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 17, 2017.

Members present:

Jimmy D. Clark, Chair
Robert F. Andrews, III
Thomas E. Cabaniss
Ann B. Goodnight
James A. Harrell, III
Stanhope A. Kelly
Wendell H. Murphy
David R. Nimocks, III
Ronald W. Prestage, DVM
Susan P. Ward
Dewayne N. Washington
Edward I. Weisiger, Jr.
Jacqueline Gonzalez, ex officio

Chair Jimmy Clark 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 appearances of conflict with respect to any matters coming before the board at this meeting. Chair Clark 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. Susan Ward made the motion, seconded by Mr. Kelly, to approve the open and closed session minutes of the September 22, 2017 meeting of the full board. The motion passed.

CHAIR’S REPORT- JIMMY CLARK
Chair Clark thanked the Board members for attending the UNC Trustees workshop. He reminded everyone that the UNC Board of Governors requires the NC State University Board of Trustees to conduct a full, campus wide performance review of the Chancellor every four years. He noted that Chancellor Woodson’s review will take place in April 2018. A key element of the review process is a survey that is sent to the Trustees, faculty, staff, students, and alumni. The Trustees will be asked to complete an on-line survey and the results will be discussed at the April meeting in closed session. Once President Spellings has all of the surveys, she will complete the process with a review and discussion with the consultant, Board Chair and Chancellor.

Chair Clark reported that former Trustee Jim Owens will be awarded the Menscer Cup from the NC State Foundation Board in recognition of his service to our University on Thursday, December 7, 2017. He also noted that the winter Graduation ceremony is scheduled for Friday, December 15, 2017, and the Graduation dinner will be Thursday evening, December 14, 2017.

CHANCELLOR’S REPORT – RANDY WOODSON
Chancellor Woodson introduced Peter Harries, Dean of the Graduate School, and Chris McGahan, Interim Dean of the College of Sciences.

Chancellor Woodson then referred the Trustees to the Resolution for Exclusion of Certain Directors and Officers of North Carolina State University in their Board materials. The Resolution excludes the governing board from personnel clearance requirements and the classified information associated with this research so the University can continue its work with the U.S. Department of Defense.
Mr. Cabaniss made the motion, seconded by Mrs. Goodnight, to approve the Resolution for Exclusion of Certain Directors and Officers of North Carolina State University. The motion passed.

Chancellor Woodson signed a performance agreement between NC State and the UNC System. After recognizing the team that reviewed and made recommendations regarding the metrics selected for NC State, the Chancellor stated that metrics fell within three categories, as follows: 1) Prioritize: Rural Enrollments; 5-Year Graduation Rates, Undergraduate Degree Efficiency, Critical Workforces, Research Productivity; 2) Improve: Low-Income Enrollments, Rural Completions, Achievement Gaps; 3) Sustain: Low-income Completions.

While both the UNC System and NC State have student success as their primary goal, the UNC System metrics have an additional focus on accessibility, demonstrated in the metrics for low income and rural enrollment and completions. Chancellor Woodson shared information about challenges in achieving these goals that are inherent in the state’s demographics and lacking a system-wide, comprehensive plan for financial aid. In addition, the research target is consistent with that set by Trustees but is also dependent on external factors such as the future of federal research funding. NC State will continue to grow enrollment and funding for students and will report on these metrics annually.

Chancellor Woodson then shared recent highlights from campus. NC State was selected as one of four sites in the United States for listening sessions held by Secretary of Agriculture Sonny Perdue focused on increasing rural prosperity through a panel addressing agricultural biotechnology and its impact on agricultural and rural economies. In addition, the NC State European Center in Prague celebrated an inauguration ceremony and expansion to provide more offerings and student opportunities.

NC State has received $3 million for the first named chair at the College of Veterinary Medicine, the Dr. Kady M. Gjessing and Rahna M. Davidson Distinguished Chair in Gerontology, and a $1.6 million federal TRIO grant, which focuses on 1st-generation students, students with limited resources, and students from underrepresented groups and supports them in getting PhDs.

