The North Carolina State University Board of Trustees met in regular session in the Hood Board Room of the Dorothy and Roy Park Alumni Center on Centennial Campus, Raleigh, NC, on Friday, September 20, 2013. Chair Benjamin P. Jenkins presided.

Members present: Benjamin P. Jenkins III, Chair
Thomas E. Cabaniss
Jimmy D. Clark
Gayle S. Lanier
Robert L. Mattocks II
Barbara H. Mulkey
Wendell H. Murphy
James W. Owens
Ronald W. Prestage
Randall C. Ramsey
John P. Sall
Susan P. Ward
Alexander J. Parker, ex officio

Chair Jenkins called the meeting to order at 9:25 a.m. He reminded all members of their duty to avoid conflicts of interest and appearances of conflicts of interest under the State Government Ethics Act and inquired as to whether there were any known conflicts of interest or appearance of conflict with respect to any matters coming before the board at this meeting. 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. Clark made the motion, seconded by Ms. Ward, to approve the open and closed session minutes of the July 10, 2013, meeting of the full board. The motion carried.

OATH OF OFFICE FOR NEW MEMBERS
Chair Jenkins introduced Paul C. Ridgeway, a superior court judge in Wake County, NC, to execute the oath of office to new members, Wendell Murphy and Alex Parker. Mr. Ridgeway is an NC State University alumnus.

CHAIR’S REPORT
Chair Jenkins welcomed Wendell Murphy back to the board, who has twice served before. He also welcomed Alex Parker, Student Body President, to the board. He mentioned that Alex is a Raleigh native, a Caldwell and NC Teaching Fellow and a Spanish major. Chair Jenkins introduced Alex’s parents, David and Cindi Parker.

Chair Jenkins reported that the Atlantic Coast Conference annually requires its member institutions’ board of trustees to certify that authority for the administration of intercollegiate athletics has been delegated to the chancellor. Mr. Ramsey made the motion, seconded by Mr.
Clark, to approve the ACC Governing Board Certification for 2013-14 (Attachment A). The motion carried.

Chair Jenkins gave a report on the Endowment Board activities from Thursday morning’s meeting, stating that gifts of $1,298,397 had been received since the last meeting. The annual report was accepted by the board and an investment performance report for the fiscal year ending June 30, 2013 was received. The NC State Investment Fund, Inc. returned 11.9% for the 12 months that ended as compared to the UNCMC composite benchmark of 10.5%.

Chair Jenkins reported that he had met with Lowry Caudill, the new chair of the UNC Board of Trustees. He talked about four areas of focus for both universities and how they are parallel, giving opportunities for both boards to work together.

Chair Jenkins stated that there will be a statewide Board of Trustees meeting November 6 which NC State will host. He reminded everyone that there will be an announcement related to advancement the afternoon of September 27.

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

Chancellor Woodson began by giving an update of the strategic plan, pointing out that progress is being achieved in key areas. He mentioned the UNC System cut to the appropriated budget, which will lead to a campus wide 5% cut.

Chancellor Woodson reported that the Budget Office is reviewing unit-level plans for budget reductions and this will be submitted to GA at the end of the month. He stated that increasing tuition is not an option and that the university needs to find new opportunities and resources to move the strategy forward.

Chancellor Woodson stated that the availability of federal research grants is shrinking, but fund raising has been growing.

Chancellor Woodson reported that 4,200 freshmen were welcomed this year and have the highest SAT average the university has had. He stated that Talley Student Center will open Phase I by the end of the year and that Phase I of Wolf Ridge Apartments has opened.

Chancellor Woodson said that three professors published novels this summer: Jill McCorkle, Wilton Barnhardt and Elaine Orr. He also reported that Dr. Rob Dunn in the College of Sciences is taking the lead on a five-year grant to get middle school students involved with scientific discovery.

Chancellor Woodson mentioned that NC State was named the 4th “Best Bang for the Buck” among national universities by Washington Monthly. He congratulated Benny Suggs, Executive Director for Alumni Relations, for the award won by the Student Alumni Association Ambassadors.

Chancellor Woodson reported that this year NC State University will undergo its decennial accreditation review by the Southern Association of Colleges and Schools Commission on
Colleges (SACS). SACS will make a final decision about the university’s continued accreditation in December 2014 following off-site and on-site reviews.

