

Summary
Meeting of the Duke University Board of Trustees
December 6-7, 2019

Thursday, December 5

Trustees arriving on Thursday attended dinner with members of the Arts Planning Group, which was charged in 2018 by President Price and Provost Kornbluth with assessing the state of the arts at Duke and envisioning plans for its further development over the next decade. Afterwards, many trustees attended the annual reception with student and faculty members of standing committees and the strategic education sessions.

Friday, December 6

After an opening session with President Price and the election of Margaret (Maggie) W. Epps as the next secretary of the board, trustees traveled to downtown Durham to attend the second of four sessions this year of strategic education on research, translation and commercialization. The focus of the second session was Durham and the startup ecosystem. The first panel discussion, moderated by Vice President for Durham Affairs Stelfanie Williams, focused on the city and county's approach to economic development. It featured leaders from the city, county and NCCU. The second panel discussion, moderated by Trustee Ned Gilhuly, featured individuals who have been active in the startup ecosystem in Durham and the region. Participants toured the Chesterfield Building to learn about the incubator space for new ideas in biotechnology and a number of ventures that are the result of faculty research in engineering and medicine. The final panel discussion, back on campus over lunch, was moderated by Trustee Katy Hollister. This panel brought together experts in technology transfer from Columbia University and Johns Hopkins University, the Harrington Discovery Institute in Ohio, and a venture capitalist (and Duke alum) from Boston.

In the afternoon, trustees attended meetings of the standing committees. In the evening, the president and his wife hosted a holiday dinner at the Hart House, attended by members of the board, the senior administration, and student leaders.

Saturday, December 7

After early morning meetings of two standing committees, the trustees met in plenary session, which began with the introduction of Bart Haynes, M.D., who has directed the Duke Human Vaccine Institute (DHVI) since 1990 and the Center for HIV-AIDS Vaccine Immunology since 2005. Trustees then heard from a panel of experts on recent developments and current issues in intercollegiate athletics and heard updates from administrators responsible for implementing the recommendations from the four strategic task forces in 2018-2019. The board meeting concluded with an executive session for open discussion among trustees. After the meeting, the Committee on Honorary Degrees met.

Meeting Summary of the Audit and Compliance Committee

December 7, 2019

What were the major topics discussed?

- Strategic discussion on principles of governance and risk and compliance oversight for intellectual property and innovation initiatives, with discussion focused the role and impact of digital innovation
- Update on the university's internal control environment, specifically focused on how technology strengthens internal controls and the upcoming changes to the transaction level controls for procurement card purchases and employee reimbursements
- Update on internal audit activities

What were the major insights shared?

- The importance of building and maintaining processes and infrastructure that align with and support research excellence initiatives
- Comments and feedback on draft institutional policies for dual interests and employee board service
- Potential benefits of gathering employee feedback to inform improvements to the internal control and compliance oversight environments

What actions were taken?

- Approved the FY20 KPMG engagement letter
- Approved changes to the OARC charter
- Accepted the FY19 403B audit results report
- Annual review and endorsement of Duke's Statement on Values and Culture

What are the next steps to be taken?

- Continue updates on research excellence initiatives
- Continue discussion on leveraging risk management initiatives and compliance oversight programs

Meeting Summary of the External Engagement Committee

December 6, 2019

What were the major topics discussed?

- The December meeting key topic was engagement with the community specifically looking at Duke's involvement with innovations in housing, transportation and economic development; how Duke communicates and advocates for university priorities; and how Duke can leverage community activities as a way to engage the next generation of volunteers and philanthropists.

What were the major insights shared?

- Results from the September summary of the Fact-Question-Aha!-Action sheets were shared with the committee members. All were in agreement that completing the sheet at the end of each meeting was valuable and worth continuing.
- An update on Activating the Global Network was presented to the full Board of Trustees on Saturday, December 7. Three focus areas have been identified: life-long learning, professional development, and mentoring. A comprehensive update will be provided at the February meeting to the External Engagement Committee.
- The Office of Durham & Community Affairs has framed its philosophy around three guiding principles: to be values-based, mission-guided and data-informed. Its work involves the convergence of three main areas: quality of life, the Duke Identity, and needs identified by the community. At present the focus has been working with the community to identify the needs of Durham and partnering with community leaders to address these needs appropriately. Guest speakers Mayme Webb-Bledsoe, senior program coordinator for Duke-Durham Neighborhood Partnership; Sam Miglarese, assistant vice president and director for Duke-Durham Neighborhood Partnership; and Scott Selig, associate vice president of Capital Assets and Real Estate for Duke University; shared information with the committee on three areas of concern to the community: housing, transportation and real estate. Meaningful discussion with the committee followed the formal presentations.

