

Summary
Meeting of the Duke University Board of Trustees
May 10-11, 2024

Friday, May 10

The board meeting began with an executive session, during which the board recognized and thanked Young Trustees Doha Ali and Kacia Anderson, who will be concluding their service on the board at the end of June. In addition, the board approved the awarding of degrees that were conferred at commencement on Sunday, May 12, and approved a resolution of tribute to Pam Bernard and elected her as Vice President and General Counsel Emerita effective September 1, 2024. Finally, the president briefed trustees on recent developments.

After the opening executive session, trustees along with administrators, faculty, and students, participated in the final session this year of strategic engagement focused on the status of recommendations of previous board strategic task forces. The aims of the yearlong program were to re-visit the work of certain strategic task forces for the purpose of measuring progress and accomplishments, identifying work still needing to be done and/or any changes to course, and charting next steps. The final session was focused on the 2018-19 Advancing Duke Science and Technology Strategic Task Force. Following opening remarks by President Vincent Price and Vice Chair of the Board of Trustees Carmichael Roberts, Mary Klotman, executive vice president for health affairs and dean of the School of Medicine, provided an update on the Duke Science and Technology (DST) initiative, reviewed its initial goals and accomplishments to date, and provided a framework for the subsequent panel discussions. In the first panel discussion, which was moderated by Colin Duckett, vice dean for basic science in the School of Medicine, participants heard from four of Duke's faculty members who were recruited through the first phase of the DST initiative. In the second panel discussion, moderated by Provost Alec Gallimore, Duke leaders focused on the future of DST, including opportunities that excite them most. The session concluded with Provost Gallimore facilitating a discussion focused on strategic questions to gather feedback and advice from participants as we look ahead to the future of DST.

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

Saturday, May 11

The board meeting began in regular session with an introduction of new Head Football Coach Many Diaz, followed by a tribute to Vice President and General Counsel Pam Bernard. Next, Jenny Lodge, vice president for research and innovation, provided an update on the Research Translation and Commercialization (RTC) initiative. The rest of regular session was devoted to: 1) a financial update, which included discussion and approval of the FY25 capital and operating budgets; 2) a Duke University Health System (DUHS) update; 3) an update on Duke Kunshan University (DKU); and 4) an update on undergraduate admissions. After taking action on recommendations from committees, the board meeting concluded with an executive session in which the Governance Committee brought several items forward for approval and there was open discussion among trustees.

Meeting Summary of the Audit and Compliance Committee

May 10, 2024

What were the key takeaways?

- The institutional compliance risks are consistent for FY25, noting the increasing volume and complexity of regulatory requirements.
- FY25 internal audit and compliance program work plans focus on themes of change management, process maturity, management oversight and risk awareness.
- The Office of Institutional Equity (OIE) noted that concerns received in their office have increased year-over-year due to improved communication and awareness of global geopolitical tensions.
- Phishing poses a significant IT security threat and will become more difficult to identify as AI-generated messaging increases. Phishing testing continues to roll out in more departments, with some making security training mandatory.

What were the major topics discussed?

- FY25 internal audit work plan and FY25 institutional compliance priorities
- Update on cybersecurity
- Update on OIE compliance activities
- Committee self-assessment results and charter review

What were the major insights shared?

- Internal audits and sponsored program audits cover nine risk categories and institutional compliance program assurance focuses on effective design, execution and enablement. The assurance plans are informed by the strategic risks and compliance-specific risks.
- Dashboards and benchmarking for key program priorities and initiatives could assist the committee with tracking progress and informing oversight.
- Expressing support for management discretion to mandate remediation activities related to cybersecurity risk management.

What actions were taken?

- Approved the FY25 internal audit work plan, as presented.
- Approved the FY25 institutional compliance work plan, as presented.
- Approved the Office of Audit, Risk and Compliance (OARC) Charter, as presented.
- Approved the revisions to the Audit and Compliance Committee charter, as presented.
- Accepted the dual interest/financial Conflict of Interest (COI) policy, as presented.

What are the next steps to be taken?

- International risks and research integrity were noted as topics for a future deep-dive discussion.

Meeting Summary of the External Engagement Committee

May 10, 2024

What were the key takeaways?

- The Office of Government Relations represents the interests of the University's position on legislation and regulations before the federal government in Washington, D.C. seeking to inform and impact the conversation within the Washington, D.C. community.
- The Duke State Relations team works with the university and health system to advance Duke's legislative and administrative interests, to connect Duke's expertise to policymakers in state government, and to foster relationships with North Carolina officials on policies related to higher education, health care, employment, public safety and other issues that affect Duke's stakeholders.
- Each year the Government and State Relations offices produce a comprehensive Federal and State Policy Agenda which outlines the priorities for the university and health system in Raleigh and Washington.

What were the major topics discussed?

- The focus of the meeting was on the current and future political environment for Duke and higher education.
- The meeting began with an overview of the state and federal political issues followed by an informative discussion regarding the current issues and strategies for advancing Duke's interests.

What were the major insights shared?

