via Student Conduct Referrals.

7.4 Persons wishing to withdraw charges against a student must do so in writing; however, the University reserves the right to pursue those charges that may impact the health, safety, and welfare of the campus community or might otherwise interfere with the educational mission of the University.

8. ACADEMIC MISCONDUCT

All members of the University community, students, faculty and staff, share the responsibility and authority to challenge and make known to the appropriate authority acts of apparent academic misconduct.
Faculty members must undertake a threshold responsibility for such traditional safeguards as examination security and proctoring and should clearly communicate their academic expectations in the course syllabus. The use of the Pack Pledge, "I have neither given nor received unauthorized aid on this test or assignment", on all syllabi, assignments, examinations, or other academic evaluations is encouraged. Similarly, faculty members should familiarize themselves with the procedures for addressing academic misconduct. The procedures for reporting academic misconduct can be found in the Student Discipline Procedures, REG 11.35.02.

Definitions regarding academic misconduct are set forth in writing in order to give students general notice of prohibited conduct. They should be read broadly and are not designed to define academic misconduct in exhaustive terms. If a student is in doubt regarding any matter relating to the standards of academic integrity in a given course or on a given assignment, that student shall consult with the faculty member responsible for the course before presenting the work.

8.1 Aiding and Abetting

Aiding and abetting others to cheat or plagiarize is as detrimental to the scholarly community as engaging in the acts themselves. Aiding and abetting others to cheat or plagiarize includes but is not limited to the following:

(a) Giving unauthorized assistance to another or others during a test or evaluation;

(b) Posing as another student in order to meet a course or graduation requirement;

(c) Providing specific information about a recently given test, examination, or assignment to a student who thereby gains an unfair advantage in an academic evaluation;

(d) Providing aid to another person, knowing such aid is expressly prohibited by the instructor, in the research, preparation, creation, writing, performing, or publication of work to be submitted for academic evaluation;

(e) Permitting one's academic work to be represented as the work of another; or

(f) Sharing or distributing academic materials, including class notes, in violation of the UNC Copyright Policy or NC State's Policy on Copyright Infringement.

8.2 Cheating

Cheating is the giving, taking, or presenting of information or material by a student that unethically or fraudulently aids oneself or another person on any work which is to be considered in the determination of a grade or the completion of academic requirements or the enhancement of that student's record or academic career. Cheating includes, but is not limited to, the following actions:

(a) Copying from someone else's assignment, examination, or other academic exercise;

(b) Possessing, buying, selling, removing, receiving, or using, at any time or in any manner not prescribed by the instructor, any information related to an instrument of academic evaluation;
(c) Using materials, equipment, or assistance in connection with an assignment, examination, or other academic exercise which have not been authorized by the instructor, including but not limited to, notes, calculator, or other technology;

(d) Obtaining or attempting to obtain in a dishonest manner any material relating to a student's academic work;

(e) Working with another or others in completing an assignment, examination, or other academic exercise when the instructor has required independent and unaided action;

(f) Attempting to influence or change an academic evaluation, grade, or record by unfair means;

(g) Permitting another student to substitute for one's self in an academic evaluation;

(h) Marking or submitting an examination or evaluation material in a manner designed to deceive the grading system;

(i) Failing to comply with a specific condition of academic integrity which has been clearly announced in a particular course;

(j) Submitting, without prior permission of the instructor, any work by a student which has at any time been submitted in identical or similar form by that student in fulfillment of any other academic requirement at any institution;

(k) Submitting of material in whole or part for academic evaluation that has been prepared by another individual(s);

(l) Submitting data which have been altered or contrived in such a way as to be deliberately misleading; or

(m) Providing false information to the University in any manner to achieve an unfair advantage, enhance one's record, or complete a requirement.

8.3 Destruction or Removal of Academic Materials

The destruction or removal of academic materials denies access to, and prevents the ability to develop the full potential of, scholarly resources. Prohibited acts under this section include, but are not limited to, the following:

(a) Removing or attempting to remove, destroy, steal, or make inaccessible library or other academic material without authorization; or

(b) Willfully damaging the academic work or efforts of another.

8.4 Plagiarism

Plagiarism is the use or close imitation of the language and thoughts of another and the representation of the other's work as their own. The act of submitting work for evaluation or to meet a requirement is
regarded as assurance that the work is the result of the student's own thought and study, produced without assistance, and stated in that student's own words, except as quotation marks, references, or footnotes acknowledge the use of other sources. Any ideas or materials taken from another source for either written or oral use must be fully and correctly acknowledged. Plagiarism includes, but is not limited, to the following actions:

(a) Representing the work of others as his or her own;

(b) Submitting written materials without proper attribution or acknowledgment of the source; or

9. SANCTIONS FOR ACADEMIC MISCONDUCT

Sanctions for academic misconduct result in the creation of a disciplinary file for individuals or groups. Sanctions are imposed to:

(a) Define a student or organization’s status at the University following a finding of responsible for a violation;

(b) Serve as a clear statement about University standards and expectations;

(c) Educate students on the effects of their behavior; and

(d) Attempt to affect a change in that behavior in the future.

Academic misconduct that involves advance planning, collaboration, falsification of papers, forms or documents, actual or potential harm to other students, or other aggravating circumstances may result in suspension or expulsion from the University. In addition, a student will be suspended (or expelled) if further academic misconduct is committed while he or she is on academic integrity probation. Where suspension is the minimum sanction to be imposed for a second instance of academic misconduct, a lesser sanction may be imposed at the Provost's discretion only upon a showing of extraordinary circumstances by evidence and argument at the initial conduct process. Factors or circumstances affecting sanctions shall be considered on a case by case basis.

9.1 Academic Integrity Probation

A student found responsible for academic misconduct will usually be placed on academic integrity probation for the remainder of the student's academic career. In addition, one or more of the sanctions listed below may be imposed.

9.2 Reduction in Grade

A reduction in grade on the assignment, examination, or academic exercise on which the violation occurred.

9.3 No Credit

No credit on the assignment, examination, or academic exercise on which the violation occurred, and/or no credit for the course.
9.4 Educational Exercises

Participation in an educational exercise regarding academic integrity.

9.5 Suspension

Suspension is a separation from the University for a specified period of time. While suspended, the student shall not participate in any University-sponsored activity and will be trespassed from University premises. Exceptions to this trespass may be granted by the Provost based on the written petition of the student and for good cause. In cases where the student will complete graduation requirement during the current semester, suspension is to take effect immediately. In cases where a student will complete graduation requirements in either summer session I or II, the suspension period will include both summer sessions. Notations of the suspension will appear on the student’s transcript. Suspension notations on transcripts may be removed at a later date upon student petition to the Provost. However, a disciplinary file indicating suspension will be maintained by the Office of Student Conduct on a permanent basis.

9.6 Expulsion

Expulsion may be imposed in the most severe cases of academic misconduct. Expulsion is a recommendation that must be approved by the Provost and is the permanent separation of the student from the University, unless at a later date the Chancellor concludes on the basis of the former student’s petition and any supportive documentation that he or she should be approved for reinstatement at NC State. When expelled, the student shall no longer participate in any University-sponsored activity and will be trespassed from University premises. A disciplinary file indicating expulsion will be maintained by the Office of Student Conduct on a permanent basis and will result in a permanent transcript notation. The student’s name will be included in the UNC system database for suspended/expelled students. Expulsion precludes enrollment at any UNC constituent institution.

9.7 Additional Sanctions

Additional sanctions not listed above may be applied. These include, but are not limited to, required counseling, research and reflective writing assignments, as well as other non-academic sanctions listed in this Code. For graduate students, in addition to the sanctions imposed above, other sanctions may apply if the Dean of the Graduate School or the Dean of the College of Veterinary Medicine, as applicable, determines that the graduate student is subject to the policies and procedures established for the Graduate School or the College of Veterinary Medicine.

10. NON-ACADEMIC MISCONDUCT

Behavior that is subject to disciplinary action under this Code includes violations of federal, state or local law that threaten the safety or well-being of the campus community, any act that constitutes violent behavior, as defined in the University’s regulation on Campus/Workplace Violence Prevention and Management (REG 4.05.02), and any other behavior that adversely affects the University or its educational programs or mission. Attempts to commit acts prohibited by the Code may also be addressed through the conduct process. All members of the University community, students, faculty and staff, share the responsibility and authority to challenge and make known to the appropriate authority acts of apparent non-academic misconduct.
Examples of behavior that will be subject to disciplinary action include:

10.1 Alcohol Violations

(a) Possession and/or consumption of alcoholic beverages by a person under the age of 21;

(b) Possession or consumption of any alcohol beverage inside any University Athletic facility except on such occasions as designated by the Chancellor;

(c) Aiding and abetting the possession and/or consumption of alcoholic beverages by a person who is under the age of 21;

(d) Consumption of any alcoholic beverages where it is not legally permissible to do so, regardless of age;

(e) Any other violations of the NC State Alcohol Policy; or

(f) Conduct that could form the basis of any charge relating to a violation of North Carolina laws regarding the purchase, possession, manufacture, and consumption of alcoholic beverages or driving while under the influence.

10.2 Computer and Network Abuse

(a) Theft or misuse of University computing resources, including violations of the University’s regulation on Computer Use (REG 8.00.2);

(b) Violation of the University’s Policy on Copyright Infringement (REG 01.25.02);

(c) Unauthorized entry into or transfer of an electronic file;

(d) Use of another person’s computing identification and/or password without authorization or permission;

(e) Use of computing facilities to interfere with the work of another student, faculty member, or other NC State employee;

(f) Use of computing facilities to send obscene or harassing messages; or

(g) Use of computing facilities to interfere with normal operations of the NC State computing system.

10.3 Creating a Safety Hazard

(a) Creating a safety hazard, including but not limited to, starting or attempting to start a fire or failing to exit a building when a fire alarm is sounded; or

(b) Tampering with or misusing fire and/or other life safety equipment, including fire alarms, or elevators.
10.4 Damage to Property

Engaging in an act that intentionally or recklessly damages, destroys, or defaces property of the University or another.

10.5 Disorderly Conduct

(a) Engaging in conduct that disrupts class including, but not limited to, the use of cell phones or other electronic devices for voice or text communication, unless permitted by the instructor;

(b) Participation in an on-campus or off-campus demonstration, riot, or activity that disrupts the normal operations of the University and/or infringes on the rights of other members of the University community;

(c) Leading or inciting others to disrupt scheduled and/or normal activities within any University building or other University premises;

(d) Obstruction that unreasonably interferes with freedom of movement or safe passage, either pedestrian or vehicular, on University premises;

(e) Conduct that is lewd, disruptive, or indecent;

(f) Engaging in conduct which disturbs the peace, order, or discipline at the University or University-sponsored activity;

(g) Any unauthorized use of electronic or other devices to make an audio or video record of any person without his/her prior knowledge, or without his/her consent when such a recording is likely to cause injury or distress; or

(h) Disruption or obstruction of teaching, research, administration, university programs, operations or other University-sponsored activities, including public service functions, on or off University premises, or other non-University activities when the act occurs on University premises.

10.6 Disruption of the Student Conduct Process

(a) Attempting to discourage an individual’s proper participation in, or use of, the conduct system;

(b) Attempting to influence the impartiality of the hearing officer, conduct board member, or appeal administrator;

(c) Harassment and/or intimidation of a hearing officer, conduct board member, or appeal administrator prior to, during, and/or after a student conduct proceeding; or

(d) Influencing or attempting to influence another person to commit an abuse of the conduct system.
10.7 Drug Violations

(a) Illegal possession or use of controlled substances as defined by the North Carolina General Statutes §§ 90-86 through 90-113.8;

(b) Manufacturing, selling, or delivering any controlled substance or possession with intent to manufacture, sell or deliver any controlled substance;

(c) Misuse of any legal pharmaceutical drugs;

(d) Knowingly breathe or inhale any substance for the unlawful purpose of inducing a condition of intoxication; or

(e) Possession of drug-related paraphernalia, including but not limited to, pipes, bongs, hookahs and other water pipes.

