

Summary
Meeting of the Duke University Board of Trustees
February 25-27, 2021

Thursday, February 25

The Audit and Compliance Committee and the Governance Committee met in the afternoon.

Friday, February 26

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

After the opening executive session trustees participated in their third strategic education session of the year. The topic for this meeting was Duke Health. In the afternoon, trustees participated in meetings of the strategic task forces and standing committees.

Saturday, February 27

The meeting began in executive session during which the trustees reappointed President Vincent E. Price to a second five-year term beginning July 1, 2022. Regular session began with updates from Strategy Teams 2021 and 2030, including the latest on the institutional response to the COVID-19 pandemic and vaccine distribution. The board was introduced to Al Bloom, the new executive vice chancellor of Duke Kunshan University (DKU), and he and Provost Kornbluth led a discussion on the progress of DKU. Next, the board was introduced to Dr. R. Sanders (Sandy) Williams, interim vice president for research and innovation, who provided an update on the research, translation, and commercialization initiative. Trustees were introduced to Duke's newest Rhodes Scholars, Jamal Burns and Kendall Jefferys. After taking action on recommendations from committees, to include taking action on tuition and fees for FY 2022, the board meeting concluded with an executive session in which the board elected new trustees whose terms would begin on July 1, 2021.

After the meeting, the Committee on Honorary Degrees met.

Meeting Summary of the Audit and Compliance Committee

February 25, 2021

What were the major topics discussed?

- KPMG presentation on the FY21 external audit plan
- Annual review and endorsement of DUHS Compliance Plan Review

What were the major insights shared?

- Standing updates on research excellence initiatives and pandemic-related compliance priorities
- Discussion on FY21 KPMG independence, qualifications and staffing

What actions were taken?

- Accepted FY21 external audit plan

What are the next steps to be taken?

- Schedule follow-up special session to continue strategic discussion
- Review of Institutional Code of Conduct (May 2021)
- FY20 Uniform Guidance audit report (deferred to May 2021)
- FY20 Employees Retirement Plan audit report (deferred to May 2021)

Meeting Summary of the External Engagement Committee

February 26, 2021

What were the major topics discussed?

- The committee heard updates on the COVID-19 pandemic with regard to the political and public policy environment effecting the university and health system, and the collaboration efforts between Duke and Durham to address the challenges in the community.
- Information was shared and discussion followed on Duke's anti-racism commitment.

What were the major insights shared?

- The university and health system have been intimately involved in the deployment and distribution of the COVID-19 vaccines, working with local and state officials to ensure accessibility across the state. The health system has also been involved in educating the public about the vaccines in an attempt to address the growing concern with vaccine avoidance.
- The collaboration between Duke and Durham during the pandemic has been positive, significant, and primarily related to public health, but also provided the opportunity to forge public-private partnerships to assist community members challenged by the socioeconomic effects of the pandemic through research and service. In 2020, Duke made a significant financial commitment to the community for pandemic relief. Duke partnered with local government as well as 120 nonprofit and community-based organizations to meet community needs.
- The conversation on Duke's anti-racism commitment included three guests: Kim Hewitt, vice president for institutional equity and chief diversity officer; Leigh-Anne Royster, assistant vice president for diversity, equity and inclusion; and Chris Clarke, associate vice president for campaigns. Each guest provided a brief overview of their work as it pertains to the topic of anti-racism.

What actions were taken?

- The committee was asked to review the External Engagement Charter. There were no immediate questions or comments. Committee members were instructed to forward any questions or comments to the Office of the Secretary to the Board of Trustees.

What are the next steps to be taken?

- A link to an electronic version of the meeting evaluation was emailed to all committee members for their feedback about the meeting.

Meeting Summary of the Governance Committee

February 25, 2021

What were the major topics discussed?

- Trustee recruitment, cultivation, and engagement strategy.
- Engagement of emeriti trustees and former trustees (young trustees, DAA presidents).
- Prospect review, including review of board composition data, current trustee prospects list, and discussion of potential prospects for 2022.
- Planning for strategic engagement at Board of Trustees meetings in 2021-2022.
- Standing committees and strategic task forces, to include: feedback from meetings that took place in the first semester and trustee assignments on standing committees for 2021-2022.
- Nominations of trustees emeriti.
- Review of the following: annual review of bylaws, charter review, review of process for exit interviews, annual surveys, plans for meeting of Governance Committee in May, and trustee assignments on other committees for 2021-2022.

What were the major insights shared?

- Trustee prospect cultivation takes time and requires engagement goals and priorities separate from development.
- Engagement of former trustees (young trustees, DAA presidents) can be improved.
- The off-cycle meeting of the committee was beneficial.
- Diversifying the board is a long-term process and shifting board demographics will take time.
- 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 trustee prospects for 2022.
 - Need to start discussing possible trustee prospects for 2023.
 - Need to continue to diversify the board's pipeline.
- The standing committees and strategic task forces are functioning well.

What actions were taken?