- The current political environment is rather hostile for higher education at both the state and federal levels.
- The Office of Government Relations tracks legislation regarding policy issues. The 2024 Federal policy agenda includes issues as wide-ranging as federal student aid programs, funding for scientific research, healthcare, immigration policies, international engagement, tax policies, and policies impacting athletic programs.
- State Relations spends the majority of their time on legislative and regulatory matters regarding health care and also engages on broader issues that involve higher education and other non-profits.
- Higher education's non-profit tax-exempt status is occasionally raised at both the state and federal levels and those discussions are closely monitored by Duke.
- At the Federal level, the legislative and executive branches have significant influence over private higher education institutions through regulations governing institutions and the federal funds that flow to universities through student aid and research.
- Government and state relations work closely with faculty, students and staff to ensure policies (institutional, state and federal) are followed when engaging with policy makers.
- Building relationships at the federal and state levels is important to advancing Duke's legislative and administrative interests.

What actions were taken?

- The committee unanimously approved the resolution for the proposed naming put forth on the agenda.
- The committee approved the revisions to the External Engagement Committee Charter.

Meeting Summary of the Governance Committee

May 10, 2024

What were the key takeaways?

- Thirteen trustees will retire from the board between 2025-2027. Identifying and cultivating potential trustee prospects for future service on the Board of Trustees will remain a top priority for the committee.
- The committee should review the trustee prospect priorities document, specifically the professional skill sets, to determine if updates are needed.

What were the major topics discussed?

- Feedback on the board chair selection process.
- Prospect review, including review of current trustee prospects lists and continued discussion of top trustee prospects for 2025.
- Review of board composition.
- Reports from exit interviews.
- Feedback on the 2023-2024 strategic engagement sessions and February offsite board retreat.
- Results of standing committee surveys of performance.
- Planning for next academic year, including additional education/topics of interest for trustees and topics for FY 2025 Governance Committee meetings.

What were the major insights shared?

- Trustees expressed appreciation and praise for the board chair selection process. The committee approved a minor change to the process and suggested a couple changes to the survey that is administered during the process.
- The committee should review the trustee prospect priorities document to determine if updates are needed.
 - The professional skill sets needed should be mapped to the Strategic Vision and the strategic priorities.
 - The President's Cabinet should be asked to provide input on what type of professional skill sets they feel are currently needed on the board.
- The two young trustees whose service will end in June reported that they had a positive experience and are grateful for the opportunity to serve. They gave suggestions and feedback for consideration.
- Given this year's strategic engagement program, it would be interesting to hear from the leadership team early next academic year on any meaningful changes made or how they are thinking about continued progress on implementation.
- The February offsite board retreat was a success. It enabled trustees to think expansively about topics that are of strategic importance to the university, and also promoted bonding and teambuilding for the board and senior leadership team.
- The standing committees are functioning and performing well. The Governance Committee should monitor the Finance Committee (formerly Resources Committee) given the substantial changes to its committee charter.

What actions were taken?

- Approval of a minor change to the process for selection of board chair.
- Nominated young trustees for 2024.
- Approval of new trustee orientation program for 2024.
- Approval of proposed mentors for the new trustees.

What are the next steps to be taken?

- Bring minor change to the process for selection of board chair to the board for approval in September.
- Continue discussion of top trustee prospects for 2025.
- Administer annual survey of board performance and share results with the board.
- Develop work plan for committee meetings in the next academic year.
- The committee will review the trustee prospect priorities document to determine if updates are needed.

Meeting Summary of the Graduate & Professional Education and Research Committee

May 10, 2024

What were the key takeaways?

- Duke Science & Technology (DST) 2.0 should be focused on building an ecosystem that fosters success in research and translation, including upgrading facilities, attracting top graduate students and postdoctoral fellows, minimizing barriers to collaboration, and balancing investments in existing faculty with recruitment of new faculty.
- Duke's institutional strategy should fully support innovation and commercialization of discoveries.
- In nurturing this research ecosystem, Duke must apply lessons learned in recent years, as well as insights from relevant initiatives undertaken by peers.

What were the major topics discussed?

- Provost Alec Gallimore led a discussion about the future of the DST initiative, building on the strategic engagement session discussion by the full board that morning.
- The committee discussed the revised process for external reviews of Duke's academic departments. Duke has recently updated its process for these periodic reviews to be more streamlined, more useful for departments, and more reflective of university priorities.
- The committee discussed five proposals that had been reviewed and endorsed by the Academic Programs Committee and the Academic Council.
- The committee reviewed the results of the annual committee survey.

What were the major insights shared?

- The university environment can foster even stronger collaboration. At Duke, scientists communicate and collaborate easily across disciplines, but challenges remain for connecting across functions (scientists working with engineers, clinicians, and companies).
- The goal of transformative medicine is to produce a new technology, modality, mechanism, or target that can help patients in a new way. Currently, transformational advances are not reaching their potential.
- Innovative funding structuring can provide powerful support and incentives. Duke should work to create a successful funding model; philanthropists want to invest in an effort that will have significant impact on society.

What actions were taken?