Further information regarding drug violations is discussed in NC State’s Policy on Illegal Drugs (POL 04.20.5) and through the UNC Policy Manual on Illegal Drugs, (1300.1).

10.8 Failure to Comply

(a) Failing to comply with the directions of University employees, including University Police in performance of their duties;

(b) Failing to submit identification upon request to duly authorized and properly identified University officials; or

(c) Failing to comply with the sanctions imposed under this Code.

10.9 Fireworks

Unauthorized possession or use of fireworks or explosive device on University premises.

10.10 Hazing

Causing or permitting a person, incident to initiation into or membership in a society, club, athletic team, or similar group or organization, to participate in any activity that subjects or is likely to subject that person or others to risks of physical injury, mental distress, or personal indignities, or which destroys or removes public or private property, whether or not such person has consented to participation in the activity. Silent participation or acquiescence in the presence of hazing are not neutral acts; they are violations of this section.

10.11 Harassment

(a) No student shall threaten, coerce, harass or intimidate another person or identifiable group of persons, based upon the person’s membership in a protected class; or

(b) No student shall engage in harassment that creates a hostile environment. Harassment that creates a hostile educational environment includes conduct that is
(i). Directed toward a particular person or persons;

(ii). Based upon the person’s membership in a protected class;

(iii). Severe or pervasive;

(iv). Objectively offensive; and

(v). So unreasonably interferes with the target person’s employment, academic pursuits, or ability to participate in University programs or University-sponsored activities as to effectively deny equal access to the University’s resources and opportunities.

In determining whether student conduct violates these provisions, all relevant facts and circumstances shall be considered. Care must be exercised in order to preserve freedoms of speech and expression, as articulated in current legal standards. Advice should be sought from the Office of General Counsel and the Office of Institutional Equity and Diversity, as appropriate.

10.12 Infliction or Threat of Bodily Harm

(a) Inflicting physical injury upon another person;

(b) Placing a person in fear of or at risk of physical injury or danger;

(c) Intentionally or recklessly causing any act that creates a substantial risk of bodily harm to another.

10.13 Providing False Information

(a) Intentionally initiating or causing to be initiated any known false report, warning or threat of fire, explosion or other emergency;

(b) Forgery, alteration, or misuse of any University document, records, or instrument of identification;

(c) Furnishing false information, oral or written, to any University official, faculty or staff member, or office; or

(d) Possession or use of an instrument of identification that is not one’s own or is fictitious or altered.

10.14 Sexual Misconduct

(a) Deliberate touching of another person’s sexual parts, or clothing covering them, without consent or the touching of another person with one’s sexual parts without consent;

(b) Deliberate sexual invasion of another person without consent;
(c) Deliberate constraint or incapacitation of another person, without that person’s knowledge or consent, so as to put another person at substantially increased risk of sexual assault; or

(d) Sexual exploitation or coercion of another person without consent.

10.15 Stalking

(a) Engaging in a course of conduct directed at a specific person without legal purpose and the individual engaging in that conduct knows or should know that the course of conduct would cause a person to:

(i) Fear for the person’s safety or the safety of the person’s immediate family or close friends; or

(ii) Suffer substantial emotional distress by placing that person in fear of death or bodily injury.

(b) Using any words or language in an electronic communication that threatens to inflict bodily harm to any person or to any member of the person’s family or household, or physical injury to the property of any person, or for the purpose of extorting money or other things of value from any person;

(c) Electronically communicating to another repeatedly, whether or not a conversation ensues, for the purpose of abusing, annoying, threatening, terrifying, or embarrassing any person; or

(d) Electronically communicating to another and to knowingly make false statement concerning death, injury, illness, disfigurement, indecent conduct, or of any member of the person’s family or household with the intent to abuse, annoy, threaten, terrify, or embarrass.

10.16 Theft

(a) Theft or attempted theft of property, money or services;

(b) Knowingly possessing, purchasing, or exchanging stolen or embezzled property, money or services;

(c) Unauthorized use or access to private or confidential information in any medium; or

(d) Unauthorized possession, duplication, or use of keys or card access to any University premises.

10.17 Trespass

Unauthorized entry to University premises, including intruding upon, forcibly entering, or otherwise proceeding into unauthorized areas of University premises, or the residential space of another without permission.
10.18 Unauthorized Use of Property

Attempted or actual use of property of NC State, property of a University community member, or other personal or public property without proper authorization, or in a manner for which the property was not intended.

10.19 Violation of University Policies, Regulations, or Rules

Violation of any written policies, regulations, or rules of the University, as adopted by the University and as may be amended from time to time.

10.20 Weapons

(a) Illegal or unauthorized possession of weapons on University premises or University-sponsored activities; or

(b) Possession or use of weapons in any manner that harms, threatens, or causes fear to others.

11. SANCTIONS

Sanctions in this section result in the creation of a disciplinary file for individuals or groups. Sanctions are imposed to:

(a) Define a student or organization’s status at the University following a finding of responsible for a violation;

(b) Serve as a clear statement about University standards and expectations;

(c) Educate students on the effects of their behavior; and

(d) Attempt to affect a change in that behavior in the future.

Misconduct that involves substantial theft or fraud, significant physical damage to property, sexual misconduct, substantial physical, emotional or mental damage to persons, committed at least in part because of the victim’s membership in a protected class, or actions that create a substantial risk of bodily harm may result in suspension or expulsion from the University. Sanctions for drug-related misconduct are controlled by the University’s Policy on Illegal Drugs.

Mitigating or aggravating factors or circumstances affecting sanctions shall be considered prior to imposing a sanction. Factors to be considered may include, but are not limited to: a student’s demonstration of insight for their misconduct, present demeanor and attitude, past disciplinary record of the student, community service or assistance related to the misconduct, the nature of the misconduct, as well as the degree of any damage, injury, or harm resulting from it. The Office of Student Conduct may upon initial review of the charges and accompanying narrative determine whether, if proved, the misconduct could result in sanctions of suspension or expulsion and schedule a hearing accordingly.

One or more of the sanctions listed below may be imposed for non-academic misconduct:
11.1 Written Warning

A Written Warning is a disciplinary reprimand that serves as notice that continuation or repetition of prohibited conduct may be cause for additional disciplinary actions.

11.2 Disciplinary Probation

Disciplinary Probation is a pre-suspension status. A student may be placed on disciplinary probation for a period no less than the remainder of the current semester up to the remainder of his or her academic career. If found responsible for a violation while on disciplinary probation, a student may face more severe sanctions up to and including suspension or expulsion.

11.3 Suspension

Suspension is a separation from the University for a specified period of time. While suspended, the student shall not participate in any University-sponsored activity and will be trespassed from University premises. Exceptions to this trespass may be granted by the Provost based on the written petition of the student and for good cause. The student’s name will be included in the UNC System database for suspended/expelled students. In cases where the student will complete graduation requirement during the current semester, suspension is to take effect immediately. In cases where a student will complete graduation requirements in either summer session I or II, the suspension period will include both summer sessions. Notations of the suspension will appear on the student’s transcript. Suspension notations on transcripts may be removed at a later date upon student petition to the Provost. However, a disciplinary file indicating suspension will be maintained by the Office of Student Conduct on a permanent basis.

11.4 Expulsion

Expulsion is a recommendation that must be approved by the Provost and is a permanent separation of the student from the University, unless at a later date the Chancellor concludes on the basis of the former student’s petition and any supportive documentation that he or she should be approved for reinstatement at NC State. When expelled, the student shall no longer participate in any University-sponsored activity and will be trespassed from University premises. A disciplinary file indicating expulsion will be maintained by the Office of Student Conduct and will result in a permanent transcript notation. The student’s name will be included in the UNC System database for suspended/expelled students. Expulsion precludes enrollment at any UNC constituent institution.

11.5 Disciplinary Eviction

Disciplinary Eviction is the removal of the student from any University housing. Eviction may be for a period no less than the remainder of the current semester up to the remainder of the student’s academic career, at the discretion of the Director, University Housing. All costs incidental to eviction are the responsibility of the student. Students subject to eviction will be trespassed from entering all University housing.

11.6 Restriction of Privileges

Restriction of Privileges may be applied when the student’s violation(s) are related to the benefit that one receives as a student at NC State. Examples of privileges that may be restricted include, but are not
limited to: attendance at University athletic events, use of Carmichael Gymnasium, visitation in University housing, or participation in intercollegiate athletic events. Some exceptions may be made to ensure access to primary University services such as food services, health care, or academic resources.

11.7 Additional Sanctions

Additional sanctions not listed above may be applied. Such sanctions, where appropriate, may include but are not limited to: service or research projects, required counseling, participation in special educational programs, restitution for damage to or destruction of property, relocation to another room or residence with coordination of appropriate University staff, behavioral contracts, trespass or no contact orders, etc. Additional group or organizational sanctions may include revocation or denial of registration or recognition.

12. EXTRAORDINARY INTERVENTION

At certain times, NC State may take immediate action to safeguard the University community before a student conduct process begins. These interim actions may be imposed effective immediately, without prior notice, when there is evidence that the continued presence of the student on University campus and/or in University Housing poses a substantial threat. The University may take immediate, interim actions in the following instances:

12.1 If credible information exists suggesting that the student:

(a) is dangerous or disruptive, including danger to others;

(b) has been charged with a serious crime or violation of the University Drug Policies;

(c) poses a threat of causing significant property damage; or

(d) substantially impedes the lawful activities of other members of the campus community, or the educational processes or proper activities or functions of the University or its personnel.

12.2 If the Director, Office of Student Conduct, concludes in his or her professional judgment, that the student is suffering from a mental, emotional, or psychological health disorder, and as a result of this disorder, the student engages, or threatens to engage in behavior which:

(a) poses a significant danger or threat of causing physical harm to others;

(b) causes significant property damage; or

(c) impedes the stability and continuance of normal University functions.

12.3 If, as a result of a mental disorder, a student accused of violating the Code:

(a) lacks the capacity to respond to pending disciplinary charges; or

(b) did not know the nature or wrongfulness of the conduct at the time of the offense; or
(c) poses a significant risk to the health or safety of others.

In this instance the student will be diverted from the regular disciplinary process and suspended on an interim basis.

13. INTERPRETATIONS AND REVIEW

13.1 Any question of interpretation or application of the Code of Student Conduct shall be referred to the Provost for final determination.

13.2 The Code of Student Conduct shall be reviewed every three (3) years under the direction of the Director, Office of Student Conduct.
FACULTY
SENATE
UPDATE
Report from the Chair of the NC State Faculty
to the North Carolina State University
Board of Trustees, submitted March 23, 2012
for the April 19, 2012 University Affairs Committee meeting

From the perspective of faculty governance, the central event of the semester was the General Faculty Meeting on March 13. For the first time, the meeting was videotaped, and major portions of it can be viewed on the Faculty Senate webpage. We believe this is a big step forward in bringing the deliberations of the faculty to the faculty, given that the participation in meetings like this is quite small. In addition to remarks by the Chair of the Faculty, the Provost, and the Chancellor, this meeting featured statements by both of the candidates for Chair-Elect of the Faculty. This office, which involves a four year commitment of time – two of them as Chair of the Faculty, is a crucial one; the nominees are brought forth by the faculty, the final two candidates are selected by the Senate, and the General Faculty elects its new chair in a two-week on-line procedure. The candidates this year are Helmut Hergeth from Textiles, and David Zonderman from History. I encourage the members of the Board of Trustees to watch their statements on the Faculty Senate home page, because they are thoughtful commentaries on the role of the faculty and the future of the university.

The rest of the General Faculty Meeting was spent in a discussion of the Quality Enhancement Plan that has been chosen in partial satisfaction of the SACS reaffirmation process. The topic, “Critical and Creative Thinking,” is a broad one, and we
know that ambiguity and questioning is a normal part of the initial discussions. We also know that without faculty enthusiasm and participation, the plan will fail, and time and resources will have been wasted. For this reason, the Faculty Senate has spent time at its own meeting on February 21 discussing the topic, with notes sent on to University Planning and Analysis. The General Faculty Meeting did the same, with some success.