Lastly, NC State has coordinated its entrepreneurship program and celebrated by holding events, including the third annual Wolf Den, social entrepreneur speed networking, and an Albright Entrepreneurs Village open house. The Village is a Living and Learning Community for student entrepreneurs that has seen 100% population growth year-over-year for the past two years and was created through a gift from Jane and Andy Albright. NC State’s efforts in fostering entrepreneurialism have been recognized in Princeton Review ranking the university in the top 20 for entrepreneurship programs for undergraduates.

COMMITTEE REPORTS

AUDIT, RISK MANAGEMENT AND FINANCE COMMITTEE – CHAIR TOM CAbANISS
Mr. Cabaniss reported that the Committee heard an update on Internal Audit activities since the last meeting. A report on legislative activities included a discussion related to the special session and redistricting. The Committee also heard about the Board of Governors’ studies and task forces on items that include restoring and preserving free speech, equal opportunity policies, and changes in enrollment funding. The Committee discussed the impact of enrollment funding changes on this fiscal year’s budget and planning for tuition and fee increases going forward.

Mr. Cabaniss stated that the Committee learned that the State Auditor issued a clean, unmodified opinion for the University’s financial statements for fiscal year 2017, and the Committee will hear a full report in February 2018. They also reviewed highlights from the University’s unaudited financial statements for the first quarter of fiscal year 2018. Cash and investments increased, along with long-term liabilities, and on a preliminary basis, total net position rose by $89.4M in the first quarter since
the first quarter of 2017. Revenues were up in the first quarter of fiscal 2018, compared with first quarter fiscal 2017, above the growth in expenses.

The Committee heard and supported a minor change in the Institutional Trust Fund Policy Statement. This change includes a reference to an existing student managed investment fund in the Poole College of Management, which does not exceed 0.10% of institutional trust funds.

Finally, the Committee received an update on cyber security risk and incident management. The report included information such as the top five security weaknesses, recent education sector breaches, and managing cyber security risks. The Committee reviewed data breaches at NC State during the past few years along with the process and outcomes. NC State has plans to stay ahead of cyber breaches and risks with a cyber-strategic plan, which includes 2-factor authentication, data classifications, raising awareness and setting and maintaining key procedures and standards.

BUILDINGS AND PROPERTY COMMITTEE - CHAIR CHIP ANDREWS

Mr. Andrews presented one property matter that required full board approval:

Disposition by Deed: This proposed exchange of real property between the State of North Carolina on behalf of NC State University and the Board of Trustees of the Endowment Fund of North Carolina State University for equal sized acreage on Centennial Campus is for the benefit of the University. The Endowment will receive acreage to be used to create public/private partnership opportunities related to new development on north Centennial Campus consistent with the master land-use plan. The new site, to be located on Centennial Campus near the intersection of Main Campus Drive and Oval Drive, is to be exchanged for an equal amount of Endowment-owned acreage in multiple locations on Centennial Campus. Final quantity, description, and exact location will be determined by survey and is expected to be approximately ±23.5 acres. Mr. Andrews made the motion, seconded by Dr. Prestage, to approve the Disposition by Deed and the motion passed.

Mr. Andrews reported that the Committee approved four designer selections and accepted eight building projects at a combined value of $2.5 million, which included the Weisiger Brown parking lot expansion and the Brooks Hall roof replacement. The Committee also approved the plan of the Carmichael Gym addition and renovation, located on central campus. In addition, they approved six plans and specifications of formal projects each costing less than $2 million.

Mr. Andrews reported that the Committee received updates for capital projects, and status of projects in planning. They also took a short walking tour to Brooks and Leazar Halls to view some of the challenges regarding deferred maintenance.

