

Summary
Meeting of the Duke University Board of Trustees
September 28-30, 2023

Thursday, September 28

New members of the board participated in orientation.

Friday, September 29

The board meeting began with an executive session, during which the board welcomed its new members: Andy Dillon, Sydney Hunt, Warren Lattimore, Tom Lister, Sharon Marcil, Gregory Palmer, and David Taylor. Next, the board discussed goals for the year and approved faculty and student appointments to the strategic engagement sessions. Lastly, the president provided updates on recent developments and discussed his priorities for the new academic year.

After the opening executive session, trustees along with administrators, faculty, and students, participated in the first of three sessions this year of strategic engagement focused on the status of recommendations of previous strategic task forces. The yearlong program aims 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 first session was focused on the Activating the Global Network (AGN) Strategic Task Force. The session began with President Vince Price providing an overview of the specific objectives and goals for the yearlong strategic engagement program and an overview of the AGN session. Next, Dave Kennedy, vice president for alumni engagement and development, provided context setting. Yakut Gazi, vice provost for learning innovation and digital education, was joined by Nelson Baker, interim dean for the division of lifetime learning at Georgia Institute of Technology, for a discussion about Georgia Tech's successes in digital and lifetime learning. This was followed by a panel discussion moderated by Trustee and Chair of the AGN Strategic Task Force Katy Hollister with Jenn Chambers, assistant vice president for lifelong learning and associate vice provost for learning innovations, Yakut Gazi, Scott Greenwood, associate vice president and interim chief engagement officer, and Greg Victory, Fannie Mitchell executive director of career services and assistant vice president of student affairs, focused on what Duke is currently doing, the evolving environment, and challenges and possible solutions. The session concluded with Scott Greenwood and Trustee and Duke Alumni President Vikas Patel moderating a discussion on the future of AGN 2.0.

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

Saturday, September 30

The board meeting began in regular session with student-athletes sharing their experience with the Rubenstein-Bing Student-Athlete Civic Engagement Program (ACE). The board was introduced to new senior leaders and new members of the President's Cabinet: Alec Gallimore, provost; Mary Klotman, executive vice president for health affairs and dean of the School of Medicine; Toddi Steelman, vice president and vice provost for climate and sustainability; and Frank Tramble, vice president for communications, marketing, and public affairs. Trustees then heard from a panel of student-athletes, faculty, and administrators on the experiences of Duke student-athletes,

including curricular and co-curricular programs, campus life engagement, and mental health and wellbeing support. Trustees received annual reports on Duke's investment (from DUMAC) and financial performance. In addition, trustees received updates on Duke University Health System (DUHS), Duke Kunshan University (DKU), and an undergraduate admissions update focused on the Class of 2027. After taking action on recommendations from committees, the board meeting concluded with an executive session for open discussion among trustees.

Meeting Summary of the Audit and Compliance Committee

September 29, 2023

What were the key takeaways?

- The external auditor, KPMG, will issue an unmodified opinion on the consolidated financial statements. The audited consolidated financial statements will be issued on or about October 3, 2023.
- The institutional compliance program will reinforce executive level ownership, accountability and support through structural updates and resourcing.
- Athletics compliance monitoring systems are strong; NIL remains challenging due to a lack of clarity around NCAA rules. Athletics compliance will increase educational efforts related to gambling in advance of legalized sports wagering in North Carolina.
- The cybersecurity program is a key element of strategic advantage and will have an external assessment to validate self-assessment maturity.

What were the major topics discussed?

- Management estimates and judgments and the related external audit of the consolidated financial statements for the fiscal year ended June 30, 2023 (FY23).
- The IT and cybersecurity program is proactive, defense in-depth, and reliant on talent, technology and processes.
- Institutional compliance program structure and design, including alignment with mission, values and culture.

What were the major insights shared?

- Discussion of high-risk areas of estimation and judgement, including investment valuation and reserves for contingent liabilities related to ongoing legal matters.
- The institutional compliance program must be values and mission aligned, with appropriate executive support, leadership commitment, basis in trust and resources to elevate performance.
- IT security program is proactive, agile and effective; recruitment for chief information security officer successor is underway.

What actions were taken?

- Accepted as presented the FY23 audited consolidated financial statements.

What are the next steps to be taken?

- None noted.

Meeting Summary of the External Engagement Committee

September 29, 2023

What were the key takeaways?