The creation of a new unit, the Division of Academic and Student Affairs, creates special challenges in developing regulations for two academic departments in this division. Physical Education (soon to be renamed) and Music are academic departments without majors and, for the most part, without tenure-track faculty, although they are both quite important to the University. The question of policies for promotion is an important one, and the Executive Committee of the Senate discussed the matter at length with Vice Provost Betsy Brown.

The most recent Faculty Senate meeting saw discussions of a recently drafted document – the Campus Compact – which spells out the values and ethical expectations of the University. Chandler Thompson, the head of student government and a trustee, presented the document, while the Provost presented the background of the process, which dates back a number of years.

At the same meeting, Frank Abrams, emeritus, former Chair of the Faculty Senate, and Chair of the Association of Retired Faculty, informed the Senate of the workings of ARF. Given the aging of university faculty across the country, the topic of retirement is of
some interest, and the Senate hopes to become better informed about the activities of ARF.

Finally, there was an open discussion of a resolution (subsequently withdrawn) calling for faculty advisory groups in those departments that lack them. The consensus was that the language of the resolution was inappropriate and should be revised.

For those who attended the Founders Day dinner, an important event was the recognition of those faculty who have served the university and won national recognition. Last week, the Chancellor announced a University Faculty Scholars Program which will recognize and reward scholars now moving into their most productive years. This was made possible by the Chancellor’s success in identifying a donor to support it, but the origin of the idea that NC State should formally develop future scholars of national eminence came from a comment made by a member of the Faculty Senate Executive Committee at our fall lunch with the Chancellor.

The next few weeks will see the results of the faculty elections and the presentation of work from the committees of the Senate. We are looking forward to an active spring.

Respectfully submitted,

Hans D. Kellner

Professor of English and Chair of the NC State Faculty
STAFF SENATE UPDATE
Honorable Trustees:

The NCSU Staff Senate continues to discover, develop, enhance and refine avenues of communication for NCSU’s staff members as we seek to educate employees about issues affecting their lives and work, and as we convey staff concerns to University leadership.

In February our guest speaker was Karen Helm, Director of University Planning and Analysis. Staff Senators were gratified to be included in early discussions about NCSU’s Quality Enhancement Plan required for our reaccreditation by the Commission on Colleges of the Southern Association of Colleges and Schools. Staff members are integral to enhancing quality of education and improving student learning, and we endeavor to model critical and creative thinking in our work every day.

We also heard from newly arrived Executive Director of Business Operations Scott Inkley on the progress of business operations restructuring. Mr. Inkley answered questions from the Senate about qualifications and training for new positions, and helped ease the anxieties of staff members whose jobs are likely to be restructured.

Dr. Roby Sawyers, Secretary of the Faculty and Professor in the College of Management, joined us in March to discuss with us an idea originating in the Faculty Senate to begin fundraising to endow scholarships for the children of NCSU faculty and staff. Investigations are ongoing about how many dependents might be at issue and the amount of money necessary to endow scholarships on this scale. We look forward to ongoing collaboration with the Faculty Senate on this project.

The Senate will hear in April from clinical therapist Ron Begley of ComPsych, the new faculty and staff assistance plan provider. We are eager to hear about the variety of services this new FASAP provider offers.

Our February Food Drive for the Food Bank of Eastern and Central NC brought in 2450 pounds of food, a 65% increase over last year. Education and outreach efforts of the Staff Senate include a series of Lunch & Learn brown bag lunches with topics such as University Recreation
services for staff, fitness at your desk, spring gardening, and managing personal finances. The Staff Senate will advance sustainability initiatives with our sponsorship and volunteer efforts for events on Earth Day in April.

The Senate is in the early stages of a potential collaboration with Habitat of Wake County to sponsor a project which we hope will benefit some of our lower paid colleagues living in substandard housing. Our goal of building twelve houses will require the effort and commitment of many people across the NCSU community – staff, students, faculty, alumni, and friends of the University. I trust you’ll hear more about this project as it takes shape in the coming months.

The biggest issue on the Staff Senate’s horizon is the proposal before the NC state legislature to transfer personnel authority from the State Personnel Commission to the UNC Board of Governors. The General Administration distributed for feedback a set of draft Guiding Principles that will provide a philosophical framework for development of personnel policies if and when the proposal is approved. The Chancellor graciously extended his name and influence to a memo soliciting feedback on the draft from all staff and faculty. With the assistance of Associate Vice Chancellor Barbara Carroll, dozens of responses have been consolidated and condensed to a handful of recommendations to strengthen the Guiding Principles and help them accomplish their goal of offering reassurance to anxious staff members. We held a well-attended forum on the proposal and the principles at the College of Veterinary Medicine, and we expect to hold more such discussions in the coming month.

We are in the midst of our general election of Senators, and I anticipate an excellent cohort of new members for next year. Election of our officers is around the corner, and I expect continued excellence in those who lead the Senate. I remain grateful for the talented and dedicated staff members with whom the Staff Senate gives me the opportunity to work. They care deeply about the University, our community, and our state, and they show it every day on the job. Thank you for keeping the well-being of these thousands of workers in mind as you address the major issues facing NCSU.

Respectfully Submitted,

David M. DeFoor
Chair, Staff Staff Senate 2011-2012
PROVOST UPDATE
Proposal for a Graduate Certificate in City Design

Introduction
The Graduate Certificate in City Design is a joint certificate program between the School of Architecture and the Department of Landscape Architecture in the College of Design at North Carolina State University.

We have reached a significant turning point in the planning and design of American cities. It is now an accepted fact that American culture has moved into the post-automobile era, which has major ramifications for the design of cities. This is largely due to three factors: 1) a major study published in the New England Journal of Medicine linking the high rate of cardio-vascular disease in America to the way American cities are designed - to discourage walking and failing to promote healthy lifestyles; 2) the sprawl of American cities has reached a point where it is no longer possible to develop raw land within a reasonable commute to the city center; and 3) a significant shift in American lifestyles away from the nuclear family, requiring increased diversity in housing provision. These factors have caused a widespread renewal of interest in center city redesign/redevelopment on the part of architects, landscape architects, urban designers, city planners and the property development community. Revitalization of the nation’s urban infrastructure is a key element of the federal administration’s incentive package.

The aim of this certificate program is to certify that students undertaking the program have had extensive exposure to the knowledge base and practice of design at an urban scale. This is accomplished through a 15-hour sequence of courses centrally focused on the design of cities, history and theories of urbanism, and city design methodologies, including a minimum of one advanced city design studio. Students are required to undertake a nine-hour course sequence comprised of a theory and skill-based workshop (3 hours) and a city design studio (6 hours). They will take a further six hours of elective courses, as described below.

Intent of Graduate Certificate Program
The certificate program is intended to promote design inquiry and application at the scale of the city, for students and practitioners of architecture, landscape architecture, and city and regional planning. The program’s objectives are:

- to consider the human condition, particularly in making significant urban places;
- design integrated systems of movement, with increased accessibility;
- promote a greater mix of and association of uses and amenities within a well-scaled urban fabric, bringing a fuller sense of equity to the city;
- foster new opportunities for energy production, collection, and saving at the local scale;
- define new means of “greening” the city;
- capture greater senses of identity, meaning, and quality within the city fabric;
- promote interdisciplinary and inter-university studies between departments at NC State and between NC State and the Department of City and Regional Planning at UNC Chapel Hill.

Market for Graduates
Design practice concerned with aspects of environmental design and planning is diversifying in light of the pressing human, ecological and economic needs faced by current society. Strong demand for such skills exists on the part of landscape architecture, urban design and architecture practices, as well as development agencies in the private, governmental, and non-profit sectors. This demand is likely to increase further due to the federal administration’s goal to significantly increase investment in urban infrastructure. Karen Aichinger, Director of Urban Design + Planning at SMWM San Francisco gave a presentation on urban design education in May 2009 at the American Institute of Architects national convention. She stated that “demand for graduates with urban design skills is outstripping supply”, and that there are not enough American students
graduating with the skills specific to city design: equal facility in drawing, writing and speaking; a wide breadth of travel experience; ability to engage with others; ability to handle complex problems; familiarity with research and analysis. American students were finding it difficult to compete with international students for jobs in city design because they lack experience addressing design at an urban scale. She said her firm was looking for graduates who could "inspire, diagram, draw, and tell a story".

**Interdisciplinary Initiative**
This certificate is an interdisciplinary and inter-university initiative, reflecting the nature of city design practice. It aims to bring together students and faculty from landscape architecture, architecture, and city and regional planning into an interactive and team-based learning context. Implementation of this certificate program requires NO additional investment of resources.

**Proposing Departments:**
This is a joint proposal from the School of Architecture and the Department of Landscape Architecture.

**Program Coordinator:**
Robin Abrams
Head, School of Architecture
Brooks Hall 214
North Carolina State University
(919) 513-4841
robin_abrams@ncsu.edu

**Faculty Participants**
SCHOOL OF ARCHITECTURE
Robin Abrams, Professor and Head of School
Thomas Barrie, Professor
Paul Tesar, Professor
Georgia Bizios, Professor
Kristen Schaffer, Associate Professor
Patricia Morgado, Associate Professor
Sara Queen, Assistant Professor of the Practice

DEPARTMENT OF LANDSCAPE ARCHITECTURE
Gene Bressler, Professor and Head of Department
Art Rice, Professor and Associate Dean of Graduate Studies and Research
Kofi Boone, Assistant Professor
Robin Moore, Professor
Nilda Cosco, Education Specialist
Simon Atkinson, Visiting Professor of City Design

DEPARTMENT OF GRAPHIC DESIGN & INDUSTRIAL DESIGN
Kermit Bailey, Associate Professor
Academic Requirements for Participants
Graduate Certificate students are expected to complete a total of 15 hours of coursework. This coursework can be completed within the existing curricula of the Master of Architecture (Tracks 1, 2, and 3), and the Master of Landscape Architecture. Additionally, it is possible to earn this certificate as a post baccalaureate student. There are three methods of fulfilling this requirement: 1 studio option; 2 studio option; no studio option. Studios must be approved by the certificate coordinator in advance, as to whether they fulfill all, or a majority of the intentions of the certificate program, as stated on the first page of this document.

<table>
<thead>
<tr>
<th>Single Studio Option M.Arch Tracks 1, 2, and 3 &amp; MLA Students</th>
<th>Required Coursework</th>
<th>HRS</th>
<th>Required Coursework from the Elective Menu</th>
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<td></td>
<td>ARC 503 Advanced</td>
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<td>Advanced Seminar from Elective Menu</td>
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<td></td>
<td>Architectural Design (Urban) or /LAR 500 Advanced Design (Urban)</td>
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<th>HRS</th>
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<td>2 studios</td>
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<td>ARC 503 Advanced Architectural Design (Urban) or /LAR 500 Advanced Design (Urban)</td>
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<td>Anatomy of the City</td>
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<td>ARC 503 Advanced</td>
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<th>HRS</th>
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<td>Advanced Seminar from Elective Menu</td>
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3
Required Coursework
ARC 570/LAR 582 Anatomy of the City
   A morphological investigation of cities throughout urban history, with emphasis on formal principles of spatial organization. Part one: examination of the descriptive properties of cities in terms of interdisciplinary concepts and principles. Part two: examination of the organizational characteristics of urban space. Includes introduction of design methodology.

ARC 503/LAR 500 Advanced Graduate Studio (for studio options)
   This is an advanced design studio focusing on projects of an urban scale, that require team approaches to urban-scaled problem solving, and also providing opportunity to explore the integration of smaller scale architecture, landscape architecture, and physical planning projects within the larger design context.