- Change in status category for certain trustee prospects.
- Approval of nominations of trustees emeriti.
- Endorsed update to membership in Governance Committee charter.

What are the next steps to be taken?

- Survey emeriti trustees to get their thoughts on our current engagement efforts and ideas for how we could do better.
- Survey former trustees (young trustees, DAA presidents) to get their thoughts on possible engagement ideas and formation of a small subcommittee to solicit thoughts and suggestions for engagement of former trustees.
- Bring nominations of trustees emeriti to the board for approval in May.
- Finalize standing committee trustee assignments for 2021-2022 and bring to the full board for approval at its May meeting.
- Finalize changes to the bylaws and bring to the full board for approval at its May meeting.
- Administer surveys of standing committee and strategic task force performance.
- Conduct exit interviews for retiring trustees.

Meeting Summary of the Graduate and Professional Education and Research Committee

February 26, 2021

What were the major topics discussed and insights shared?

- **Climate Change and Environmental Sustainability:** Dean Toddi Steelman provided background on the new Duke Climate Initiative, created under the direction of President Price and Provost Kornbluth in April 2020. Focused on ways Duke can become a leader among peer universities in the areas of climate change research, education, and engagement, the task force has three faculty working groups: Climate and Data Science, Climate Resilience, and Energy Transformation. Working group co-chairs presented preliminary proposals and received committee feedback.
- **Updates from the Sanford School of Public Policy:** Dean Judith Kelley noted that master's recruitment dropped early last year due to the ongoing coronavirus pandemic, limitations on travel, and issues with obtaining visas, which prevented some international students from attending and resulted in a multimillion-dollar revenue impact at a time when more financial aid is needed. Applications for 2021-22 have rebounded strongly. Dean Kelley noted the Sanford community's willingness to innovate and retool to improve online learning in light of periodic feedback from students. Key insights: provide asynchronous lectures taped in a proper studio; use break-out rooms for discussion early and often; rely more on team-based projects. Some courses are also now experimenting with alumni participation.
- **Updates from the Nicholas School of the Environment:** Dean Steelman also noted that the Nicholas school was down in Master's enrollment due to the pandemic restrictions, causing a significant revenue impact that will be managed over the next two years. Applications for 2021-22 are up 45%. The pivot to online learning has increased opportunities for faculty collaboration within the school and across campus. NSoE faculty have found similar lessons from online teaching as Sanford.
- **SSPP-NSoE collaboration:** The Deans stressed the value of joint and secondary faculty appointments, joint degree programs like the University Program in Environmental Policy, and a strong personal relationship in forging deep partnerships between the two schools. Close relations with the Energy Initiative and Nicholas Institute bode well for the integrated strategy necessary to make Duke a climate and sustainability university.

Meeting Summary of the Resources Committee

February 26, 2021

What were the major topics discussed?

- Building a financial framework to inform resource planning and advancement of mission excellence.
- Developing a process with the schools/units to produce GAAP based budgets that will be re-forecasted quarterly and then roll up to the university's consolidated GAAP financials, in order to have a consistent format whereby operating results can be readily evaluated both internally and at the Board level.
- Setting a consolidated GAAP operating performance margin goal and other key balance sheet metrics that will guide five-year University and school/unit integrated capital and operating planning.
- Building out a five-year University capital plan which incorporates different expectations for funding requirements, pacing of capital expenditures, and more fully accounts for operating impacts of planned capital investments.
- FY 2022 tuition and fees and messaging around communicating the undergraduate tuition increase.

What were the major insights shared?

- The university's operating performance should be evaluated net of extraordinary/non-planned draws on quasi-endowments and other long-term reserves - the trend shows an increasing reliance on these draws and underlying operating performance challenges.
- To strengthen the university's operating performance, it will be important to focus on revenue growth and slowing the rate of expense growth, particularly with respect to shifting the focus of capital investment into renewal, rather than new building, and decreasing the amount of third-party space that the University leases.
- Leadership needs to tighten early capital planning and project commitment requirements to ensure capital and operating affordability by the owner and at the aggregate level as well as more realistic philanthropic project contributions.
- The balance sheet is strong due to investment returns; however, debt capacity is limited under the current credit rating and the under/unfunded pension and health care liabilities require careful evaluation.
- Leadership needs to build a financial framework to inform resource planning and advancement of mission excellence, including setting five-year GAAP operating performance goals and related balance sheet metrics to guide five-year integrated capital and operating planning.

What actions were taken?

- East Campus Steam Plant Oil Boilers (Tier 2 – Debt) – the committee approved the East Campus Steam Plant Oil Boilers (Tier 2) project design and recommended to the Board of Trustees to authorize construction and the financing plan.
- The committee recommended for approval to the Board of Trustees FY 2022 tuition and fees.
- The committee endorsed the proposed Long Term Pool spending rates for FY 2022.

What are the next steps to be taken?

- Develop five-year GAAP financial statements and projections that include setting operating margin performance goals and related balance sheet metrics.
- Develop a financial framework that integrates five-year capital and operating planning.
- Tighten controls around capital projects that include enhanced financial planning rigor earlier in the capital planning process.
- Launch a comprehensive review of benefits.

