

Summary
Meeting of the Duke University Board of Trustees
February 24-25, 2023

Friday, February 24

The board meeting began with an executive session, during which the president briefed trustees on recent developments.

After the opening executive session, trustees along with administrators, faculty and students, participated in the third of four sessions this year of a strategic engagement program focused on the upcoming comprehensive fundraising campaign. The aims of the yearlong program are to build a shared understanding of campaign goals and priorities; for participants to provide advice and guidance to the administration on key campaign topics; and for participants to come away from the program as enthusiastic advocates, ambassadors and investors. The session began with a discussion on the draft case for support and messaging led by Tracey Temne, associate vice president of marketing, communications and stewardship for Alumni Engagement and Development. Next, Ed Balleisen, vice provost for interdisciplinary studies; Toddi Steelman, Stanback dean of the Nicholas School of the Environment; and Joe Salem, Rita DiGiallorardo Holloway university librarian and vice provost for library affairs, engaged in a series of “pitch” sessions to further hone messaging related to core fund-raising priorities. Finally, President Price moderated a panel conversation with the co-chairs of *Duke Forward*, Duke’s last comprehensive fundraising campaign: Trustees Emeriti Anne Bass, Bruce Karsh, and David Rubenstein.

In the afternoon, trustees participated in meetings of the standing committees.

Saturday, February 25

The board meeting began in regular session with a strategic discussion on Duke University Health System (DUHS) led by Chancellor for Health Affairs Gene Washington and DUHS Executive Vice President and Chief Operating Officer Craig Albanese (note that Dr. Albanese will assume the role of DUHS chief executive officer on April 1). Next, Executive Vice President Daniel Ennis and Rachel Satterfield, vice president for finance and treasurer, led a strategic discussion on university finances. In addition, trustees received brief updates on federal relations and Duke Kunshan University (DKU). After taking action on recommendations from committees, including the proposal on tuition and fees for FY 2024, the board meeting concluded with an executive session in which the board elected new trustees whose terms will begin on July 1, 2023.

Following the meeting, the Committee on Honorary Degrees met.

Meeting Summary of the Audit and Compliance Committee

February 24, 2023

What were the key takeaways?

- The Office of Information Technology's (OIT's) structure, tools, technology and policies are designed to provide reliable, threat resistant infrastructure and to secure information assets.
- The National Science Foundation Office of the Inspector General (NSF OIG) cost compliance audit settlement requires Duke to repay questioned costs. Management also agreed to implement corrective action plans. KPMG issued an unmodified opinion for the FYE 2022 Uniform Guidance statutory audit.
- KPMG's FY 2023 annual audit plan is substantially similar to prior years. The required partner rotation will be effective for FY 2024.

What were the major topics discussed?

- OIT's implementation of the Center for Internet Security control framework, including assessed maturity levels. OIT's implementation of the CIS framework is focused on operational effectiveness and continuous improvement using 18 control areas and 153 associated safeguards. In 7 of the 18 areas, OIT self-assessed as highly mature, with another 6 control areas designated as maturing. OIT also reviewed the core functions, cybersecurity plan, success factors of the IT security office, and types of work this team supports for other business units across Duke.
- KMPG affirmed the importance of engagement continuity and institutional knowledge. In addition to routine audit testing and validation procedures, the FY 2023 audit plan will focus on entity and significant accounts valuation, and tracking the PDC asset acquisition as a material subsequent event transaction.

What were the major insights shared?

- The committee stressed the importance of cybersecurity vigilance, oversight and continuous improvement. Particular emphasis was placed on independent testing, third-party risks and incident response.
- The NSF OIG audit was an important learning experience that raised stewardship awareness and resulted in compliance maturity and oversight improvements.

What actions were taken?

- Accepted the FY22 Uniform Guidance audit report, as presented.
- Approved KPMG's audit plan, staffing and qualifications, as presented.
- Accepted and endorsed the Duke Values, as presented.
- Accepted and endorsed the Values in Action, as presented.

What are the next steps to be taken?