UNIVERSITY ADVANCEMENT AND EXTERNAL AFFAIRS COMMITTEE - CHAIR SUSAN WARD

Mrs. Ward reported that the Committee heard highlights of the successful Red and White Week and she announced that for the first time in 75 years, Wolfpack Club donor information is available in the Advance database. She noted that the Advancement Services staff will work throughout the winter break to receive, record and receipt gifts. She also reported that the Associate Vice Chancellor for Development search is wrapping up and the hope is to have the successful candidate in place early in 2018.

Mrs. Ward provided a fundraising update which noted that all of NC State’s colleges and foundations are tracking very well toward their respective fundraising goals. Nearly $1.169 billion dollars has been raised toward our target of $1.6 billion dollars.

Mrs. Ward reported that the Committee heard an Alumni Association update, underscoring the success of Red and White week, the Campaign Caravans, the Association’s rebranding along with that of the Alumni magazine and the comprehensive programming strategically developed to attract and engage our changing alumni demographics. She noted that in 2018 there will be more aggressive promotion of membership benefits and more family events.
Mrs. Ward reported that the Committee was briefed on Talent Management, noting that they are working on passive and active recruitment, red carpet treatment onboarding, training and professional development and retention.

Mrs. Ward stated that Central Major Gifts has, for the first time, development officers dedicated to the Triangle area. She then highlighted the importance of regional campaign councils because they help establish and grow relationships with donors that are critical to our success. Also, the Committee approved naming opportunities for the Materials Engineering Department head office and the Swine Research and Education Program in the Department of Animal Science. The Committee approved the proposals for both Engineering and CALS to move forward with their respective naming fundraising plans.

Mrs. Ward reported that the Committee approved six naming agreements and Chancellor Woodson made his recommendation to the Committee seeking the endorsement for two Watauga Medal nominees. A motion will be made at the end of this meeting to go into Closed Session to consider all naming opportunities and the Watauga Medal nominees.

**UNIVERSITY AFFAIRS COMMITTEE – STAN KELLY**

Mr. Kelly reported that the University Affairs Committee approved the conferral of tenure to three new faculty members, the continuation of the NC Japan Center, and they recommended the request to discontinue the master of Veterinary Public Health for full board approval. He noted that this program is being discontinued due to low demand. A concentration area was added to a similar program at UNC Chapel Hill to accommodate the small number of veterinarians applying to the program each year. Mr. Kelly made the motion to approve the discontinuation of the master of Veterinary Public Health and Mrs. Goodnight seconded, and the motion passed.

Mr. Kelly stated that the Committee received an overview of the process undertaken and recommendations presented by the Tuition Review Advisory Committee and Fee Review Committee for the 2018-2019 academic year. The Committee received the Chancellor’s support for all recommendations which include the following:

- a 0% 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 64.7% of the tuition increase be used to improve quality and accessibility of the NC State educational experience; that 8.8% be used to provide funding for faculty promotional increases and 26.5% be allocated to provide funding to the graduate student support plan.

Mr. Kelly reported that the Chancellor also recommended to the Committee a premium tuition increase of $1,000 per year effective fall 2018 for the Master of Accounting program. In addition, he recommended a new tuition premium of $4,300 per year effective fall 2018 for the joint department of Biomedical Engineering's Master's Program in Translation of Innovation (MS-Traln). With respect to fee increases, 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% cap by $43.00 for all students in the 2018-2019 academic year. This represents an increase of 1.7%.

Mr. Kelly made the motion to approve the 2018-2019 campus initiated tuition increases, premium tuition requests and student fee recommendations, seconded by Mr. Cabaniss, and the motion passed.

Mr. Kelly reported Chancellor Woodson will deliver December’s commencement address and he gave the Board updates on Faculty and Staff Senate activities. The Faculty Senate has discussed topics ranging from the Intercollege Transfer Program to the Faculty Ombuds program. The Fall General
Faculty meeting was held on October 3 with F&A - Facilities and Administrative costs associated with research activities - as the main discussion topic. The Staff Senate report highlighted many ways this group is fulfilling its theme of communicating, collaborating, and connecting. Their weekly newsletter reaches nearly 6,000 recipients and helps inform staff about issues including the recent State Health Plan open enrollment. They also organized a successful food drive in October.