Chancellor Woodson announced that, in accordance with institutional policy, Vice Chancellor Marc Hoit will have his five-year review this fall.

**COMMITTEE REPORTS**

**Audit, Risk Management and Finance Committee—Chair James Owens**

Dr. Owens reported that a resolution was presented to authorize NC State University to request the Board of Governors to issue one or more series of bonds to be known as North Carolina State University Obligation Bonds. The proceeds will be applied to the improvements related to the Carmichael Locker Room Renovation. Dr. Owens made a motion to approve the special obligation bond and Ms. Ward seconded. The motion carried.

Dr. Owens stated that the Internal Audit Charter was reviewed and the committee was provided a quarterly update on Internal Audit activity.

Dr. Owens reported that information regarding the 2013-2014 budget and state appropriations was presented. The university’s share for the 2014 fiscal year of the UNC reduction is $21.1 million in recurring cuts. There were no salary increases for employees. Other financial impacts include a tax overhaul resulting in maintaining a tax exempt status for the university, but NC State must now charge tax on meal plans and ticket sales. The committee was educated on Institutional Trust Funds and how they support the university as a whole.

Dr. Owens said that Chancellor Woodson and General Counsel Eileen Goldgeier discussed the University’s Organization Compliance Program and Clery Act Compliance.

**Buildings and Property Committee—Chair Gayle Lanier**

Ms. Lanier reported that the committee reviewed responsibilities and the 2013-2014 plan of work.

Ms. Lanier stated that the committee reviewed one property matter, which was the demolition of a trailer at 3227 Ligon Street. The trailer is in poor condition, no longer serving the university. The university will arrange for demolition.

Ms. Lanier said that the committee approved eighteen designer selections and one construction manager at risk selection.

Ms. Lanier reported that 15 completed projects were accepted with a combined value of $56.8 million. The list includes acceptance of Wolf Ridge Tower Hall and Wolf Ridge Lakeview Hall at a cost of $44 million.

The committee approved the site plan for the renovation of Reynolds Coliseum as well as 27 Plans and Specifications of Formal Projects, each costing less than $2 million.

Ms. Lanier stated that the committee received an update on Centennial Campus development, capital projects, projects in planning and the annual report on the Facilities Condition Assessment Program. A video, *The All-Encompassing Classroom: A Facilities Division*
Initiative, which was a collaborative effort with 2013 graduate, Nicole Benson, was presented. It highlighted the many ways that Facilities works with students and faculty to provide real world teaching opportunities.

University Advancement and External Affairs Committee-Chair Jimmy Clark
Mr. Clark stated that the committee was updated on fund raising progress through June 30, 2013. New commitments and gifts totaled $198.2 million, setting a fund raising record for the university. Annual giving was slightly less than its $2 million goal, but did raise over $1.9 million.

Mr. Clark reported that the committee was given an overview of the 2013 Legislative Session. The committee was informed that there were a number of significant policy issues that could have wide-ranging impact on the university

In closed session, the committee reviewed and approved seven proposals to name specific university facilities. A motion will be made at the end of this meeting to go into closed session to consider these naming opportunities.

University Affairs Committee-Chair Susan Ward
Ms. Ward stated that the committee received a review of their responsibilities and the 2013-2014 plan of work.

Ms. Ward reported that information was provided from the annual report to the Board of Governors on Intercollegiate Athletics as required by UNC policy. The report highlighted the student-athlete exceptions to the minimum course requirements set by the Board of Governors; the student-athlete profiles for admitted student athletes including SAT/ACT scores and high school GPA; information about the majors chosen by student-athletes.

The committee recommended approval of revision to Policy 11.35.01: Code of Student Conduct. Revisions are being proposed to bring the Code into compliance with the State’s Regulatory Reform Act and Congressional changes to the Violence Against Women Act. Ms. Ward made a motion for approval. Dr. Owens seconded and the motion carried.

The committee recommended approval of revisions to the Equal Opportunity and Non-Discrimination Policy 04.25.05. The revisions and updates to this policy are made based on recent changes to state and federal law as well as regulatory guidance. Ms. Ward made a motion for approval. Ms. Mulkey seconded and the motion carried.