- OIT will routinely update the committee using dashboards covering the six core functions of the IT security office. May 2023 information will focus on governance, policies, education and awareness.
- The committee is called to review the current committee charter and workplan matrix for suggested changes, and to provide the committee administrator with responses to be considered in the May 2023 proposed updates.

Meeting Summary of the External Engagement Committee

February 24, 2023

What were the key takeaways?

- The campaign and the Centennial are opportunities to raise money and awareness, but also an opportunity to think differently about Duke's diverse constituents, to identify new ways to bring them into strategic conversation to create a more representative picture of "Future Duke".
- The success of the campaign will be measured not only through monetary goals but in the level of engagement that is achieved across all constituent groups.

What were the major topics discussed?

- The next campaign highlighting information on volunteer engagement, alignment with schools and the Human Talent Initiative (HTI).
- Activating the Global Network (AGN) and the campaign with a focus on women's engagement and philanthropy, multicultural advancement, international engagement, and non-alumni parent engagement.
- The Centennial, as an opportunity to identify volunteers and engage the Duke community – students, faculty, and staff – through a multitude of diverse programs and events.

What were the major insights shared?

- Duke is uniquely qualified to address engagement: Building a vision around the AGN recommendations to engage women, minorities, international, and non-alumni parents; the development of the HTI to engage all constituent groups; the Centennial as an opportunity to engage; and the campaign.
- The HTI defines engagement using a customer centric approach in four areas: philanthropic, volunteer, experiential, and communication. Mobilizing the time, talent and expertise of the global alumni network around the four pillars, will identify ramps and pathways to diversify pipelines, build technology tools and a human network, demonstrate how contributions enrich university life, and inspire constituents to grow, deepen and diversify engagement.
- Women are not proportionately represented at the highest levels of volunteer leadership or philanthropy. The Women's Forum, Women's Weekend, and Duke Women's Impact Network (WIN) all focus on engagement of women alumnae. Duke WIN is partnering with the campaign team to formalize opportunities and goals for women's giving and volunteerism to map out the plan for women to influence and lead Duke into its second century.
- Currently more than half of Duke students are from racially minoritized communities and more students than ever identify as first generation, LGBTQ, or have demonstrated financial need. As the student population grows more representative, so do the alumni. Alumni who identify with the 11 identity-based affinity groups have shared they need to feel more engaged and inclined to give by: more direct connections to diverse students; greater clarity and transparency about how philanthropy works; the impact of their gifts; and appreciating their contributions of time, talent and treasure.
- The campaign and Centennial will provide tremendous potential to engage Duke's global community to increase philanthropy and build consistent contact and interaction regardless of where global constituents live. Duke will benefit from the perspectives of the global community, secure its reputation as relevant and engaged as a global institution, and an increase in philanthropic opportunities.
- The HTI and the nationally known Duke Parents Program provide the means to strengthen the bond non-alumni parents have through their Duke student, to deepen their engagement beyond philanthropic giving in all dimensions throughout the four-year time frame, and to encourage engagement beyond commencement with time, talent and expertise.

What actions were taken?

- The committee unanimously approved the resolutions for the proposed namings put forth on the agenda.

Meeting Summary of the Governance Committee

February 24, 2023

What were the key takeaways?

- Given the numerous upcoming planned retirements from the board, the committee will continue to identify and cultivate potential trustee prospects for future service on the Board of Trustees.
- The committee was supportive of an offsite board retreat for next academic year.

What were the major topics discussed?

- Update on trustee prospects for 2023.
- Prospect review, including review of current trustee prospects list and discussion of top trustee prospects for 2024.
- Review of current board composition and draft board composition for 2023-2024.
- Board leadership, standing committee leadership, and draft standing committee trustee assignments for 2023-2024.
- Succession planning for the Duke University Health System (DUHS) Board of Directors.
- Planning for 2023-2024 Board of Trustees meetings, including strategic engagement program and possible offsite board retreat.
- Proposed governance changes for capital projects.
- Update on engagement of former young trustees and possible engagement program for former Duke Alumni president trustees.