The Elective Menu (3 hours for 2 studio option; 6 hours for studio options; 12 hours for non-studio option)
SCHOOL OF ARCHITECTURE, NC STATE
ARC 503 Advanced Architectural Design (Urban)
ARC 503 Advanced Architectural Design (International)
ARC 548 Vernacular Architecture
ARC 571 Urban House
ARC 574 Place and Placemaking
ARC 575 Participatory Design in Architecture
ARC 576 Community Design
ARC 577 Sustainable Communities
ARC 578 Ecological Design
ARC 590 Special Topics (topics vary, by approval of certificate coordinator)

   Examples of applicable seminars that have been taught since 2010
   History of American City Planning (Schaffer)
   City of New Orleans (Schaffer)
   World Trade Center (Schaffer)
   Plan of Chicago (Schaffer)
   Architecture as Infrastructure (Queen)
   Affordable Housing (Bizios)

DEPARTMENT OF LANDSCAPE ARCHITECTURE, NC STATE
LAR 500 Advanced Studio
LAR 511 Community Design Policy
LAR 565 Landscape Architecture International Studio
LAR 576 Community Design
LAR 577 Sustainable Communities
LAR 579 Human Use of the Urban Landscape
LAR 582 Special Topics (topics vary, by approval of certificate coordinator)

Additional Opportunities
Students in the City Design Graduate Certificate Program will join an academic and professional community that offers a broad range of extracurricular activities. These include the College of Design annual Urban Design Conference, visiting lecturers, colloquia, and City Forum, a regularly scheduled series of brown bag discussions coordinated by the City of Raleigh Urban Design Center.

With permission of the certificate coordinator, students may register for one elective course in the Department of City & Regional Planning at the University of North Carolina Chapel Hill as part of inter-institutional registration. Such courses may include:

PLAN 741 Land Use and Environmental Planning
PLAN 550 Evolution of the American Urban Landscape
PLAN 636 Urban Transportation Planning
PLAN 637 Public Transportation
PLAN 651 Urban Form and the Design of Cities
PLAN 738 Transportation Policy and Planning
PLAN 744 Development and Environmental Management
PLAN 745 Development Impact Assessment
PLAN 757 Planning for Historical Preservation
PLAN 760 Real Estate and Affordable Housing
PLAN 762 Central City Revitalization
PLAN 763 Urban Neighborhood Revitalization
PLAN 765 Real Estate Development
PLAN 799 Diversity and Inequality in Cities

Application Process
Applicants must complete an application form to be considered for the certificate program (example attached).

To qualify for admission to the Graduate Certificate in City Design, students must be enrolled in, or have completed, a professional program in architecture, landscape architecture, or urban planning. Students must have at the time of application a 3.00 grade point average in their professional degree program.

City and Regional Planning students have two pre-requisites to become eligible for the Graduate Certificate Program: PLAN 714 Urban Spatial Structure and PLAN 752 Site Planning and Sustainable Design.

Graduate Certificate Completion
To receive a Graduate Certificate, a student must complete 15 hours of coursework, and have a minimum 3.00 grade point average (GPA) on all certificate course work. All grades on courses taken towards the certificate program in courses numbered 400 and above are included in the GPA. Courses at the 300 level and below are not eligible for certificate credit and subsequently do not affect the graduate GPA.

The minimum grade to receive certificate credit can be no lower than a grade of B-. GCP students who take letter-graded 400-, 500- and 700-level courses do not have the option of taking the courses for "credit only" if they intend for the course to be part of their GCP. Transfer credit from other institutions is not allowed for GCP. All course work must be registered for through NC State University. All GCP requirements must be completed within four (4) calendar years, beginning with the date the student commences courses applicable to the GCP, unless a more restrictive time limit has been established by the program or academic college/school. A student may obtain more than one certificate. Each certificate must have at least nine (9) credit hours that are unique to it.

Note: Academic success might have a strong bearing on admission to a degree program, but completion of a certificate program in no way guarantees entry into a graduate degree program, which is done through a separate application process.
Graduate Certificate in Energy & Technology in Architecture (ETA)
College of Design | School of Architecture

Introduction
Building operations consume about 40% of the fossil fuels and account for about 40% of the carbon emissions. When embodied energy is accounted for, these percentages rise closer to 50%. There are few opportunities with greater near-term potential for reducing fossil fuel consumption and carbon emissions than the thoughtful design of buildings. Properly designed energy and other systems have the potentials to substantially enhance building performances and reduce carbon emissions. Preparing the next generation of architects and engineers to meet the challenge of our changing world is absolutely crucial.

Program Intent
The intent of this certificate program is to provide students the opportunity to focus their elective studies in the area of energy and technology in architecture. This is accomplished through courses and design studio(s) that are focused on building energy systems along with other building systems. The program’s aims are:

- to provide educational opportunities for architecture graduate students who wish to acquire knowledge and skills in the design and operation of building systems at site and building levels, with an emphasis on energy and materials.
- to advocate for the importance of energy efficiency over the entire life cycle of a building.
- to make our students more competitive in the fields of architectural practice, building engineering, and construction.

Market for Graduates
The sustainable energy sector will present significant career opportunities for decades to come. Skilled professionals specialized in sustainable building energy and technology areas will be in high demand.

- There has been an increasing demand from the client side for sustainable projects. As an indicator of this trend, many clients request that their buildings to be LEED certified. (While it is a good sign that clients want LEED certification, LEED by itself is wholly inadequate to address the stringent issues of genuine sustainability, which is why we need more intensive educational opportunities for our students in the building design field.)
- There has been an increasing demand from architectural and engineering firms for designers with the expertise in sustainable design. More and more architectural, engineering, and contracting firms have established energy and technology research units within their organizations and require that their employees be LEED accredited.
- There has been an increasing number of architectural schools in this country and across the world that offer building energy and technology related courses and/or studios. It is crucial for our university to establish such a program to stay competitive in this realm.

Interdisciplinary Focus
There has been a large gap among the disciplines in building design. Major components of the building systems—architectural assemblies, mechanical, electrical, and structural systems—tend to be dealt with separately in design education and practice, and the coordination between these disciplines are often limited to systems error checking. In a successfully designed project, building systems, materials, and products must be integrated to create a unified whole that achieves the desired functional purpose. This program will provide unique interdisciplinary opportunities, both at the curricular level and the research level, between college of Design and other engineering units - Civil, Electrical, Mechanical, Material science (e.g., Textile), NC Solar Center, etc., and between academia and building design industries or organizations, such as architecture, engineering, general contracting, real estate companies and public policy agencies.
Program Coordinator:
Jianxin Hu
Asst Professor
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NCSU Campus
Raleigh, NC 27695
Phone: 919-423-4955
Email: jianxin_hu@ncsu.edu

Faculty Participants
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Wayne Place, Professor
Patrick Rand, Professor
David Hill, Assistant Professor
Jianxin Hu, Assistant Professor
Soolyeon Cho, Assistant Professor
Dana Gulling, Assistant Professor
Chuck Ladd, Assistant Professor of the Practice

DEPARTMENT OF LANDSCAPE ARCHITECTURE
Andrew Fox, Assistant Professor

COLLEGE OF DESIGN
Traci Rider, Director of Downtown Studio

DEPARTMENT OF INDUSTRIAL DESIGN
Bong-Ill Jin, Associate Professor

DEPARTMENT OF CIVIL ENGINEERING
George List, Professor
Sami Sami Rizkalla, Professor
Rudi Seracino, Associate Director, CFL
Emmett Sumner, Technical Director, CFL
Joe DeCarolis, Assistant Professor

DEPARTMENT OF MECHANICAL ENGINEERING
Herbert Eckerlin, Professor
Larry Silverberg, Professor
Steve Terry, Assistant Professor

DEPARTMENT OF ELECTRICAL & COMPUTER ENGINEERING
Salah Bedair, Professor

DEPARTMENT OF HISTORY
Mathew Booker, Assistant Professor

COLLEGE OF TEXTILES
Hechmi Hamouda, Professor
Xiangwu Zhang, Assistant Professor

NC SOLAR CENTER
Dona Stankus
Academic Requirements for Participants

There are three paths to gaining the certificate.

1. Master of Architecture Student pursuing a final project:
   It is strongly recommended, but not required, that M.Arch students aiming to complete the certificate should plan to undertake the final project under the chairmanship of one of the Certificate faculty. These students take an advanced studio in energy or technology (to be approved by the certificate coordinator) – 6hrs; two advanced seminars from the certificate menu (2 x 3 hrs); ARC 697 Final Project Research (3 hrs), for a total of 15 credit hours, plus the final project.

2. Master of Architecture student not pursuing a final project:
   These students take an advanced studio in energy or technology (to be approved by the certificate coordinator) – 6hrs; and three advanced seminars from the certificate menu (3 x 3 hrs), for a total of 15 credit hours.

3. Non-degree seeking students, or graduate students in another discipline:
   These students take five advanced seminars from the certificate menu (5 x 3 hrs), for a total of 15 credit hours.

The following charts outline how the Graduate Certificate in Energy & Technology in Architecture fits into each of the three M.Arch tracks. Shaded courses are required courses in the various tracks of the M.Arch program, these courses would be required of all students pursuing the M.Arch degree through that track. Unshaded courses in each track are the courses required for the ETA graduate certificate for that track.

M.A.R.C.H TRACK I WITH FINAL PROJECT

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<td>ARC 503 Advanced Architectural Design (6 hrs)</td>
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<td>META Focus Elective (3 hrs)</td>
<td>ARC 561 The Practice of Architecture (3 hrs)</td>
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<td>META Focus Elective (3 hrs)</td>
<td>Graduate Elective (3 hrs)</td>
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<td>Total = 12 hours</td>
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</table>

<table>
<thead>
<tr>
<th>FALL</th>
<th>SPRING</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARC 503 Advanced Architectural Design (focused on Energy &amp; Technology) (6 hrs)</td>
<td>ARC 598 Final Project Studio in Architecture (6 hrs)</td>
</tr>
<tr>
<td>ARC 697 Final Project Research in Architecture (3 hrs)</td>
<td>Graduate Elective (3 hrs)</td>
</tr>
<tr>
<td>Graduate Elective (3 hrs)</td>
<td>Graduate Elective (3 hrs)</td>
</tr>
<tr>
<td>Total = 12 hours</td>
<td>Total = 12 hours</td>
</tr>
<tr>
<td>Total hours = 48</td>
<td></td>
</tr>
</tbody>
</table>
The above course of study would be undertaken by students seeking a first professional M.Arch degree (Track 1). This degree is for students with a four-year undergraduate pre-professional degree in architecture BEDA degree or equivalent) that is part of a NAAB-accredited professional program. Courses without the gray background in this table are required for the students who intend to receive the Graduate Certificate in Energy and Technology.

### M.Arch Track I Without Final Project

<table>
<thead>
<tr>
<th>FALL</th>
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</thead>
<tbody>
<tr>
<td>ARC 500 Professional Studio (6 hrs)</td>
<td>ARC 503 Advanced Architectural Design (6 hrs)</td>
</tr>
<tr>
<td>META Focus Elective (3 hrs)</td>
<td>ARC 561 The Practice of Architecture (3 hrs)</td>
</tr>
<tr>
<td>META Focus Elective (3 hrs)</td>
<td>Graduate Elective (3 hrs)</td>
</tr>
<tr>
<td>Total = 12 hours</td>
<td>Total = 12 hours</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>FALL</th>
<th>SPRING</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARC 503 Advanced Architectural Design (focused on Energy &amp; Technology) (6 hrs)</td>
<td>ARC 503 Advanced Architectural Design (6 hrs)</td>
</tr>
<tr>
<td>META Focus Elective (3 hrs)</td>
<td>Graduate Elective (3 hrs)</td>
</tr>
<tr>
<td>Graduate Elective (3 hrs)</td>
<td>Graduate Elective (3 hrs)</td>
</tr>
<tr>
<td>Total = 12 hours</td>
<td>Total = 12 hours</td>
</tr>
<tr>
<td>Total hours = 48</td>
<td></td>
</tr>
</tbody>
</table>

The above courses of study would be undertaken by students seeking a first professional M.Arch degree (Track 1). This degree is for students with a four-year undergraduate pre-professional degree in architecture BEDA degree or equivalent) that is part of a NAAB-accredited professional program. Courses without the gray background in this table are required for the students who intend to receive a Master of Architecture with a Graduate Certificate in Energy and Technology.
M.Arch Track II (Final Project Required)