- The committee approved the following proposals:
 - a) Renaming of the Pathology PhD Program
 - b) Expansion and Renaming of the Critical Asian Humanities Master of Arts Program
 - c) School of Nursing Proposal for Transition from the Accelerated Bachelor of Science in Nursing Degree to a Master of Nursing Professional Degree
 - d) Splitting of the Environmental Science and Policy Division in the Nicholas School of the Environment
 - e) School of Medicine Proposal to Change Non-Regular Rank Faculty Titles

What are the next steps to be taken?

- Recommendations were forwarded to the full Board of Trustees for approval.

Meeting Summary of the Resources Committee

May 10, 2024

What were the key takeaways?

- The university's FY 2025 capital and operating plans advance key strategic priorities with meaningful investments in Duke Science & Technology (DST), Duke's Climate Commitment and undergraduate financial aid.
- The focus of the university's capital plan is renewing and modernizing campus research and teaching facilities.
- The university's FY 2025 operating budget reflects a small surplus in line with historical results, but out-year projections show a declining trend.

What were the major topics discussed?

- FY 2024 (through March) financial results for the university and the health system
- FY2025 capital and operating budgets and five-year plans
- Proposed changes to the committee charter

What were the major insights shared?

- The university's balance sheet has strengthened considerably, with significant growth in cash over the past five years.
- The health system's operating performance, excluding one-time revenue pickups, is still concerning and will likely require incremental short-term borrowing in the near term.
- Improving operating performance at the health system and the university will be critical but challenging in the face of ongoing inflation/cost escalation and complex talent market dynamics.

What actions were taken?

- The committee recommended to the full board to approve:
 - FY 2025 capital and operating budgets
 - Lilly Library Expansion and Renovation – approval for construction and funding
 - East Campus Landscape & Infrastructure Renovation – approval for construction and funding
 - Special withdrawals from endowment funds (not subject to annual endowment distribution decision)
 - Resolution to amend Duke TIP endowment agreements

What are the next steps to be taken?

- Updates on Arts & Sciences and Athletics long-range financial plans following planning initiatives this coming summer
- Continue development of long-range plans for the university's larger schools and units
- Implement proposed changes to the committee charter to affirm the committee's appropriate focus on the university's financial and capital plans and performance

Meeting Summary of the Undergraduate Education Committee

May 10, 2024

What were the key takeaways?

- The new Arts and Sciences (A&S) curriculum, the first new curriculum since 2000, centers the arts and humanities, provides more opportunities for connection in the first-year experience, and minimizes complexity and gamification by students.
- Investments in community, belonging, and mental health in the overall undergraduate experience through QuadEx are also supported by the new curriculum.
- The new curriculum provides Duke with an opportunity to highlight the lifelong value of a broad-based education that focuses on critical thinking, writing, and collaboration.
- The latest efforts by Faculty Fellows to enhance belonging and encourage reflection are promising and instructive for future directions of the program.

What were the major topics discussed?

- Scott Huettel, professor and chair of the Trinity Curriculum Development Committee (TCDC), shared goals and features of the new A&S curriculum, and Deb Reisinger, interim dean for academic affairs and member of the TCDC, shared plans for managing its implementation in Fall '25.
- Committee members discussed the reasons for pursuing a new curriculum, the role of faculty governance in curriculum development, and the value of a liberal arts education. The committee also provided advice to Dean Bennett and the faculty as they implement the new curriculum, particularly as they seek to articulate how it differentiates the Duke undergraduate experience.
- Lead Faculty Fellows Shani Daily and Greg Samanez-Larkin shared their experiences developing and teaching a Quad Course, "The Art and Science of What 'Works' in Life."

What were the major insights shared?

- A feature of the new curriculum is its simplicity, boasting four basic requirements: a broad liberal arts focus, a First-Year Experience, writing and language requirements, and a major. Compared to Curriculum 2000, the new structure creates more opportunities for students to explore a breadth of disciplines. The new curriculum also extends the benefits of the FOCUS program to more students.
- In the first year of the curriculum, there is an emphasis on connection to faculty, peers, and to ideas outside the classroom through thematic Constellations. This connection carries protective effects for mental health.
- The specific features of the new curriculum aren't themselves radical, but the opportunities they present for teaching excellence, creativity and collaboration in course design, and intellectual exploration are critical.
- The broad liberal arts experience prepares graduates for life beyond the first job; it is an education that prepares graduates for success, meaning, and continued growth throughout their lives. Yet articulating these ideas can be challenging, particularly in an environment that is increasingly critical of the value of higher education. Duke might seek to define the curriculum as a *Duke* education – specifically enumerating the skills and unique features that represent the value of the Duke experience – rather than attempting to brand it as a modern liberal arts education.
- Undergraduates taking the Quad Course increased their feelings of belonging over the course of the semester and valued opportunities for reflection on fundamental questions of purpose and values. Boasting an enrollment of 139, the course tested a hypothesis that students will engage with each other, their faculty, and "big questions" when it carries course credit.

What actions were taken?

- The committee voted to approve minor changes to the committee charter.

What are the next steps to be taken?

- Continued consideration of how to capitalize on faculty excitement and goodwill resulting from a successful and collaborative curriculum development process.
- Continued discussion on articulating the benefits and value of the new curriculum to students, parents, prospective students, alumni, and other key stakeholders.