The North Carolina State University Board of Trustees met in regular session in the Hood Board Room of the Dorothy and Roy Park Alumni Center on Centennial Campus, in Raleigh, NC, on Friday, November 18, 2016.

Members present: James W. Owens, Chair
Robert F. Andrews
Thomas E. Cabaniss
Jimmy D. Clark
Ann B. Goodnight
Benjamin P. Jenkins, III
Stanhope A. Kelly
Wendell H. Murphy
Ronald W. Prestage, DVM
Randall C. Ramsey
Susan P. Ward
Dewayne N. Washington
Paul R. Nolan, ex officio

Chair Owens called the meeting to order at 9:30 a.m. He reminded all members of their duty to avoid conflicts of interest and appearances of conflicts of interest under the State Government Ethics Act and inquired if there were any known conflicts of interest or appearances of conflict with respect to any matters coming before the board at this meeting. Chair Owens called on Assistant Secretary PJ Teal for the roll call.

ROLL CALL
Assistant Secretary PJ Teal called roll and certified that a quorum was present.

MINUTES
Mrs. Goodnight made the motion, seconded by Mr. Clark, to approve the open and closed session minutes of the September 16, 2016 meeting of the full board. The motion passed.

CHAIR'S REPORT - JIM OWENS
Chair Owens began by presenting the “Resolution for Exclusion of Certain Directors and Officers of North Carolina State University.” He reported that NC State works with the Department of Defense (DoD) and other agencies, some with work that involves sensitive and classified information. These important relationships result in cutting-edge research in a variety of disciplines and locations on our campus. He reported that the DoD limits the number of individuals possessing personnel security clearances at any DoD contractor facility on a need to know basis – this also minimizes the number of individuals required to undergo rigorous security vetting and clearances. Therefore, the Resolution excludes the governing board from personnel clearance requirements and the classified information associated with this research.

Mr. Jenkins made a motion, seconded by Mr. Cabaniss to approve the Resolution for Exclusion of Certain Directors or Officers. The motion passed.

Chair Owens reported that every four years Board of Governors (BOG) policy requires all Boards of Trustees to conduct a self-assessment, focusing on how Trustees accomplish their primary responsibilities to the University. He noted that the last assessment in 2013 made a big difference regarding the way committees were structured.
Chair Owens reported that Red and White Week was wonderfully planned and a great example of the history, spirit and community that is NC State. He congratulated Brian Sischo, Vice Chancellor for University Advancement, and his team. He thanked the Trustees for their participation and their generous financial support. Chair Owens noted that the funds raised through the Think and Do the Extraordinary Campaign are going to do much to support students and the university. He also thanked Ann and Jim Goodnight, and Vicky and Jimmy Clark who are serving as campaign co-chairs.

Chair Owens reported that he had the honor of introducing the Chancellor for his Fall Address during Red and White week. He thanked everyone who came and noted that it was a wonderful look back at the great accomplishments of the University over the last 12 months.

He congratulated Trustee Ben Jenkins who will be awarded the Menscer Cup from the NC State Foundation Board in recognition of his life-long service to the University on Thursday, December 8.

CHANCELLOR’S REPORT – W. RANDOLPH WOODSON
Chancellor Woodson reported that Red and White week was a success. He thanked students, faculty and staff for their participation and support as well as that of the Trustees. He reported that the kick-off of the Think and Do the Extraordinary Campaign was a great success and that the goal of having $1 billion dollars raised by the kick-off date was achieved. He noted that only 44 public universities in the U.S. have completed at least one $1 billion campaign, and fewer than 25 have embarked upon campaigns of $1.5 billion or more.

Chancellor Woodson reported that the Poole College of Management’s Jenkins MBA Program has recently received even more outstanding rankings. The Economist included the Jenkins MBA Program on its list of full-time MBA programs, placing it at No. 89 in the Top 100 MBA Programs around the world. This ranking also landed NC State’s Jenkins MBA Program among the Top 50 MBA Programs in the United States. The Economist went on to rank the program No. 24 among U.S.-based public institutions. This exceptional showing marks the first year NC State’s program was eligible for the ranking.

Chancellor Woodson reported that Doug Morton is NC State’s new Associate Vice Chancellor for facilities and that he will direct facilities planning, design, construction, operations and development for the university’s 113,000 acres and 1,163 buildings. He noted that he is from Salisbury, N.C., holds a bachelor’s degree in civil engineering–construction from NC State, a master’s degree in civil engineering from the Georgia Institute of Technology and a master’s degree in national resource strategy from the Industrial College of the Armed Forces.