<table>
<thead>
<tr>
<th>FALL</th>
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</tr>
</thead>
<tbody>
<tr>
<td>ARC 503 Advanced Architectural Design</td>
<td>ARC 598 Final Project Studio in Architecture</td>
</tr>
<tr>
<td>(focused on Energy &amp; Technology)</td>
<td>(9 hrs)</td>
</tr>
<tr>
<td>(6 hrs)</td>
<td></td>
</tr>
<tr>
<td>META Focus Elective (3 hrs)</td>
<td>META Focus Elective (3 hrs)</td>
</tr>
<tr>
<td>ARC 597 Final Project Research in Architecture (3 hrs)</td>
<td>Graduate Elective (3 hrs)</td>
</tr>
<tr>
<td>Graduate Elective (3 hrs)</td>
<td>Graduate Elective (3 hrs)</td>
</tr>
<tr>
<td>Total = 15 hours</td>
<td>Total = 15 hours</td>
</tr>
<tr>
<td>Total hours = 30</td>
<td></td>
</tr>
</tbody>
</table>

The above course of study is for students who have completed a NAAB-accredited professional degree in architecture, either a B.Arch, M.Arch or D.Arch. **Courses without the gray background** in this table are required for the students who intend to receive a Master of Architecture with a Graduate Certificate in Energy and Technology. The required certificate courses total 15 hours, plus the recommended final project.
### M.Arch Track III with Final Project:

<table>
<thead>
<tr>
<th>FALL</th>
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</tr>
</thead>
<tbody>
<tr>
<td>ARC 403</td>
<td>ARC 404</td>
</tr>
<tr>
<td>Architectural Design Fundamentals:</td>
<td>Architectural Design Fundamentals:</td>
</tr>
<tr>
<td>Environment (6 hrs)</td>
<td>Form (6 hrs)</td>
</tr>
<tr>
<td>ARC 211</td>
<td>ARC 232</td>
</tr>
<tr>
<td>Natural Systems and Architecture (3 hrs)</td>
<td>Structures and Materials (3 hrs)</td>
</tr>
<tr>
<td>ARC 241</td>
<td>ARC 242</td>
</tr>
<tr>
<td>Introduction to World Architecture (3 hrs)</td>
<td>History of Western Architecture (3 hrs)</td>
</tr>
<tr>
<td>ARC 450</td>
<td>ARC 251</td>
</tr>
<tr>
<td>Architectural Drawing (3 hrs)</td>
<td>Digital Representation (3 hrs)</td>
</tr>
<tr>
<td><strong>Total = 15 hrs</strong></td>
<td><strong>Total = 15 hrs</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FALL</th>
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</thead>
<tbody>
<tr>
<td>ARC 405</td>
<td>ARC 503</td>
</tr>
<tr>
<td>Architectural Design Fundamentals:</td>
<td>Advanced Architectural Design (6 hrs)</td>
</tr>
<tr>
<td>Technology (6 hrs)</td>
<td></td>
</tr>
<tr>
<td>ARC 331</td>
<td>ARC 332</td>
</tr>
<tr>
<td>Architectural Structures I (3 hrs)</td>
<td>Architectural Structures II (3 hrs)</td>
</tr>
<tr>
<td>ARC 432</td>
<td>ARC 414</td>
</tr>
<tr>
<td>Architectural Construction Systems (3 hrs)</td>
<td>Environmental Control Systems (3 hrs)</td>
</tr>
<tr>
<td>ARC 441</td>
<td>ARC 561</td>
</tr>
<tr>
<td>History of Contemporary Architecture (3 hrs)</td>
<td>The Practice of Architecture (3 hrs)</td>
</tr>
<tr>
<td><strong>Total = 15 hrs</strong></td>
<td><strong>Total = 15 hrs</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FALL</th>
<th>SPRING</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARC 500</td>
<td>ARC 503</td>
</tr>
<tr>
<td>Architectural Design: Professional Studio</td>
<td>Advanced Architectural Design</td>
</tr>
<tr>
<td>(6 hrs)</td>
<td>(focused on Energy &amp; Technology) (6 hrs)</td>
</tr>
<tr>
<td>META Focus Elective (3 hrs)</td>
<td>ARC 697</td>
</tr>
<tr>
<td></td>
<td>Final Project Research in Architecture (3 hrs)</td>
</tr>
<tr>
<td>META Focus Elective (3 hrs)</td>
<td>Graduate Elective (3 hrs)</td>
</tr>
<tr>
<td><strong>Total = 12 hours</strong></td>
<td><strong>Total = 12 hours</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FALL</th>
<th>SPRING</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARC 598</td>
<td></td>
</tr>
<tr>
<td>Final Project Studio in Architecture (6 hrs)</td>
<td></td>
</tr>
<tr>
<td>Graduate Elective (3 hrs)</td>
<td></td>
</tr>
<tr>
<td>Graduate Elective (3 hrs)</td>
<td></td>
</tr>
<tr>
<td><strong>Total = 12 hours</strong></td>
<td><strong>Total hours = 98</strong></td>
</tr>
</tbody>
</table>

The above option would be for students obtaining the M.Arch Track III. This is a first professional degree for students without previous academic preparation in architecture. Courses without the gray background in this table are required for the students who intend to receive the first
professional Masters of Architecture with a Graduate Certificate in Energy and Technology. The required certificate courses total 15 hours, plus the recommended final project.

META Required Coursework
ARC 503 Advanced Architectural Design (focused on Energy & Technology, 6 hrs)
  OR two additional elective courses from the list below for non-degree seeking students
META Elective course selected from the list below (3hrs)
META Elective course selected from the list below (3hrs)
META Elective course selected from the list below (3hrs)
  OR ARC 697 Final Project Research (3 hrs)

Approved META Focus Elective Courses
SCHOOL OF ARCHITECTURE
Note: not all ARC 590 seminars are taught every year
ARC 534 Design of Architectural Details [Pat Rand]
ARC 590 Sustainable Design in Architecture [Soolyeon Cho, Traci Rider, or other]
ARC 590 Architectural Daylighting [Wayne Place]
ARC 590 Tectonics & Craft [Frank Harmon]
ARC 590 Experiments in Architectural Prototypes [David Hill]
ARC 590 Materials for Design [Pat Rand]
ARC 590 Building Energy Systems & Simulation [Jianxin Hu]
ARC 590 Building Systems Integration (Proposed) [Wayne Place]

AT LEAST TWO SEMINARS MUST BE TAKEN IN THE SCHOOL OF ARCHITECTURE. FOR THE THIRD SEMINAR, STUDENTS MAY, WITH THE APPROVAL OF THE CERTIFICATE COORDINATOR, TAKE ONE OR MORE OF THE FOLLOWING COURSES FROM OTHER DEPARTMENTS AND COLLEGES; FINAL APPROVAL FOR ENROLLMENT WILL BE DETERMINED BY THE DEPARTMENT OFFERING THE COURSE. COURSES CAN BE ADDED TO THE APPROVED LIST UPON REVIEW BY THE PROGRAM COORDINATOR.

CE 504 Airport Planning and Design
ECO 520 Special Problems In Ecology
HI 540 American Environmental History
HI 585 History of American Technology
ID 500 Advanced Industrial Design (Series)
ID 511 Industrial Design Materials and Processes I
ID 512 Industrial Design Materials and Processes II
ID 532 Advanced Concepts In Product Engineering
ID 570 Advanced Industrial Design-Textiles (Series)
ID 582 Special Topics in Industrial Design
ISE 514- Manufacturing Product Engineering
MAE 589 Special Topics In Mechanical Engineering
MSE 556 Composite Materials
MSE 576 Technology Evaluation and Commercialization Concepts
MSE 577 Technology Evaluation and Strategy
MSE 578 High Technology Entrepreneurship
Additional Opportunities
Students in this concentration will become part of an academic and professional community that offers a broad range of extracurricular activities. These include the NC Solar Center GreenBuild Lecture Series, visiting lecturers, and colloquia.

Application Process
Applicants must complete an application form to be considered for the certificate program (example attached).

To qualify for admission to the Graduate Certificate in Energy & Technology in Architecture, students must be enrolled in, or have completed, a professional program in architecture. Students must have at the time of application a 3.00 grade point average in their professional degree program.

Graduate Certificate Completion
To receive a Graduate Certificate, a student must complete 15 hours of coursework, and have a minimum 3.00 grade point average (GPA) on all certificate course work. All grades on courses taken towards the certificate program in courses numbered 400 and above are included in the GPA. Courses at the 300 level and below are not eligible for certificate credit and subsequently do not affect the graduate GPA.

The minimum grade to receive certificate credit can be no lower than a grade of B-. GCP students who take letter-graded 400-, 500- and 700-level courses do not have the option of taking the courses for "credit only" if they intend for the course to be part of their GCP. Transfer credit from other institutions is not allowed for GCP. All coursework must be registered for through NC State University. All GCP requirements must be completed within four (4) calendar years, beginning with the date the student commences courses applicable to the GCP, unless a more restrictive time limit has been established by the program or academic college/school. A student may obtain more than one certificate. Each certificate must have at least nine (9) credit hours that are unique to it.

Note: Academic success might have a strong bearing on admission to a degree program, but completion of a certificate program in no way guarantees entry into a graduate degree program, which is done through a separate application process.
TO: Dr. John Ambrose, DUAP
FROM: Department of Physical Education
RE: Departmental Name Change
DATE: 2/2/12

The Department of Physical Education is proposing a name change to the Department of Health and Exercise Studies. We completed our consultations in Fall 2011 with other academic departments in Student Affairs, departments in other colleges (Biology, PRTM, CHASS), and the Associate Deans for Academic Affairs. We have appropriately addressed all concerns; consultation confirmations are on-file.

A change in the department name will not affect the Physical Education courses or minor program. All relevant CIP and OUC codes will remain the same.

Rationale:

In 1923 the Department of Physical Education and Athletics was established as a basic instruction program under the authorization of the Board of Trustees. Since that time, the department has developed a diverse and comprehensive curriculum that includes an Instructional Physical Activity Program (IPAP), four specialties in a Minor Program (Coaching, Health, Outdoor, and Sports Science), and an Emergency Medicine Program in collaboration with CALS/Biology that is in its first year of instruction.

Unfortunately, many colleagues do not realize the scope and depth of our programs because we operate under the name of Physical Education. Right or wrong, there often exists a negative connotation to “PE” in the eyes of many, thus a title change that better identifies our department will help correct this problem. Revised titles of similar departments nationwide during the past 20 years reflect a change in curriculum, programs, and allied course offerings. NC State is the only university in the UNC-system and of 17 nationwide peer institutions with the department title of “Physical Education.”

The concept of a new department name was first discussed by our faculty in October 2010 with overwhelming support to pursue this change (25 in favor, none opposed, 3 abstaining). Discussions at our most recent faculty and personnel meetings have reinforced our commitment to this endeavor. Now is the appropriate time to make a departmental name change as it fits within our new unit name of Health, Wellness, and Student Development within the Division of Student Services and Programs.

Ultimately, the proposed title change better reflects our department’s mission. Our faculty realize that something as simple as a title change can alter perspectives that will enhance our objective of ensuring student success at NC State.

Mission Statement:

The mission of the Department of Physical Education is to educate a globally diverse NC State population regarding the benefits of living a healthy and physically active lifestyle by providing equal opportunities and professional preparation in sport, fitness, health and recreation.
NC State’s Enrollment Strategy
This enrollment plan outlines primary strategies for fulfilling NC State’s mission to serve the people of North Carolina and its special role within the UNC system as a research-extensive university. It is not intended to predict future enrollment passively by applying historical trends to demographic trends. Rather, this enrollment plan suggests strategies for actively managing the University’s enrollment to achieve the following aims:

- Improve the quality and standing of NC State’s academic programs.
- Ensure sufficient access for North Carolinians to programs that are relatively unique in the UNC system, while emphasizing competitive excellence in programs offered by other campuses.

Consistent with NC State’s strategic plan, this long-range enrollment plan calls for changes in the composition of its student body, notably expanding the proportion of graduate and professional students particularly at the doctoral level. Among undergraduates, the plan will increase transfers and non-NC residents, and facilitate their transfer among colleges. Growth is managed in a way that maintains the University’s strength in science and technology while honoring its commitment to excellence in a comprehensive range of disciplines, particularly those that enrich our responses to the grand challenges facing society.