- Annual Fund gifts are vitally important to the university in many ways:
 - most donors are annual fund donors.
 - gifts are unrestricted funds; budgeted and spent each year; have the most flexible use.
 - there are 15 funds supporting different areas across the university and they allow donors to support a particular affinity, school, or unit at Duke.
 - gifts are invaluable due to the many areas that are supported by the annual fund such as financial aid.
- Since 2011, donor numbers have decreased but gift amounts have increased. The decrease is driven by the young alumni. Their giving pattern appears to be based on passion and involvement during their years at Duke.
- Two groups of alumni have been identified as targets for increased engagement and performance: recent alumni and diverse alumni. Discussion focused on how to increase engagement and contributions from these two groups in particular.

What were the major topics discussed?

- The committee discussed the Annual Fund and giving models, including the current model's successes and opportunities, a new approach, and reaching new constituents.
- A gap has been identified between alumni giving and total number of donors and discussion involved suggestions on how to close that gap.
- Part of the discussion focused on how to increase engagement and giving from recent alumni and diverse alumni groups.

What were the major insights shared?

- Key takeaways shared by the committee members regarding annual fund engagement included the following:
 - Establish gratitude as much as possible, as early as possible, and often.
 - Recognize that giving is more than transactional because there is an emotional benefit; focus on building the relationship.
 - Target students in their sophomore and junior years to create a culture of giving.
 - Respect and value everything young alumni have to offer; their time, expertise, and connection to Duke.
 - Nurture a culture of giving through peer-to-peer interactions; create awareness and provide knowledge of opportunities open to them.
 - Establish and share the impact of small gifts; a gift of every size matters.
- Establishing a good marketing program will be essential in creating a renewal and resurgence in interest to reengage alumni; the centennial provides an excellent opportunity for this.

What actions were taken?

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

Meeting Summary of the Governance Committee

September 29, 2023

What were the key takeaways?

- The committee will continue to identify and cultivate potential trustee prospects for future service on the Board of Trustees, including the selection of trustee prospects for 2024 and creating a shortlist of trustee prospects for 2025.
- The offsite board retreat should enable trustees to focus on major priorities and responsibilities on behalf of the university.

What were the major topics discussed?

- Proposed goals for the year.
- Review of current board composition and areas of expertise.
- Prospect review, including new potential prospects, updates on existing prospects, and continued discussion of top trustee prospects for 2024 and areas of expertise needed.
- Discussion of the board chair selection process, current draft schedule, and the job description for the board chair.
- Discussion of plans for the offsite board retreat in February of 2024.
- Reports from trustee check-in conversations.
- Review of the following: Governance Committee charter, report on trustee conflict of interest disclosures, statement on trustee responsibilities, trustee orientation schedule, update on Boards of Visitors initiative, reallocation of time during board weekends, committee work plan, committee history timeline, and committee standing items process and timeline.

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 select trustee prospects for 2024.
 - Need to create a shortlist of trustee prospects for 2025.
 - Continue to focus on diversifying the board's pipeline, with particular emphasis on gender, geographic location, and the areas of expertise that the board needs at this point in time.
- Last time the board chair selection process was used it worked well.
- For the strategic topics for the offsite board retreat, we need to consider the specific objectives and the strategic questions the board should address. Also, we need to utilize both internal and external speakers.
- The overall feedback from the trustee check-in conversations was positive. Trustees suggested possible topics for the board to consider in future meetings.

What actions were taken?

- Endorsed the committee's goals for the year.
- Endorsed the updated job description for the board chair.
- Endorsed the re-appointment of a trustee.

What are the next steps to be taken?

- Gather feedback from the committee on new potential prospects and thoughts on top trustee prospects for 2024.
- Select trustee prospects for 2024 in December 2023 and bring to the board for approval in February 2024.
- Bring the trustee re-appointment to the board for approval in December 2023.

Meeting Summary of the Graduate & Professional Education and Research Committee

September 29, 2023

What were the key takeaways?

- Established in 2013 with a gift from Trustee Emerita Anne T. Bass and Robert M. Bass P'97, the Bass Connections program has created a distinctive new model for experiential learning, providing hands-on, project-based opportunities for teams of students and faculty to address complex societal problems and exemplifying Duke's commitment to interdisciplinary, collaborative inquiry. More than 5,500 members of the Duke community have taken part in 830 Bass Connections year-long project teams and summer research projects, working with 583 external partners in 46 countries on 6 continents and in more than 20 states.
- While Bass Connections provided the spark for experiential learning at Duke, the professional degree programs also make major contributions, offering client-inflected master's capstones, law clinics, a growing array of internships, and core training in every health-related professional degree program.
- Duke is a national leader in this space, and Duke's investments in this area reflect a wider trend in higher education, as indicated by a June symposium on project-based learning that attracted representatives from more than 45 other universities.
- Experiential education aligns with many of Duke's values and strategic priorities. It promotes equity and inclusivity for research; it furthers Duke's strategy for equitable partnerships with organizations and communities in Durham; and it gives graduate and professional students crucial experience in mentoring near-peer undergraduates.