Mr. Kelly stated that the Committee was notified of new academic certificates and partnerships and comprehensive leadership and program reviews that are occurring this academic year. He then updated the Board about the Living and Learning Villages. There are currently 16 villages and initiatives that range from a passion for the arts or environment to major-specific villages. These villages promote academic success. Students living in villages tend to have higher GPAs than their non-village peers, their retention rates are higher, and they are more likely to graduate on time. The current village population is 2,213. Thirty-three percent (33%) of all residence hall residents live in villages and 45% of all first-year students live in a village.

Mr. Kelly reported that in closed session, the committee recommended a salary action for approval by the Board of Governors and approved appointment of a Dean as well as salary actions for Deans.

BOARD OF VISITORS REPORT – CHAIR CHUCK FLINK
Chair Flink reported that at their fall meeting the luncheon presentation was provided by Representative Stephen Ross, who gave the Board of Visitors (BOV) an overview of General Assembly accomplishments. Representative Ross focused part of his presentation on improvements to North Carolina’s economy; citing the creation of 70,000 new jobs, North Carolina maintaining a Triple A bond rating, and record tourism revenues. He noted that the General Assembly restored the teaching assistant’s budget, with an emphasis on STEM education. He stated that the UNC GA has worked to build a rainy day fund to help with emergency needs and has reduced unfunded liabilities. He also noted support for the Bright Futures Act which will provide internet service in eight rural counties that currently have limited to no access to the internet.

Chair Flink reported that the BOV heard a report from Chancellor Woodson regarding enrollment and scholarship funds as well as a report from Chairman Jimmy Clark regarding Board of Trustee activities. The BOV also received a presentation on the Campus Capacity Plan, Student Success and Wolfpack Athletics.

STUDENT BODY PRESIDENT REPORT – JACQUELINE GONZALEZ
Ms. Gonzalez gave a Philanthropy Department update. Student Government (SG) is working the first alternative service break where student leaders can join members of SG volunteering around the state. They are also working on a Thanksgiving initiative where members of Student Government and other student leaders work together at a soup kitchen to learn more about our needs as a community.

She reported that the annual Campout, held on October 20, 2017 was a success with nearly 500 students enrolled. The Sexual Assault Awareness Town Hall will be held during Diversity Education Week which is also It’s On Us Week of Action for Sexual Assault Awareness.

Other Student Government projects include:

- Trans Syllabi - professors are able to share their willingness to use preferred names and create a secure space for students’ identities.

- Leader of the Pack - The Graduate Department Director has been working with Center for Student Leadership, Ethics and Public Service to make graduate students eligible to receive the Leader of the Pack award.
- Sustainability Fair - To uplift student sustainability organizations on campus, the Executive Sustainability Department worked to create a sustainability fair to give students more information about different sustainability opportunities for students to get involved with on campus.

- Composting Site on Lake Wheeler - Recently the Student Senate voted in support of a composting site on Lake Wheeler.

- Transportation Task Force - A Transportation Task Force was organized to analyze problems and potential solutions for improvement.

- Fees Process - The fees process was extensive as it went through the Student Senate Committee on Tuition and Fees and the Student Senate itself.

- Student Involvement on Board of Governors Policies - The Council on Student Body Presidents for the UNC System is sending comments and suggestions from NC State’s SG for the Free Expression Free Speech policy.

CLOSED SESSION
With no further business in open session, Mr. Cabaniss made the motion, seconded by Mrs. Ward, at 10:30 a.m. to go into closed session to prevent the premature disclosure of an honorary award. The motion passed.

RECONVENE IN OPEN SESSION
At 11:30 a.m., the board came out of closed session. With no further business in open session, Chair Clark adjourned the meeting at 11:33 a.m.

Respectfully submitted,

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Assistant Secretary      Secretary

Approved:

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Chair of the Board