Total Size
Continued growth is an attractive enrollment option that would accommodate the expanding North Carolina population and provide new faculty positions and other resources to expand and enhance programs and services. However, projected economic conditions suggest that reductions in the University’s base budget may exceed increased revenues triggered by enrollment growth and dramatically reduce resources per student. To protect the quality of the educational programs at NC State, we must slow enrollment growth to fit available resources, invest in strategies to increase non-state funding, and better align enrollment with resources. To this end, this enrollment plan is based on the following strategies:

- Limit growth in undergraduate programs, where state appropriations and tuition are the only sources of support. Instead, emphasize growth in graduate programs that are linked to federally and privately funded research initiatives, that are supported with premium tuition, or where students are self-supporting.
- Alleviate pressure on colleges with service teaching responsibilities and on student support services by limiting lower division enrollment growth.

Graduate Education
Because NC State is one of only two research-extensive universities in the UNC system, the expansion of graduate education – particularly doctoral education – is our highest priority for enrollment growth. Our goal is to increase graduate enrollment as long as there is sufficient demand that we can meet with resources adequate to sustain the quality of education. In particular, this plan calls for these strategies:

- Create ambitious doctoral enrollment targets, especially those related to strategic research initiatives and those that strengthen multidisciplinary initiatives.
- Build professional master’s programs that provide career development opportunities for working adults and that address unmet economic development needs.
- Leverage degree-granting authority and faculty expertise through partnerships with other universities.
• Provide sufficient resources needed to support graduate enrollment projections, including GSSP and stipends, as well as tenure-track faculty and research space.

Many of NC State’s doctoral graduates join the faculties of universities across the nation and world. We share with other doctoral institutions a responsibility for building a faculty diverse in background and perspective, ready to teach and mentor new generations of students, which will be increasingly diverse themselves. To that end, NC State will:

• Recruit and mentor graduate students representing a variety of academic perspectives and racial, ethnic, gender, and geographic backgrounds.

**Undergraduate Programs**

At the undergraduate level, NC State’s focus will be on improving student success and the quality of the undergraduate experience. The greatest threat to student success and program quality is continuing erosion of the resources necessary to provide adequate faculty, academic support services, and equipped classrooms. Undergraduate education depends on state appropriations, tuition, and private support, all of which may be very limited for several years. Accordingly, NC State will limit enrollment growth in undergraduate programs. This will require that we:

• Limit freshmen enrollment to improve selectivity and student success.
• Expand co-curricular programs and student support services, such as advising, counseling, and career services.
• Sharpen our competitive edge for the most highly qualified students by providing sufficient merit aid needed to recruit more highly qualified freshmen.
• Provide sufficient capacity to meet demand for unique programs, while emphasizing quality in areas duplicated on other UNC campuses.

Nonetheless, NC State is committed to providing access for North Carolinians to NC State’s undergraduate programs as much as possible through improved student retention and graduation rates, and through increased transfer enrollment. First, by reducing time to degree, we will free up capacity to serve more students, and, over time, award as many undergraduate degrees as we do now. We will be able to manage course offerings more effectively and provide financial aid to a larger number of students. At the same time we redouble our efforts to support students’ success in their original college of choice, we will facilitate and plan capacity for the nearly 20% of students who change colleges during their undergraduate career. Second, by reducing freshmen and increasing transfers, we can provide degree opportunities for the same number of students while relieving pressure on service departments and academic support services. (See Appendix A: The Case for Transfers). The following steps would support these strategies:

• Develop institution- and program-specific articulation agreements to facilitate the transfer of students prepared to be successful at NC State.
• Develop recruiting, orientation, and student support programs designed especially for transfer students.
• Provide sufficient financial aid to provide access to all qualified North Carolinians including transfers.
• Take deliberate steps to improve graduation rates.
• Reduce barriers faced by undergraduates wishing to change majors (intracampus transfers).

A diverse student body strengthens the educational experience by encouraging interactions among students from different racial and ethnic, social and economic, geographic, and religious backgrounds. In and outside of the classroom, diversity enhances the commerce of ideas, values, and perspectives. At the undergraduate level, NC State will expand diversity by encouraging transfers from community colleges and by increasing the proportion of non-resident freshmen. The following strategies would support these purposes:
• Develop transfer programs with feeder institutions best positioned to contribute to the diversity of NC State’s student body.
• Increase out-of-state recruiting and enrollment.
• Increase resources available for scholarships and need-based financial aid.

Teaching and Learning with Technology
Instructional technology can contribute substantially to the quality of teaching and learning. Technology can stimulate innovative teaching, enrich learning resources for students, facilitate interactions among students and faculty, and help us leverage our resources to give access to more students. Distance education, blended courses and programs, and high-impact educational content can raise program quality, student engagement, and efficiency through the following strategies:

• Develop distance education programs in high-demand disciplines where NC State has strength.
• Promote innovative uses of instructional technology to enrich classroom teaching and student engagement.
• Develop a strategy to improve efficient use of classrooms for increasing numbers of blended learning courses and programs.

Enrollment Targets
This plan calls for enrollment growth to 37,000 by 2020, including both on-campus and distance education students. This increase compares to a 20% growth between 2000 and 2010, when NC State’s freshman classes increased rapidly, from 3,839 in 2000 to a high of 4,792 in 2007. Consistent with the goals described above, graduate enrollment will continue to grow as a percentage of the total, from roughly 25% to 27%, with the fastest growth occurring at the doctoral level.

<table>
<thead>
<tr>
<th>New Freshmen</th>
<th>4,564</th>
<th>4,630</th>
<th>+1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Ag Institute</td>
<td>133</td>
<td>140</td>
<td>+4%</td>
</tr>
<tr>
<td>New Transfers</td>
<td>1,027</td>
<td>1,415</td>
<td>+38%</td>
</tr>
<tr>
<td>New Master's</td>
<td>1,965</td>
<td>2,402</td>
<td>+22%</td>
</tr>
<tr>
<td>New Doctoral</td>
<td>575</td>
<td>804</td>
<td>+40%</td>
</tr>
<tr>
<td>New DVM</td>
<td>81</td>
<td>100</td>
<td>+23%</td>
</tr>
<tr>
<td>Total Undergraduate</td>
<td>23,514</td>
<td>24,180</td>
<td>+3%</td>
</tr>
<tr>
<td>Total Master's</td>
<td>5,223</td>
<td>6,070</td>
<td>+16%</td>
</tr>
<tr>
<td>Total Doctoral</td>
<td>3,156</td>
<td>4,060</td>
<td>+29%</td>
</tr>
<tr>
<td>Total DVM</td>
<td>312</td>
<td>390</td>
<td>+12%</td>
</tr>
<tr>
<td>Total non-degree-seeking</td>
<td>2,558</td>
<td>2,300</td>
<td>-10%</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>34,763</td>
<td>37,000</td>
<td>+6%</td>
</tr>
</tbody>
</table>

To establish targets for each college within the overall 37,000 enrollment goal for the entire university, the Enrollment Planning Committee solicited proposed targets from each college. Those proposals were reviewed in light of the University’s new strategic plan and information related to the broad strategies outlined above, including the following.
• Demand as expressed through applications  
• Student qualifications and admissions selectivity  
• Potential for improving diversity  
• Throughput: retention and graduation rates, and time to degree  
• Potential for and interest in shifting undergraduate admissions from freshmen to transfers  
• Capacity for growth: teaching workloads, revenues vs. expenditures, cost per section, availability of space, and graduate student support

Particular care was taken to assess each college’s capacity and funding potential for graduate education. The Committee reviewed information about the cost per student (including the cost of an average student support package for resident, domestic non-residents, and international students) and revenues associated with enrollment (including the funding formula, tuition premiums, and savings from TA-instructed courses). The 2020 enrollment projections show more growth in colleges whose sponsored program income is sufficient to fund research assistantships, and to programs whose students are generally self supporting. College targets are included in Appendix B.

**Implementation Strategies**

The enrollment strategies described above – expanding graduate programs, strengthening undergraduate programs – require that NC State build a research (tenured and tenure-track) faculty large enough to expand sponsored research and to provide a high quality educational experience for our students. We will need to reverse the trends of the last decade, when headcount enrollment increased by 20%, non-tenure track faculty grew by 23%, and tenure-track faculty increased by only 1%. To support graduate programs and overall program excellence, NC State must adopt the following strategy:

- Increase the number of tenured and tenure-track faculty, particularly in areas of growth.
- To the extent feasible, fill instructional positions funded through enrollment growth with permanent faculty, rather than holding them vacant for budget reductions or teaching overloads.

Like all institutions of higher education, NC State must also improve the efficiency of all its activities, including instruction. Like all public institutions, we will try to depend less on state support without shifting too much of the costs to students and their families. This calls for careful enrollment planning in all units, ensuring course availability, and improved efficiency through multiple strategies:

- Improve alignment between resources and enrollment in each college.
- Balance enrollment growth across programs in a fiscally sound manner that considers both costs and funding.
- Improve retention rates and time to degree at all degree levels, in part by facilitating intra-campus transfers.
- Increase enrollment capacity in colleges that attract large numbers of intra-campus transfers.
- Reduce the cost of instruction and improve classroom utilization through creative use of learning technologies and partnerships.
- Re-evaluate the master plan, capital improvements plan, and space utilization strategies as needed to provide capacity in growth areas.
- Implement research initiatives necessary to attract the resources necessary to support graduate enrollment, e.g., by implementing a parallel research plan.

With the current funding formulae (including the CVM formula) and instructional salary levels, an increase in total headcount enrollment to 37,000 and the college distribution described in Appendix B would yield around $7.5 million new funding and 30 new faculty positions each year. The additional costs of graduate programs may be supported in part through premium tuition (largely master’s) and sponsored programs (doctoral).
Appendix A: The Case for Transfers

Beginning in 2005, NC State expanded access to the university by admitting larger freshman cohorts. These large cohorts stressed the academic infrastructure, made it increasingly difficult to place intra-campus transfers into degree programs of their choice, lowered the freshman profile, and contributed to lower graduation rates. The 2020 enrollment plan is intended to reverse that trend.

Statewide projections suggest that the number of graduating high school seniors will increase by 17% between 2010 and 2020. NC State has an obligation to accommodate the growing demand for undergraduate degrees and maintain its traditional commitment to providing access. However, under-resourced expansion is not responsible growth. The alternative is to meet the state’s higher education needs by reducing the freshman cohort and increasing external transfers from community colleges and other four-year institutions.

The Enrollment Planning Committee (EPC) estimated the impact of replacing freshmen with weaker credentials with external transfers on the freshman profile, graduation rates, and demand for general education courses. The study compared two groups: (1) traditionally aged students who were denied NC State admission as freshmen but who later enrolled at NC State as transfers, and (2) admitted and enrolled new freshmen whose SATs and high school GPAs placed them at the lower end of their cohort. Two samples from the 2001, 2002, and 2003 years were matched on gender, race, major college preference, and cohort year. As expected, the transfers who were not admitted as freshmen had lower SATs and high school GPAs than students who enrolled as freshmen.

The results indicated that enrolling around 400 external transfers in place of marginally qualified freshmen would not significantly improve the freshman profile and would increase the six-year graduation rate by less than one percentage point. However, despite being less qualified at the freshman admissions decision point, the transfers changed their majors less often than native freshmen, were more likely to finish their degrees within six years, performed better in identical courses, and earned a higher cumulative GPA by graduation.

Comparing the Performance of Matched Freshman and Transfer Groups

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>SAT</th>
<th>HS GPA</th>
<th>Graduated within 6 years of HS diploma</th>
<th>NCSU Final GPA</th>
<th>Years to Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman Group</td>
<td>423</td>
<td>1164</td>
<td>3.37</td>
<td>58.4%</td>
<td>2.83</td>
<td>5.1</td>
</tr>
<tr>
<td>Transfer Group</td>
<td>423</td>
<td>1053</td>
<td>3.27</td>
<td>75.2%</td>
<td>2.95</td>
<td>5.2</td>
</tr>
<tr>
<td>Transfers from NC community college</td>
<td>170</td>
<td>1034</td>
<td>3.24</td>
<td>68.8%</td>
<td>3.00</td>
<td>5.4</td>
</tr>
<tr>
<td>Transfers from another UNC</td>
<td>178</td>
<td>1072</td>
<td>3.27</td>
<td>80.9%</td>
<td>2.98</td>
<td>5.1</td>
</tr>
<tr>
<td>Transfer from another institution</td>
<td>75</td>
<td>1054</td>
<td>3.34</td>
<td>76.0%</td>
<td>2.95</td>
<td>5.1</td>
</tr>
</tbody>
</table>

* Freshman and transfer groups were matched on cohort year.