What were the major topics discussed?

- The challenges in scaling these programs.
- Solutions to these challenges, including ways to leverage alumni and community partnerships to make these experiential learning opportunities available to all students.
- The importance of recruiting and supporting the faculty needed to drive these efforts—especially interdisciplinary and community-engaged faculty.
- Key themes for supporting experiential learning through the upcoming campaign.

What were the major insights shared?

- Many experiential learning programs include external clients or partners, which introduces complex program management challenges.
- Faculty who participate in Bass Connections do so in addition to their normal teaching responsibilities; there often is no teaching relief provided despite the significant time commitment.
- While the skills that experiential learning opportunities instill (working in diverse teams, communication skills, project management skills) are valuable for all students, the opportunities are not deployed uniformly across the university.
- Existing opportunities are generally restricted to students in a given program; interdisciplinary, cross-school capstones offer students a chance to step out of their unit and make valuable connections across the university but present logistical challenges of scheduling and curriculum.

What actions were taken? None.

What are the next steps to be taken? Ongoing efforts to expand Duke's capacity in this area.

Meeting Summary of the Resources Committee

September 29, 2023

What were the key takeaways?

- The university's FY 2023 operating performance was slightly lower than the prior year but exceeded the spring forecast due to higher-than-anticipated revenues and lower non-labor expenses.
- The health system's overall financial health remains concerning and will require a focused effort on further cost reduction and revenue enhancement measures.

What were the major topics discussed?

- FY 2023 year-end financial results for the university and the health system.
- Health system financial performance and short-to-medium cash needs.
- Capital program updates, including facilities renewal planning.

What were the major insights shared?

- Most academic divisions posted break-even or positive results for FY 2023 on a GAAP basis.
- The health system has launched an operating improvement plan to increase revenue capture, accelerate growth and better manage expenses, in order to improve its financial health, which is vital to the university.
- Planned renewal of west campus research and teaching facilities will modernize building systems and enhance accessibility and code compliance to support modern teaching and research; these upgrades will also support the university's sustainability and climate goals.

What actions were taken?

- The committee approved:
 - Lilly Library expansion and renovation – design and funding for construction design documents.
 - Reuben-Cooke renovation – project initiation and funding for design.
 - Bryan Research building infrastructure – project initiation and design.
 - Nanaline Duke Aquatics Facility renovation – design funding.
- The committee recommended to the full board to approve:
 - Potential property acquisition.
 - Amend a quasi endowment fund.
 - Naming resolution.

What are the next steps to be taken?

- Continue to partner with the health system to better understand any impacts to the School of Medicine's five-year forecast.
- Further refinement and automation of school/unit GAAP adjustment process and interim reporting to improve overall university forecasting.

Meeting Summary of the Undergraduate Education Committee

September 29, 2023

What were the key takeaways?

- In light of the Supreme Court's ruling in the Students for Fair Admissions case, administrators and counsel are working with student and faculty leaders of undergraduate-focused organizations and programs to provide proactive support in understanding the decision and accompanying agency guidance, which is particularly relevant in the context of student identity groups, identity-based academic programs, and on-campus yield events.
- Faculty play a pivotal role in creating community and belonging in the classroom, and QuadEx is succeeding in conveying that the residential experience – and the overall Duke identity – welcomes and includes all.

What were the major topics discussed?

- Assistant General Counsel Lakeisha Banks and Deputy General Counsel Chris Lott provided an overview of the Supreme Court's judgement banning race-based affirmative action in university admissions.
- A panel of undergraduate student leaders and a recent alumna working in the Duke admissions office discussed the reactions and perceptions of current and prospective Duke students to the SCOTUS decision.
- Gary Bennett and Mary Pat McMahon provided updates on QuadEx implementation since May 2023, with particular focus on experiential orientation, "Spark" programming, efforts to build Quad community, and new Quad courses offered by the faculty fellows.

What were the major insights shared?

- Students appreciate the university's affirmation of its commitment to diversity and will seek further evidence of the University's continued commitment to diversity and inclusion over time. There is concern for the future impact of the ruling on the composition of the student body and that impact's influence on perceptions of belonging for underrepresented communities.
- Duke should continue its commitment to belonging inside and outside the classroom, through faculty efforts to welcome all perspectives and supporting equitable access to social life, community, and residential spaces via QuadEx.
- QuadEx data to date demonstrates consistently high levels of belonging. Future QuadEx efforts will include a focus on community space, encouraging more on-campus socializing, and reducing the emphasis on selectivity that persists in student clubs.

What actions were taken?

- N/A

What are the next steps to be taken?

- N/A