Chancellor Woodson stated that Leslie Boney III, Vice President of International, Community and Economic Engagement for the University of North Carolina system, has been named director of the Institute for Emerging Issues (IEI), effective January 1, 2017.

Chancellor Woodson reported that he attended an alumni event in Austin, Texas where there is a very strong alumni network with nearly 800 graduates. He also reported that he attended a lunch at Cirrus Logic, whose CEO is an NC State graduate.

COMMITTEE REPORTS

AUDIT, RISK MANAGEMENT AND FINANCE COMMITTEE – CHAIR TOM CABANISS
Mr. Cabaniss reported that the Committee heard an Internal Audit report. It included the need to implement a University-wide time system concerning timekeeping and leave audit.
Mr. Cabaniss stated that the Committee received a budget and legislative update. Discussion topics included an elections update and a budget update for the current fiscal year. Financial information on the first quarter of fiscal 2017 was also presented.

Mr. Cabaniss reported that Eileen Goldgeier, General Counsel, showed the Committee a training video for employees designated as Campus Security Authorities and their responsibility as it relates to the Clery Act, Title IX and Campus Safety.

Mr. Cabaniss reported that the Committee received an update on recent investment performance for the endowment. The review included a summary of endowment and performance at June 30, 2016 and an update for the first quarter of fiscal 2017.

Mr. Cabaniss noted that at the September meeting, Chair Owens reported that the Board of Trustees of the Endowment Fund approved their annual report and that a copy has been provided in the materials.

BUILDINGS AND PROPERTY COMMITTEE - CHAIR CHIP ANDREWS

Mr. Andrews reported that the Committee reviewed and approved two property matters that require full board approval. They are as follows:

1. Acquisition by Deed of a conveyance of approximately 0.742 acres of surplus right-of-way located along the eastern existing right-of-way of the northbound lane of Centennial Parkway. The subject site is adjacent to the Spring Hill Precinct. The item is situated along the east side of existing Centennial Parkway, commencing approximately 150 feet east of its intersection with Oval Drive and continuing southward approximately 1,200 feet. The subject area is to be conveyed from the North Carolina Department of Transportation to the State of North Carolina on behalf of the North Carolina State University. The reallocation of this area will give control and liability to the University for the future development of the Spring Hill precinct.

2. Disposition by Easement for a City of Raleigh Easement – Pedestrian Sidewalk Improvement Project along Trailwood Drive. This non-exclusive disposition by easement to the City of Raleigh is needed in order to facilitate development of city bicycle and pedestrian improvements along Trailwood Drive adjacent to NC State's Centennial Campus. The improvements include extending sidewalks, curb and gutters, installing bike lanes, metal rails as well as fencing along both sides of Trailwood Drive. The project starts near Lineberry Drive, extending north and ending near Main Campus Drive. Project impacts to University property is limited to approximately 4,377 square feet (approximately 0.1005 acres) along approximately 150 linear feet of the eastern edge of existing right-of-way of Trailwood Drive south of its intersection with Main Campus Drive. Compensation will be determined by State Property Office.

Mr. Andrews made a motion, seconded by Mr. Kelly, to approve the two property matters. The motion passed.

Mr. Andrews reported that the Committee approved recommended changes to the designer selection procedure and the construction manager at risk procedure. The committee also approved twelve designer selections and accepted seven building projects at a combined value of $28.1 million included the renovation of Reynolds Coliseum at a cost of $24.5 million. The Committee also approved four plans and specifications of formal projects costing less than $2 million.

UNIVERSITY ADVANCEMENT AND EXTERNAL AFFAIRS COMMITTEE - CHAIR JIMMY CLARK

Mr. Clark reported that the Committee heard an update on University Advancement and Fundraising. Mr. Clark shared that the Campaign Kickoff event, which was the highlight of Red and White Week, was a complete success. He shared that nearly three weeks later, we are still receiving positive feedback and
that the event’s success can be credited to collaboration among many campus departments and our outstanding volunteers.

Mr. Clark reported that an internally focused effort called the “Billion By Launch” initiative, had a target goal to reach $1 billion by the kickoff on October 28 and it surpassed that goal. Mr. Clark noted that more than $120 million has been raised in the campaign since July 1 and he briefed the Trustees on progress toward fundraising goals in all colleges and foundations.

Mr. Clark reported that the Committee received an update on the Alumni Association, including a summary of the launch of their new brand which is reflected in their messaging. He noted that the Alumni Association won several Council for Advancement and Support of Education (CASE) awards and is poised to connect with alumni and friends through a series of Campaign Caravan events, both North Carolina and around the country.