By shifting from freshmen to external transfers, NC State would confer more degrees per student and per credit hour delivered. Over an academic career, one new freshman takes the same number of hours as 1.6 external transfers, so NC State could deliver the same number of credit hours to 100 freshmen as to 163 transfers. Furthermore, because external transfers have typically completed most of their general education requirements, colleges providing service courses would face less pressure to teach lower division courses.

Shifting enrollment growth from freshmen to transfers may also improve NC State’s opportunity to recruit more diverse undergraduate students. Community college populations are more diverse than freshman cohorts and, with focused recruiting efforts and financial aid, the proportion of underrepresented minorities transferring into NC State would be expected to increase.
The EPC recommends an increase in transfer enrollment to provide access and to improve efficiency and diversity. The Committee believes that the best strategy for shifting some undergraduate enrollment from freshmen to transfers is to develop program-specific articulation partnerships with specific community colleges, similar to those established by the College of Engineering and College of Agriculture and Life Sciences.
## Appendix B: 2020 Enrollment Targets

### Fall Headcount Enrollment
Includes distance education

<table>
<thead>
<tr>
<th></th>
<th>New Freshmen</th>
<th>New External Transfers</th>
<th>Total Undergraduate</th>
<th>New Master's</th>
<th>Total Master's</th>
<th>New Doctoral/DVM</th>
<th>Total Doctoral/DVM</th>
<th>Grand Total</th>
</tr>
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<tbody>
<tr>
<td>Provost</td>
<td>-</td>
<td>-</td>
<td>120</td>
<td>120</td>
<td>-</td>
<td>-</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>CALS</td>
<td>930</td>
<td>350</td>
<td>5,510</td>
<td>230</td>
<td>660</td>
<td>87</td>
<td>495</td>
<td>6,665</td>
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<td>Design</td>
<td>120</td>
<td>25</td>
<td>630</td>
<td>140</td>
<td>375</td>
<td>10</td>
<td>35</td>
<td>1,040</td>
</tr>
<tr>
<td>Education</td>
<td>155</td>
<td>50</td>
<td>900</td>
<td>260</td>
<td>800</td>
<td>100</td>
<td>550</td>
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</tr>
<tr>
<td>Engineering</td>
<td>1,300</td>
<td>250</td>
<td>5,975</td>
<td>725</td>
<td>1,880</td>
<td>310</td>
<td>1,550</td>
<td>9,405</td>
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<tr>
<td>Natural Resources</td>
<td>170</td>
<td>150</td>
<td>1,450</td>
<td>110</td>
<td>360</td>
<td>30</td>
<td>130</td>
<td>1,940</td>
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<tr>
<td>CHASS</td>
<td>435</td>
<td>325</td>
<td>3,820</td>
<td>270</td>
<td>720</td>
<td>60</td>
<td>340</td>
<td>4,880</td>
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<tr>
<td>PAMS</td>
<td>240</td>
<td>40</td>
<td>1,000</td>
<td>75</td>
<td>185</td>
<td>155</td>
<td>680</td>
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<td>Textiles</td>
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<td>50</td>
<td>110</td>
<td>16</td>
<td>110</td>
<td>1,220</td>
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<td>Vet Medicine</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12</td>
<td>20</td>
<td>116</td>
<td>470</td>
<td>490</td>
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<td>Management</td>
<td>350</td>
<td>130</td>
<td>2,570</td>
<td>410</td>
<td>840</td>
<td>20</td>
<td>90</td>
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<td>DUAP</td>
<td>765</td>
<td>30</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>1,325</td>
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<tr>
<td>Non-degree</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,300</td>
</tr>
<tr>
<td>Total</td>
<td>4,630</td>
<td>1,415</td>
<td>24,180</td>
<td>2,402</td>
<td>6,070</td>
<td>904</td>
<td>4,450</td>
<td>37,000</td>
</tr>
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</table>
University Values and Ethics
Administrative Advisory Council at
NC State University

Proposed Mission, Vision, Core Values and Statement of Community Compact

Mission Statement

As a research-extensive land-grant university, North Carolina State University is dedicated to excellent teaching, the creation and application of knowledge, and engagement with public and private partners. By uniting our strength in science and technology with a commitment to excellence in a comprehensive range of disciplines, NC State promotes an integrated approach to problem solving that transforms lives and provides leadership for social, economic, and technological development across North Carolina and around the world.

Vision

NC State University will emerge as a preeminent technological research university recognized around the globe for its innovative education and research addressing the grand challenges of society.

Core Values

Members of the NC State Community commit themselves to:
- Integrity – in the pursuit, creation, application, and dissemination of knowledge
- Freedom – of thought and expression
- Respect – for cultural, experiential, and intellectual diversity
- Responsibility – for individual actions and service
- Stewardship – in sustaining human, economic and natural resources
- Excellence – in all endeavors
Statement of Community Compact
By choosing membership in the community of scholars at North Carolina State University, the faculty, staff and students are expected to act in accordance with the university’s core values.

As members of the NC State Community:

- We affirm a commitment to integrity and the pursuit of excellence in our academic, personal and professional endeavors;

- We honor freedom of thought and expression;

- We respect the diversity of individuals and groups;

- We affirm our commitment to fairness and justice;

- We commit to conducting ourselves in accordance with the highest ethical standards;

- We foster engagement in a culture of service and stewardship within the NC State, national, and global communities.
MEMORANDUM

TO: Deans, Directors, and Department Heads

FROM: Warwick A. Arden, Provost & Executive Vice Chancellor

SUBJECT: Announcing the University Faculty Scholars Program

DATE: March 13, 2012

As announced by Chancellor Woodson this morning at Administrative Leadership Meeting, I am pleased to provide further information regarding a new program to recognize and reward emerging academic leaders among our faculty. The program, entitled the University Faculty Scholars Program, will identify up to twenty (20) tenured or tenure-track faculty each year. Faculty members identified as such will, for a five-year period, carry the title University Faculty Scholar and receive a $10,000 annual supplement, which may be used for supplemental salary or programmatic support.

To be eligible for consideration, outstanding faculty should be nominated by their college. Nominations are limited to assistant professors who have been reappointed for a second term, associate professors and full professors within the first three years of appointment at that rank. Each college may establish its own nominating procedure but the process should include input from senior faculty in that college, ideally including a current distinguished professor. A limit to the number of nominations for each college will be set, based on the number of tenured and tenure-track faculty FTEs in that college. A provost’s administrative advisory committee composed of senior faculty from each college will review nominations. The provost will make the final decision on awardees. Each college will not necessarily receive a set number of awards in any given year.

I would like for this program to be in effect in the 2012-2013 academic year. As such, it is important that colleges begin to define their nominating processes. Once defined, a brief description of the process should be forwarded to the provost for approval. Colleges should also submit the name of one individual to serve on the provost’s administrative advisory committee to review nominations and make final recommendations. Such individuals should be tenured professors who have held rank for more than three years and may or may not currently hold professorships of distinction or administrative positions. Colleges should send descriptions of their nominating processes and the names of advisory committee members to Betsy Brown, bebrown2@ncsu.edu, ViceProvost for Faculty Affairs, by April 1, 2012.

I look forward to your assistance in implementing this important program and recognizing outstanding scholarship among our early to mid-career faculty.
AGENDA

CALL TO ORDER AND ETHICS STATEMENT

1. Review of Nominating Committee Guidelines
   Mr. Jim Owens, Chair

2. Recommendations for Board Officers
   Chair
   First Vice Chair
   Second Vice Chair
   Secretary
   Assistant Secretary

ADJOURN
_SAMPLE

ETHICS AWARENESS & CONFLICT OF INTEREST REMINDER

(to be read by the Chair or his or her designee at the beginning of each meeting)

In accordance with the State Government Ethics Act, it is the duty of every [Board] member to avoid both conflicts of interest and appearances of conflict.

Does any [Board] member have any known conflict of interest or appearance of conflict with respect to any matters coming before the [Board] today?

If so, please identify the conflict or appearance of conflict and refrain from any undue participation\(^2\) in the particular matter involved.

---

1 N.C.G.S. §138A-15 (e): “At the beginning of any meeting of a board, the chair shall remind all members of their duty to avoid conflicts of interest and appearances of conflict under [Chapter 138A].” There is no set language required by the Act. Specific language can and should be tailored to fit the needs of each covered board as necessary.

2 “A public servant shall take appropriate steps, under the particular circumstances and considering the type of proceeding involved, to remove himself or herself to the extent necessary, to protect the public interest and comply with this Chapter, from any proceeding in which the public servant’s impartiality might reasonably be questioned due to the public servant’s familial, personal, or financial relationship with a participant in the proceeding.” See N.C.G.S. §138A-36 (c). If necessary, the Chairman or individual member involved should consult with his ethics liaison, legal counsel, or the State Ethics Commission to help determine the appropriate response in a given situation.
NC STATE UNIVERSITY BOARD OF TRUSTEES
Nominating Committee Informational Materials and Guidelines

I. Duties of the Nominating Committee for Officers of the Board

Section 1.3.5 of the Bylaws of the Board of Trustees addresses the duties of the Nominating Committee:

1.3.5 “A Nominating Committee shall be appointed each year by the Chair and shall consist of not less than three nor more than five members of the Board. The Chair shall not serve as a member of the Nominating Committee. The Nominating committee shall be responsible for presenting a slate of nominees to the Board at its last meeting before the beginning of each University fiscal year. The slate of nominees shall contain at least one nominee for each of the offices of Chair, First Vice Chair, Second Vice Chair, and Secretary. The guidelines for the Nominating Committee are contained in Appendix I to these Bylaws.”

Section 1.2. addresses the officers of the Board and states:

1.2 Officers

1.2.1 At the first meeting after June 30 of each year, the Board of Trustees shall elect from its membership a Chair, a First Vice Chair, a Second Vice Chair, and a Secretary, each of whom shall serve for a term of one year and until a successor is elected. A Chair who is serving a second consecutive year as Chair is ineligible for reappointment as Chair until one year has elapsed from the end of the second consecutive year of service. If a vacancy occurs in any of these officers, the Board of Trustees shall elect a person to serve for the remainder of the unexpired term. These officers shall perform the duties prescribed by these Bylaws and by the parliamentary authority adopted by the Board of Trustees.

1.2.2 The Board of Trustees may also elect an Assistant Secretary, from among the members of the Chancellor’s staff as recommended by the Chancellor. Copies of all minutes, papers and documents of the Board of Trustees may be certified by its Assistant Secretary with the same force and effect as though such certification were made by the Secretary of the Board.
II. Appendix I, Section VI, of Board Policy 01.05.10 provides the following Nominating Committee Guidelines concerning the procedures of the Committee:

Nominating Committee Guidelines

a) Select one or more nominees for Chair from Board of Trustee members in their second consecutive (and last) term of appointment.

b) Where possible, ensure that each nominee for Chair corresponds to the guideline of limited continuity of leadership: a term as Chair of at least two years. A Chair who is serving a second consecutive year as Chair is ineligible for reappointment as Chair until one year has elapsed from the end of the second consecutive year of service.

Current Slate of Trustees Officers

Chair: Barbara Mulkey
First Vice Chair: Norris Tolson
Second Vice Chair: Ben Jenkins
Secretary: Jack Cozort
Assistant Secretary: P.J. Teal
February 29, 2012

MEMORANDUM

TO: NC State Board of Trustees Nominating Committee
    Dr. Jim Owens, Chair
    Mr. Phil Freelon
    Mr. John Sall

FROM: Chancellor W. Randolph Woodson

SUBJECT: Assistant Secretary to the Board of Trustees

NC State Board of Trustees’ bylaws, section 1.2.2, state that the Board may elect an Assistant Secretary, from among the members of the Chancellor’s staff as recommended by the Chancellor.