What were the major insights shared?

- It remains the committee's highest priority to identify and cultivate potential trustee prospects for future service on the board
 - Need to continue to develop a shortlist of top trustee prospects for 2024 and 2025.
 - Continue to focus on diversifying the board's pipeline, including gender, race/ethnicity/culture, age, and geographic location.
- The upcoming Centennial should be used as an opportunity to engage alumni who have not previously been engaged.
- The governance (trustee/emeriti trustee) overlap on the health system board is very important, perhaps more important now than it has ever been given the current challenging environment in healthcare.
- The committee was supportive of an offsite board retreat.
- The committee was supportive of the proposed governance changes for capital projects.

What actions were taken?

- Approval of the board vice chairs for 2023-2024.
- Approval of the nominations of trustees emeriti.

What are the next steps to be taken?

- Administer surveys of standing committee performance.
- Conduct exit interviews for retiring trustees.
- Bring nominations of trustees emeriti to the board for approval in May.
- Finalize standing committee trustee assignments for 2023-2024 and bring to the board for approval at its May meeting.
- Finalize changes to governing documents, related to the proposed governance changes for capital projects, and bring to the board for approval at its May meeting.

Meeting Summary of the Graduate & Professional Education and Research Committee

February 24, 2023

What were the key takeaways?

- Over the last four years, Duke has made important strides in the quality of graduate education and is becoming a national leader in fostering of inclusive excellence in graduate mentoring.
- Key successes: the University Center on Exemplary Mentoring (UCEM), sustained focus on mentoring quality within the schools, and greater attention to professional development for a wide range of career outcomes. Challenges include recalibrating support for Master's students, whose share of the overall student population has steadily grown in recent years.

What were the major topics discussed?

- Graduate education across the university, including key actions taken by The Graduate School over the last several years, the evolving nature of student populations, efforts to clarify advising and mentoring standards, DEI work, attempts to bring the "hidden curriculum" of graduate training into full view, and suggestions to offer competitive benefits such as housing.
- The 2021 Board SWOT analysis on graduate and professional education at Duke, which recognized key strengths while acknowledging that many graduate and professional students lack a common Duke experience, have a stronger connection to their school than to Duke as a whole, and could benefit from more targeted mentoring and advising, especially for non-academic career options and for Master's students.
- Key themes for supporting graduate education through the upcoming campaign, including funds for professional development, experiential learning (including internships), and innovative faculty-student interactions that can redefine graduate education.

What were the major insights shared?

- Duke is experimenting with innovative ways of training faculty to become successful mentors, providing incentives for faculty to invest time and energy in mentoring, assessing the effectiveness of mentors, and defining standards for mentoring in specific degree programs.
- Duke is moving toward an expanded understanding of mentorship that moves beyond advising on a research project to include inquiring about students' needs, connecting them to resources, enabling them to build mentoring teams, and helping to train students for any career.
- Today's graduate and professional students want internships, career development, and help in building skills in project management, financial management, and leading teams. Alumni could be more actively involved in providing mentoring, career advice, and internships. There is also pushback from some faculty, who may not understand the importance of these skills and opportunities and may feel less comfortable advising about careers outside academia.
- In thinking about mentorship, Duke is emphasizing equity and inclusion, building on insights from the recent campus climate survey.

What actions were taken?

- None.

What are the next steps to be taken?

- Any proposed changes to the committee charter will be brought forward for approval at the May meeting.

Meeting Summary of the Resources Committee

February 24, 2023

What were the key takeaways?

- The health system's operating performance continues to be significantly challenged by, among other issues, persistent staffing shortages.
- A revised spending policy will provide more appropriate levels of governance and flexibility. Proposed "up to" endowment spending distribution increases will provide incremental support for endowment-funded programs and allow flexibility to continue exploring options around freeing up funds for facilities renewal.
- Proposed FY 23/24 increase in undergraduate cost of attendance is unlikely to materially change the university's position vs peers and will not impact students who receive financial aid.