The committee recommended revisions to the Appointment, Reappointment, Promotion and Permanent Tenure Policy 05.20.01 in order to document our compliance with the Southern Association of Colleges and Schools (SACS) accreditation guidelines for faculty teaching credentials. Ms. Ward made a motion for approval. Mr. Cabaniss seconded and the motion carried.

The committee recommended approval of revisions to Policy 04.20.06 on Interpersonal Relationships. This policy has not been revised since 2007 and revisions and updates are needed to bring the policy into alignment with current practices on campus. Ms. Ward made a motion for approval. Mr. Ramsey seconded and the motion carried.
The committee recommended a change in degree title from BS in Wood Products to BS in Sustainable Materials Technology. While the core of the program will still cover the traditional areas of wood products, there is an expansion of the curriculum to include areas such as life cycle analysis, industrial ecology and other sustainability topics. Ms. Ward made a motion for approval. Dr. Prestage seconded and the motion carried.

The committee recommended the Request for Authorization to Plan a Professional Doctorate in Design. The Doctor of Design will target practicing design professionals who wish to develop a high level of expertise to support their existing and future design activities and professionals who see the program as a way to structure and enhance their internship period. The program will build on the strengths of the professional programs in the college and provide a new forum for connecting design research to the needs of society. Ms. Ward made a motion for approval. Dr. Prestage seconded and the motion carried.

Chancellor Woodson reported on the progress to secure a December commencement speaker.

Ms. Ward stated that the committee was notified of a new undergraduate graduate certificate in Nano-Systems Engineering and a dual degree between NC State and the SKEMA Business School. Information was also received about the 2013-2014 faculty salary ranges, the SACS reaffirmation process, the Chancellor’s Faculty Excellence Program and the University Faculty Scholars Program.

**Chair of the Faculty Report-Chair-David A. Zonderman**

Dr. Zonderman reported that the Faculty Senate expected to use the first meetings of the academic year to prioritize the following issues: budget cuts and strategic planning, capital campaign, distance education and e-Learning, enrollment planning, shared business services and UNC System’s strategic plan.

Dr. Zonderman stated that Faculty have concerns about declining student response rates on class evaluations, the alignment of endowment with teaching and research mission, as well as building stronger links between Centennial and Main Campus.

Dr. Zonderman stated that the Faculty Senate expects to review progress on the university’s Quality Enhancement Plan (QEP) focused on critical and creative thinking, a requirement for reaffirmation of accreditation.

**Chair of the Staff Senate Report-Chair Ryan Hancock**

Mr. Hancock reported that Staff Senate began the academic year with the annual retreat with the theme, “Change and Evolution.” Guest speakers supported the theme with information about the changing face of the State Legislature, Board of Governors and changes to the State budget and how each will affect the university. The new Onboarding Center was presented at the retreat and it was explained how it will effectively and more efficiently provide resources for new employees.

Mr. Hancock said that the retreat culminated in a tour of the James B. Hunt Jr. Library to see first-hand the change and evolution taking place at NC State.
Mr. Hancock reported that Staff Senate will continue to engage with on-campus organizations and community partners to promote positive change with events such as Support the Troops Campaign which provides care boxes to soldiers overseas.

Mr. Hancock stated that future Staff Senate meetings will continue to educate and share with staff changes that affect them such as the State Health Plan.

With no further business in open session, Ms. Ward made the motion, seconded by Mr. Clark, at 10:35 a.m. to go into closed session to prevent the premature disclosure of an honorary award and to present an exception to the emeritus policy.

The motion carried.

At 11:30 a.m., the board came out of closed session. Ms. Ward made the motion to approve an exception being made to Policy 05.20.02, Emeritus/Emerita Status for Faculty and Senior Administrators, to award Dean Emerita status to Dr. Kathryn Moore, effective September 20, 2013. The motion was seconded by Ms. Mulkey and the motion carried. With no further business, Chair Jenkins adjourned the meeting at 11:35 a.m.

Respectfully submitted,

_______________________              _____________________
Assistant Secretary    Secretary

Approved:

_______________________
Chair of the Board