Consistent with the Board’s request for my input, I recommend Ms. PJ Teal continue to serve the Board as Assistant Secretary.

WRW/kam

cc: Barbara Mulkey, Chair of the Board
NC State University
BOARD OF VISITORS

Thursday, March 29, 2012
12:00 p.m. – 5:00 p.m.
Hood Board Room, Dorothy and Roy Park Alumni Center

Lunch – Chancellor’s Reception Room

Call to Order, Welcome and Campus Update – Hood Board Room
Welcome all incoming members, announcement of new chair and an update on campus activities.

Randy Woodson, Chancellor

University Athletics Strategic Update
Discuss the important role of athletics, current strategies for moving forward.

Debbie Yow, Director of Athletics

125th Anniversary Communications Overview
Update on special events and public relations surrounding the university’s 125th Anniversary and the year-long commemoration.

Brad Bohlander, Chief Communications Officer

Break

Faculty Excellence
Background and update on the Chancellor’s Faculty Excellence Fund and current activity regarding strategic actions taken to develop NC State as world-wide leader in research and innovation across disciplines.

Randy Woodson, Chancellor
Terri Lomax, Vice Chancellor for Research and Innovation
Faculty representative
Park Scholarships Update

Presentation regarding student impact on and off campus as well as an updates concerning the Park Foundation and the future of the program.

_Eva Holcomb, Director_
_Anrew Miller ’13_
_Clifford Griffin, Chair, Park Advisory Committee and Park Faculty Scholar, Class of 2011_

Strategic Realignment Update

An overview of the realignment process, current developments and goals achieved.

_Warwick Arden, Provost and Executive Vice Chancellor_
_Charlie Leffler, Vice Chancellor for Finance and Business_

Adjourn – Depart for Residence

Brief tour followed by cocktail reception

The next Board of Visitors Meeting is scheduled for Friday, October 5, 2012 at 8:30 a.m.
2011-2012 Year in Review

INITIATIVES CREATED AND IMPLEMENTED:

- Established Tradition Keeper Program with 2011 version of “The Brick”. Students who complete 40 of the traditions will be designated an official Tradition Keeper and receive a medal to wear at graduation
  - [http://students.ncsu.edu/thebrick](http://students.ncsu.edu/thebrick)
  - 500 medals ordered
- Created a Google Calendar to highlight events for students
  - [http://go.ncsu.edu/studentcalendar](http://go.ncsu.edu/studentcalendar)
  - [http://go.ncsu.edu/studentcalendarsubmission](http://go.ncsu.edu/studentcalendarsubmission)
- Inaugural Respect the Pack Event
  - Wolfpack Welcome Week 2011; created to spark a proactive conversation about accepting all members of our diverse NC State community
  - Students hand-printed the Free Expression Tunnel to uphold the statement: “We the Wolfpack support the values of equality and mutual respect for all people. RESPECT THE PACK.”
- Launched Coaches Corner project
  - Largest student fundraiser in NC State’s history. Goal is to raise $200,000 through private donations and honor coaches Everett Case, Norm Sloan, Jim Valvano
  - [http://coachescorner.ncsu.edu/](http://coachescorner.ncsu.edu/)
- Created Red Fridays: Support State
  - Wear red on Fridays and you could be rewarded with prizes!
  - Student Government, in conjunction with University Communications, Campus Enterprises, Athletics, the NC State Bookstore and other departments, will begin a new program on March 16, 2012 to celebrate the 125th anniversary of NC State called “Red Fridays.”
  - Student Government and special guests go around campus at unspecified times every Friday rewarding students, faculty and staff for wearing red and supporting NC State
- Renamed the Wolfpack Student Initiative the Thomas H. Stafford Jr. Student Leadership Scholarship Endowment to honor Dr. Stafford for his commitment to NC State students
- Helped create the Community Compact Statement through the University Values and Ethics Committee
• Created Talkbin account for students to text Student Government comments/questions/concerns
  ○ Text Student Government at 919-883-9039

ACTIVITIES AND EVENTS
• Distinguished Professor Lecture Series – honors three “student favorite” professors each year and gives them the chance to speak about any topic they wish
  ○ 2012 Student Government Distinguished Professors: Dr. Bob Patterson, Dr. David Jones, and Dr. Bob Bruck
• Organized Campout 2012 at Reynolds
  ○ Created competitions focused on NC State traditions
  ○ 2nd Annual 3v3 Basketball Tournament to support the V Foundation for Cancer Research
• 2nd Annual Diversity Week
• 2nd Annual College Cup – unifies our University through a competition between the colleges
  ○ 2012 Winner: College of Agriculture and Life Sciences
• Held monthly Sustainability Task Force Meetings
  ○ Themes included: Energy, Recycling, Earth Day, Sustainability Funding
• Held 3rd annual Think Outside the Brick competition
• Top 54 Deck of Cards to reinforce NC State traditions
• Wolfpack Student Discounts
  ○ Launched and updated a new website: http://students.ncsu.edu/deals

COMMUNICATION AND TRANSPARENCY
• Student Body President Blogs
  ○ ncsu.edu
  ○ students.ncsu.edu
• Social Media
  ○ Twitter:
    ■ Student Government: twitter.com/ncsustudentgov
    ■ Student Body President/Chandler: twitter.com/goREDandWHITE
  ○ Facebook
    ■ Student Government Facebook Page
    ■ Wolfpack Students Facebook Group: 3,741 members as of 4/2/12
• Tuition and Fee Talk Day in the Brickyard
  ○ An alternative to a “student forum”
  ○ Provost Arden and Chancellor Woodson in the Brickyard for 1.5 hours answering student questions
• Brickyard Booth every Wednesday from 10:15AM-1:30PM
• Student Body Officer Dinners in Dining Halls
• Asked administrators to be more accessible to students
  ○ Chancellor Woodson started monthly “Chat with the Chancellor” events
  ○ Provost Arden created a Twitter account
STUDENT ADVOCACY

- Fought against budget cuts
  - Stressed the importance of NC State University to NC economy
  - Met with legislators in Washington, D.C.
  - Worked on committees that were identifying where cuts would be taken, sought student feedback, researched and presented alternative options
  - Asked that upper administration consistently keep students updated and seek feedback

- Advocated on behalf of students at:
  - All University Standing Committees
  - Executive Subcommittee of the Merger of the Division of Student Affairs and the Division of Undergraduate Academic Programs
    - Scholars/Honors Subcommittee
    - Leadership Programs Subcommittee
    - Advancement Discussion Subcommittee
    - New Student Orientation/Parents Orientation Subcommittee
  - Chief of Police Search Committee
  - Chief Communication Officer Search Committee
  - Vice-Chancellor of Academics and Student Affairs Search Committee
  - Trustee Meetings and Fee Committees
  - Talley Building Committee Meetings
  - Hillsborough Street Community Partners

- Worked with University Dining to extend dining hours at the Atrium until 10 pm.

- Advocated for more study spaces on campus
  - Fourth Floor of Harrelson Hall, the Satellite Student Center
  - First Floor of Witherspoon Student Center
  - Empty offices in Talley Student Center
  - Additional plugs and renovations to West Wing of D.H. Hill Library and the terrace above the library

- Check out the Chancellor’s Liaison Agendas to see all the issues we addressed throughout the year

- Advocated for elimination of Distance Education “penalty”; Administration eliminated the Distance Education Fee; starting in Fall 2012 DE classes are charged the same as traditional on-campus classes
  - Memo from Provost Warwick Arden

- Worked with transportation to serve students needs
  - Responded to all student concerns that came to Student Government
  - Advised on the Campus Mobility Plan
  - Requested research on the feasibility of bike racks on Wolfline buses.
  - Educated students on riding a metropolitan transportation line

- 125th Anniversary Planning Committee
  - Marketing Subcommittee
  - Signature Events Subcommittee
ADDITIONAL COMPLETED PROJECTS:

- Allocated $80,500 for the Fall and $85,657.25 for the Spring to student groups on campus through the appropriations process; Sponsored approximately 200 student organizations
- Revised and distributed The Brick to Freshman for the second year in a row
- Distributed free blue books and pencils to students during exams
- Hosted Seventeeth Annual Nightwalk
  - Students volunteer to walk around campus with NC State Facilities staff members and look for overgrown bushes, broken light fixtures, burnt out light fixtures and areas that are too dark
  - Reported 234 concerns
- Website Improvements
  - Updated the SG website so that the links functioned as they are needed
  - Converted the commission pages to a WordPress format to be easily used in future semesters
  - Updated a number of pages to better serve student's needs for quick information access

ATHLETICS:

- Increased quantity of student tickets
  - 1000 more student seats for football
  - 750 more for men’s basketball
- Unveiled new “one-page” ticketing policy with improvements based on student input
  - Top 25% of loyalty point earners are automatically guaranteed a football or basketball ticket; the remaining 75% are entered into a weighted lottery
  - Eliminated group ticketing and placed emphasis on individual loyalty points
  - General Admission student seating for basketball
- Worked closely with Athletics to ensure that student ticketing procedures ran smoothly
  - Answering emails to student concerns and making sure points were awarded correctly (contact the Athletics Commission at ncsuathleticscommission@gmail.com)
- Designed and implemented promotions to enhance the gameday experience for the RBC student sections.
  - Provided cheer sheets for home ACC Men’s basketball games
  - Student Government helped pass out “big heads”, “large bricks”, and “pinwheels” to serve as free throw distractions
- Responded to student opinion and held on-campus game watch events:
  - NC State vs Duke (Poe Hall)
  - Second Round and Third Round game watch in Wolves Den
  - NC State vs Kansas Sweet 16 (Witherspoon Student Center)
- Secured in-kind donations from Athletics for various events throughout the year.
- Worked with athletics and RBC Center staff to open more lines for students to enter the RBC Center faster and more efficiently
- Continued the SG Residence Hall Challenge baseball games
- Communicated unique ticket polices to students in a timely manner:
  - Bowl games
  - NCAA Tournament Games
  - Chick-Fil-A Kickoff
● Partnered with Transportation and Athletics to provide free transportation for students attending home Football and Men's Basketball games (Red Terror Transit)
  ○ Organized a bus trip for students to travel for free to NC State's Bowl Game in Charlotte, NC
● In partnership with Athletics, continued the Dominos Student Appreciation Nights promotion to reward students who attend non-revenue sporting events. Free pizza was given to students at men's and women's soccer games, volleyball games, women's basketball games, gymnastic meets, and softball games

VOLUNTEER/COMMUNITY SERVICE INITIATIVES:
● Universities United: Supporting Our State
  ○ Joint campus effort to help local colleges affected by tornadoes in April 2011
  ○ //students.ncsu.edu/universitiesunited
● Fall Color Explosion and Pack 4 Pink: Diversity Breast Cancer Benefit Show
  ○ NC State students, faculty and staff worked with NC State Grounds Crew to plant flowers around campus in honor of Breast Cancer Awareness month
  ○ Diverse organizations on campus performed at the Pack 4 Pink event to bring breast cancer awareness to NC State. Featured speaker at the event was Mindy Sopher
● Helped promote and provide volunteers for Service NC State
● Participated in Shack-a-Thon with IRC and NRHH to raise $275.00 for our team, to contribute to a total of $5,324 raised by all teams at Shack-a-Thon 2011
● Raised $598 for the V Foundation for Cancer Research in the 2nd Annual Campout Basketball 3v3 Tournament

Student Government’s success and hard work this year would not be possible without partnerships and help from the following departments:

Athletics
Chancellor’s Office
Center for Student Leadership, Ethics and Public Service
Environmental Health and Public Safety
GLBT Center
Office of the Vice-Chancellor for Student Affairs
Provost Arden
University Advancement
University Communications

My fellow Board of Trustee members, thank you for your time. I appreciate the opportunity to work with you this year and serve the students of NC State University.

Spirit, Pride, Tradition, WOLFPACK!

Chandler Thompson
Student Body President, 2011-2012