Mr. Clark reported that the Committee was presented with an overview of Central Major Gifts, which included information on Regional Councils and the importance they serve in connecting staff with donors previously unengaged. Emphasis was placed on alumni in the Triangle since it is home to nearly 70 thousand alumni.

Mr. Clark stated that representatives from the College of Agriculture and Life Sciences presented a naming proposal for a consumer test kitchen to be located in 512 Brickhaven. He noted that total naming proposals for the consumer test kitchen are approximately $500,000. He reported that the committee voted to approve the fundraising plan and naming opportunity proposal.

Mr. Clark stated that in closed session, the Committee reviewed and approved five new proposals to name specific university spaces on campus. He noted that Chancellor Woodson made his recommendation to the Committee for three Watauga Medal nominees. He reported that a motion will be made at the end of the meeting to go into Closed Session to consider all naming proposals and the Watauga Medal nominees.

UNIVERSITY AFFAIRS COMMITTEE – CHAIR STAN KELLY

Mr. Kelly reported that under the Consent Agenda, the Committee approved the conferral of tenure to four new faculty members and recommended the following academic degree program requests for full board approval:

- Request to Establish a B.S. in Agroecology and Sustainable Food Systems
- Request to Plan a Ph.D. in International Relations and Security
- Request to Discontinue the Master of Electrical Engineering
- Request to Discontinue the Master of Specialized Veterinary Medicine.

Mr. Kelly made a motion, seconded by Mr. Andrews to approve the four academic degree programs. The motion passed.

Mr. Kelly reported that Chancellor Woodson, Provost Arden and Vice Chancellor Mullen gave the committee an overview of the process undertaken and recommendations presented by the Tuition Review Advisory Committee and Fee Review Committee for the 2017-2018 academic year as instructed by UNC GA.

- a 2% tuition increase for undergraduate residents (new cohort)
- a 4% increase for undergraduate nonresidents
- a 5% increase for graduate residents
- a 6% increase for graduate nonresidents.
Mr. Kelly noted that the Tuition Committee recommended that 66 percent of the tuition increase be used to improve quality and accessibility of the NC State educational experience. Approximately 9 percent be used to provide funding for faculty promotional increases and 25 percent of funding to the Graduate Student Support Plan.

Mr. Kelly stated that the Chancellor also recommended premium tuition increases effective Fall 2017 for the following degree programs:

- Master of Business Administration
- Master of Global Innovation Management
- Master of Science in Financial Mathematics
- Master of Computer Science
- Master of Science in Computer Science

Mr. Kelly reported that the Chancellor recommended new tuition premiums effective Fall 2017 for:

- Master of Science in Chemical Engineering
- Doctor of Design

Mr. Kelly reported that with respect to fee increases, this year’s fee review process included the mandate by the General Assembly (2016 Appropriations Act) of a 3 percent cap on Mandatory Undergraduate Student Fees. He noted that the Chancellor supported the Fee Review Committee’s recommendation to continue existing fees for which an increase was not requested and increase fees subject to the 3 percent cap by $37.14 for all students in the 2017-2018 academic year. This represents an increase of 1.62 percent.

He reported that the Chancellor also supported an increase of $12 to the Student Transit Fee, which is a mandatory fee, but not subject to the 3 percent cap.

Mr. Kelly stated that Provost Arden discussed expansion of the existing College of Engineering Program Enhancement Fee. The fee is designed to significantly expand the educational opportunities for the engineering students to help them remain among the best prepared and most competitive engineering graduates in the country. The fee would be charged for all students majoring in engineering-related programs. A proposed increase of $500 is requested for Fiscal Year 2017-2018 which will bring the special fee rate to $1,500 per year.

Mr. Kelly reported that the Committee discussed the Chancellor’s recommendations on tuition and fees and voted to recommend approval to the full board.

Mr. Kelly made a motion, seconded by Mr. Washington, to approve the 2017-2018 Campus Initiated Tuition increases, premium tuition requests and Student Fee Recommendations. The motion passed.

Mr. Kelly reported that the Committee also approved the request to continue three Centers as presented by Vice Chancellor Rebar.

Mr. Kelly reported that the Committee also received an update on Faculty and Staff Senate activities. Topics included the faculty and staff giving campaign, graduate faculty appointments and review. Mr. Kelly reported that in the Provost’s update, the Committee was notified of new academic certificates and partnerships, leadership and program reviews that are occurring in colleges and vice provost units this academic year, and recently awarded distinguished professorships. He stated that the Committee also received information pertaining to faculty retention efforts. He noted that over the past five years, NC State has made 100 counteroffers and 164 pre-emptive retention offers. Sixty-three percent of counteroffers were successful and 91 percent of the pre-emptive retentions were successful. The overall success rate of counter offers and pre-emptive retentions was 81 percent over this five-year period. He reported that Committee discussion focused on the programs and support in place to recognize, reward, invest in and retain top faculty.