What actions were taken?

- There were no action items presented on the agenda.

What are the next steps to be taken?

- The committee completed the items on the Fact-Question-Aha!-Action sheets in response to the meeting and feedback will be summarized and provided to the chair and administrative liaisons.

Meeting Summary of the Governance Committee

December 7, 2019

What were the major topics discussed?

- Attributes, skills, and leadership of current and future trustees that could prove most helpful as we prepare for the next comprehensive campaign and beyond.
- Review of current board composition and discussion of future needs of the board, including an update from the *ad hoc* Subcommittee of Trustee Prospect Priorities and review of feedback on new potential trustee prospects.
- Committee effectiveness and review of draft guiding principles for committee effectiveness document.
- Report on trustee check-in conversation and re-appointment.
- Review of feedback from new trustee orientation and first board meeting, process for standing committee assignments in 2020-2021, glossary of acronyms, and updated committee work plan.

What were the major insights shared?

- The need to keep the needs (certain industries or functional backgrounds, campaign leadership roles, and other backgrounds of interest and importance) of the next comprehensive campaign in mind when recruiting for future trustees.
- As evident by the work of the *ad hoc* Subcommittee of Trustee Prospect Priorities:
 - Leadership should not be categorized as an area of expertise but should be moved to an attribute sought in trustees.
 - Most are in favor for potentially flexing the size of the board up or down in order to be opportunistic in trustee recruitment and to avoid large incoming classes of trustees.
 - Two of the top ranked areas of expertise needed in future trustees are technology industry leadership and entrepreneurship and innovation.
 - Attributes require getting to know people. There is a need to put a process around trustee recruitment.
 - There is general support for having non-alumni on the board but those individuals should have some sort of pre-existing connection to Duke.
 - Need to be supportive of development as they are heading into the next comprehensive campaign.
- There was a general consensus in the feedback from the committee on the new potential trustee prospects.

What actions were taken?

- Endorsement of the guiding principles for committee effectiveness document.
- Recommendation to the full board the approval of a trustee for re-election.

What are the next steps to be taken?

- The *ad hoc* Subcommittee of Trustee Prospect Priorities is to prepare a draft trustee prospect/candidate profile to be reviewed by the committee at its February meeting.
- Add individuals to the current trustee prospect list and the committee needs to take a deep dive into the list at its February meeting to include a review of updates on existing prospects.
- Distribute the guidelines for committee effectiveness document to committees.
- Survey the board in mid-January for standing committee preferences in 2020-2021.
- Make the glossary of acronyms available to the board.
- Make available to the board the final findings and trustee prospect/candidate profile from the *ad hoc* Subcommittee of Trustee Prospect Priorities

Meeting Summary of the Graduate and Professional Education and Research Committee

December 6, 2019

What were the major topics discussed?

- *School of Medicine*: The dean of the School of Medicine, Mary Klotman, presented the school's strategic priorities and budget overview. The school has an annual revenue of \$1.3 billion, with 70% of it coming from sponsored funds. This puts the school in the 80th percentile among its peer group of research-intensive schools. The school also has a 28% growth in sponsored research expenditures from FY09 to FY19. The school is currently ranked 9th in terms of NIH funding, and the NIH has also removed the grant restrictions that were in place since 2018.
- *School of Nursing*: The dean of the School of Nursing, Marion Broome, presented on the school's partnerships, expanded research space, and work with distance education. The School of Nursing is ranked #1 for Family Nurse Practitioner, Adult-Gero Acute Care, and Adult-Gero Primary Care, with other rankings in the top five. The nursing programs have national and global research, especially in the area of distance education. There is a 95 – 100% certification rate for nurse practitioners, which allows Duke to meet needs even in more remote areas.

What were the major insights shared?

- The School of Medicine Human Vaccine Institute was awarded three contracts from the National Institute of Allergy and Infectious Diseases to research a universal flu shot. The grants are guaranteed \$30 million in the first year, with the possibility of being extended for seven years.
- The School of Medicine currently ranks 13th on the US News rankings, but there are opportunities to paint a more accurate picture of the state of faculty, and sponsored research since the information is self-reported.
- The School of Nursing has a Nurse Loan Forgiveness program that can incrementally reimburse registered nurses up to \$25,000 over a three-year period. Registered nurses must be employed full-time at a Duke University Health System acute care hospital for consecutive years.
- The infrastructure needed for the School of Nursing's distance programming is very expensive. There is a need for additional instructional designers and IT staff, and resources to train faculty in distance-based best practices.
- In 2019, Duke became the newest site for the National Clinician Scholars Program, and will welcome the first cohort in July. The NCSP currently comprises six sites at institutions across the nation, with the Duke NCSP focusing on community-based research, health services research, health policy, and implementation science. A master's degree option is offered through Duke's Clinical Research Training Program.