What were the major topics discussed?

- Quarter 2 FY 2023 financial update for the University and the Health System
- Spending rate policy revisions and proposed FY24 endowment spending distribution increases
- FY 23/24 tuition and fees proposals
- Proposed governance changes related to capital investments and planning

What were the major insights shared?

- Quarter 2 financial results are trending down slightly from prior year, driven by higher expense growth as the university's operations return to pre-pandemic levels
- The FY23/24 financial aid plan fully covers the cost of attendance increase for students on grant aid with desire to increase Pell eligible students for the incoming class from 12% to 16% over the next four years
- Proposed capital subcommittee and governance changes will allow the Resources Committee to engage more fully with capital investments and planning

What actions were taken?

- The committee approved:
 - Lemur Center master plan
 - Nasher Art Museum sculpture garden – design and construction document authorization
 - East/West Campus residence hall sprinklers – funding for phase 1 design
- The committee recommended to the full board to approve:
 - Revisions to the endowment spending policy
 - FY 2024 increases in endowment spending distribution
 - FY 23/24 tuition and fees for undergraduate and graduate programs
 - Heat recovery chillers at utility site 1 – procurement of long lead items
 - Employees' retirement plan board appointments
 - Naming
 - Revised naming

What are the next steps to be taken?

- Sizing facilities renewal needs and potential funding options for discussion at the May meeting
- Proposed governance changes for capital planning for May approval

Meeting Summary of the Undergraduate Education Committee

February 24, 2023

What were the key takeaways?

- QuadEx efforts to establish a sense of belonging continues with the Quad Identity Project. Student leaders are taking ownership over this phase of QuadEx implementation.
- Duke students are relatively satisfied with their pre-major advising experience, provided by a mix of faculty and staff volunteers. While Duke is operating from a position of strength in terms of student satisfaction, we should continue to seek ways to improve the advising system and student experiences with it. Duke's holistic approach to advising focuses on both cognitive and non-cognitive assets and student's development. Advisors engage with students on various topics beyond class selection, including helping them think about their identity, purpose, and career goals.
- A panel of advising leaders from innovative schools (Agnes Scott, Stanford, The University of Rochester) confirmed how much advising models vary by school. A common thread across all the visiting schools and Duke is that high-quality training for advisors is crucial to the success of academic advising.

What were the major topics discussed?

- Vice President McMahon offered an update on QuadEx related to traditions and identity-building. Students from two quads presented their unique, customized arches and answered questions about how the Quad Identity Project has contributed to a sense of community.
- Dr. Kim Bethea, assistant vice provost for student success, gave an overview of Duke's pre-major advising model, and Chair Pelham moderated questions from the committee.
- Dean Bennett and Vice President McMahon moderated the panel of visiting directors of advising on their recent changes to academic advising.
- Chair Pelham opened the floor for a discussion on the Undergraduate Education Committee Charter.

What were the major insights shared?

- Colleges and universities across the country are grappling with the challenges of identifying the right pre-major advising model to fit the needs of a constantly changing student body, one that is increasingly focused on specific career gains over exploration and general knowledge. Duke's advisor training and holistic advising approach have shown success in addressing these challenges, but there is more that can be done.
- Transitioning to a new advising model requires coalition building among faculty and collaboration with staff. Successful models allow faculty to focus on mentoring-type conversations rather than transactional interactions.
- Many improvements to advising, such as adding more professional advisors, would require additional resources.
- There is significant variability in advising experiences at Duke, both in the volunteer pre-major advising corps and among major advising in the departments. Greater attention

could be paid to the transition between pre-major and major advising. Despite this variability, Duke students continue to report high levels of satisfaction with their advising experience.

What actions were taken?

- N/A

What are the next steps to be taken?

- Dean Bennett, Vice President McMahon, and Vice Provost Watts Smith will use the themes raised in the discussion to explore opportunities to enhance Duke's academic advising model and seek to align any changes with the work currently underway on the curriculum.
- Continue to consider the state of advising and what options Duke might pursue.