Mr. Kelly reported that the Committee approved addenda to two head coach employment agreements.
BOARD OF VISITORS REPORT – CHAIR CHUCK FLINK
Chair Flink reported that the Board of Visitors (BOV) meeting scheduled for October 7, 2016, was cancelled due to Hurricane Matthew.

Chair Flink reported that there are five new BOV members and they are:
- Brenda Brickhouse
- W. Dwight Armstrong
- Danny Peebles
- Erik Dixon
- Gen. Ray Odierno

Chair Flink reported that four BOV members serve on the University Capital Campaign Committee and they are:
- Chuck Flink
- Judi Grainger
- Henry Campen
- Jon Rufty

He stated that he serves as the official representative of the BOV on the Committee and has been working with Vice Chancellor Sischo on an engagement strategy for the Board of Visitors. He noted that the goal is to have 100 percent participation of the BOV in various aspects of the Campaign.

Chair Flink reported that the next meeting of the Board of Visitors will take place on March 31, 2017.

STUDENT BODY PRESIDENT REPORT – PAUL NOLAN
Mr. Nolan stated that the Student Government “It’s on Us” campaign seeks to reframe the conversation surrounding sexual assault in a way that empowers, educates, and engages college students to do something, big or small, to prevent it. He reported that the Student Government's goal is to teach students how to intervene in situations where they see consent has not been given, which ultimately means being better bystanders. He noted that the Student Government has gotten hundreds of students to sign the “It's On Us” pledge.

Mr. Nolan reported on voting initiatives and “Pack the Polls.” He stated that Student Government gathered students to watch the first and third Presidential debates to educate students on the candidates and encouraged students to participate in the political process.

Mr. Nolan reported that according to Student Government statutes, one-third of all money received by Student Government must be appropriated to student organizations. During the Fall appropriations cycle, $80,000 of fees were distributed to student organizations. He reported that Student Government developed a series of Town Halls for the academic year, covering a variety of issues. Mr. Nolan reported that the Student Government's 2016 "Respect the Pack " event is being nominated for the Association of College Unions International (ACUI) Collaborative Program of the Year Award.

He reported that Student Government is organizing an initiative to return the international flags to Talley Student Union. Before the Talley renovation project, the building had a Hall of Flags which represented the international diversity at the University. Student Government is working in coordination with the Office of International Services to address flag etiquette and international concerns with flag representation.

Mr. Nolan stated that Student Government hosted the President's Roundtable, a gathering of student leaders that represent almost every aspect of student involvement. The meetings serve as a time for student leaders to convey concerns about the communities they represent. He reported that during the Roundtable, Student Government actively address and resolve concerns. If student solutions cannot be
generated in the President’s Roundtable or warrant significant administrative attention, the concern is then sent to Chancellor’s Liaison. He noted that temporary, voluntary student committees are formed in the intermediate weeks between President’s Roundtable and Chancellor’s Liaison to conduct research and propose solutions.

Mr. Nolan reported concerns over the Gregg Museum Fee. He stated that during the Student Senate meeting, students asked about the fee that had been collected for the Gregg Museum since its closure for the construction of the new building. Students approved the fee increase under the Student Center Repair & Renovations Division of Academic and Student Affairs (DASA) request.

Mr. Nolan reported that a group of students organized a Blackout and Die-in protest to express solidarity with the City of Charlotte and other national issues regarding race.

Mr. Nolan reported that there were a series of Student Town Hall meetings held. He noted that the purpose of this initiative was to create open dialogue between students, faculty, and staff regarding an array of topics. The Town Halls are an ongoing series of discussions that will take place once a month, each one focusing on a different issue. Some of the discussions will include: racial climate, sexual assault, mental health, university departments and more. Each discussion will have a faculty speaker who is familiar with the issue, and aware of action being taken to combat student concerns.

CLOSED SESSION
With no further business in open session, Mr. Jenkins made the motion, seconded by Mr. Clark, at 10:10 a.m. to go into closed session to prevent the premature disclosure of an honorary award and to consult with our attorney in order to protect the attorney client privilege regarding Franzen v. NC State University, a lawsuit filed in Wake County Superior Court, under NC General Statute 143-318.11(a)(3). The motion passed.

RECONVNE IN OPEN SESSION
At 10:45 a.m., the board came out of closed session. With no further business in open session, Chair Owens adjourned the meeting at 10:48 a.m.

Respectfully submitted,

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Assistant Secretary    Secretary

Approved:

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Chair of the Board