What are the next steps to be taken?

- The committee would like continued updates on the Science & Technology Initiative.

Meeting Summary of the Resources Committee

December 6, 2019

What were the major topics discussed?

- Financial status and performance of the university for FY 2020
- Recent workforce-related developments across Duke
- Capital projects planned for FY 2020
- Innovation Co-Lab for curricular and co-curricular student learning and upcoming IT priorities
- Tuition and fees recommendations
- The challenges of finding the appropriate balance between tuition rates, aid commitments, and academic investments
- Cost containment/reduction across the institution to address challenges related to undergraduate financial aid, ongoing tuition increases, and advancement of the university's top strategic priorities
- Controls around staff growth
- FY 2021 budget parameters

What were the major insights shared?

- Restraining tuition increases reduces the net cost of a Duke education primarily for less-needy families while providing fewer financial resources to the university to fund the financial aid program and core academic priorities
- Approximately \$92.6M of the university's unrestricted resources will support undergraduate aid in FY 2020
- An endowment of approximately \$1.9B would be needed to replace the university's \$92.6M of unrestricted resources that support undergraduate financial aid
- Net tuition funds approximately 75% of the Arts and Sciences unrestricted budget
- Tenured faculty represent approximately 19% of the university's compensation base while non-faculty staff represent approximately 63%.

What actions were taken?

- The committee recommended to the board to approve
 - Lease of Space
 - Withdrawal from Certain Quasi Endowment Funds
 - Withdrawal from LTP
 - Establishment of the Thomas Lord Quasi Funds
- The committee approved
 - Thermal Plant at Utility Site #1 - project initiation
 - Chilled Water Storage Tank at Utility Site #1 - project initiation
 - Lilly Library Renovation and Addition - additional design funding

What are the next steps to be taken?

- Identify parameters available to tighten and slow personnel growth

Meeting Summary of the Undergraduate Education Committee

December 6, 2019

What were the major topics discussed?

- Overview of existing Office of Undergraduate Education (OUE) and Student Affairs organizational structures and processes.
- Current planning to foster more integrated partnerships to holistically support student experience and align with Next Generation Living and Learning Task Force recommendations.
- The guiding principles and plans to support DKU students' transition to Duke's Durham campus.
- The challenges associated with the "sophomore slump" and potential strategies to mitigate it.

What were the major insights shared?

- The current OUE and Student Affairs organizational structures are relatively flat. Mary Pat McMahon and Gary Bennett are restructuring to maximize efficiencies, be nimbler, and work more synergistically amongst and between their teams.
- 97% of the DKU class of 2022 plans to study abroad at Duke's Durham campus. Approximately 250 students plan to attend during Academic Year 2020-2021. The primary guiding principle of the DKU-Duke study abroad program is to provide Duke Kunshan students with a student experience comparable to that of Duke students.
- Sophomore year brings distinct challenges to students as they transition from first- to sophomore-year and East to West Campus. Per the student panelists, these include: new and often selective social and extra-curricular cultures, greater academic pressures, more focus on future career goals, examination and possible redefinition of one's identity, an expectation of greater independence with fewer resources and mentorship to foster that independence, and a sense that sophomores could use more structured support and intervention.

What actions were taken?

- Jennifer Francis, executive vice provost and Valerie Hausman, associate vice provost for Duke Kunshan presented the guiding principles and plans that are in place to ensure a successful transition for DKU students studying abroad at Duke's Durham campus. Several committee members urged DKU-Duke leadership to develop a significant level of programming in order to fully engage DKU students in the Duke student experience.
- A student panel shared their experiences navigating the challenges present in the sophomore experience. The committee and administration heard them collectively state that Duke's culture of selectivity begins during O-Week and heavily impacts the student experience on a continuous basis. The students also raised concerns that campus spaces designed to foster community and identity may instead contribute to students' feelings of isolation.

What are the next steps to be taken?

- OUE and Student Affairs will build on the hope and positive collaboration present in the meeting to continue working collaboratively with the Undergraduate Education Committee, administration, the Next Generation Living & Learning Experience Task Force implementation committee, faculty and students to examine the role of selectivity and take actions to improve student culture. This will include following up with student centers and organizations to ensure they are serving all students effectively and equitably.