Meeting Summary of the Undergraduate Education Committee

February 26, 2021

What were the major topics discussed?

- Chair Pelham updated members on Duke admissions statistics to connect to the committee's previous meeting. Duke received a record number of applications this admissions cycle, an increase of almost 25%. Early decision applications also increased by 19%.
- Heard from Greg Victory, the new assistant vice president, student affairs and Fannie Mitchell Executive Director of the Duke Career Center, about the ways current undergraduates conceptualize professional goals and how that influences their choices at Duke.
- Highlighted the need for career centers across higher education to evolve in their delivery of programs and services to better meet the needs of all students, particularly first-generation/limited income students.
- Summarized positive indicators for Duke's response to COVID-19.
- Discussed progress and updates from the Next Gen Living & Learning 2.0 Implementation Committee.
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What were the major insights shared?

- Over 80% of students surveyed nationally reported that getting a better job represented a critical factor in their decision to enroll in a specific college.
- More than half of Gen Z students expect to do a job that doesn't exist yet, and most will pursue several careers over their lifetimes.
- The Career Center is de-emphasizing the traditional concept of career services as a physical location and transitioning to a "Career Everywhere" model: building an ecosystem that leverages collaborations with faculty and staff across Duke and develops curated content to reach as many students as possible.
- The launch of half-credit "Design Your Duke" courses will accelerate the transition away from traditional 1:1 career advising to more accessible approaches that are also integrated with Next Generation Living & Learning principles.
- Rapid adoption of new technology platforms will allow Duke to better tap into parent/alumni expertise and expand employers' virtual recruiting efforts.

What actions were taken?

- N/A

What are the next steps to be taken?

- Consider additional ways to advance the OneDuke approach in career services to decrease student/recruiter confusion, duplication of programming, and wasted resources.
- Monitor the pledge by the Career Center to increase knowledge rate for career placement data.
- Engage Duke community members to help fund more internship grants, students' professional development funds, mentoring technology, and other priorities that asymmetrically benefit first-generation/limited income students.
- Identify additional communications assistance to amplify Next Gen Living & Learning 2.0 Implementation Committee progress.

Meeting Summary of the Climate and Sustainability Strategic Task Force

February 26, 2021

What were the major topics discussed?

- **Strategies for Achieving Sustainability Literacy** – The Task Force reviewed various voluntary and mandatory academic strategies that aim to meet the goal of “creating climate and sustainability literate graduates who become actively engaged citizens and are prepared to participate in a more regenerative economy.” The Task Force also reviewed results from its survey that went to internal and external Duke stakeholders.
- **2024 Goal Progress and Pathway to Neutrality** – Sustainable Duke and Duke’s Facilities Management Department presented a pathway to meet Duke’s 2024 carbon neutrality goal. This pathway includes strategies to reduce emissions from employee commuting and air travel, improvements in building energy efficiency and campus utilities, investment in off-site solar and potential investment in biogas, and reducing remaining emissions through a portfolio of carbon offsets.
- **Connecting Total Societal Impact to University Sustainability Priorities** – Results from the Task Force survey that yielded 970 responses were presented. The results pointed to five high potential impact topics that the University could investigate over the coming years with the goal of maximizing total societal impact. These topics are renewable energy, waste management, purchasing, commuting and transportation, and food and farming systems. A process for initial exploration into these topics was presented to the Task Force for feedback.
- **Duke Climate Initiative 2050 Update** – A brief update was shared with the Task Force on DCI 2050. The goal of the initiative is to leverage Duke’s research superpowers in energy transformation, climate resilience, and climate and data to become a recognized global leader in creating and implementing a just, resilient net-zero carbon world by 2050.

What were the major insights shared?

- **Strategies for Achieving Sustainability Literacy** – Task Force members indicated a higher preference for voluntary options, but had some interest in mandatory options. Of the options discussed there was greatest interest in pre-orientation programming, providing more semester-long courses and lab, expanding opportunities like Bass Connections, Data/Story/CS+, DukeEngage, and capstone projects, and providing capacity building opportunities for faculty to create climate and sustainability literacy. There was also discussion around the existing process for creating mandatory requirements at Duke; currently, it takes two – three years to obtain approval of a new requirement. Members of Duke administration are developing fuller proposals of each option discussed.
- **2024 Goal Progress and Pathway to Neutrality** – Task Force members were impressed by the progress to-date on Duke’s 2024 carbon neutrality commitment and found the pathway forward compelling. Discussion focused on the logistics behind some pathway elements including renewable natural gas, employee commuting/air travel fees, and carbon offsets. Of particular concern is mitigating any potential community and environmental justice issues surrounding renewable natural gas and carbon offsets.
- **Connecting Total Societal Impact to University Sustainability Priorities** – Task Force members thought the top five focus areas were appropriate for Duke’s future work. Members stressed the importance of timely action that fits within the capacity of the University. Assessing the current Duke/Durham baseline and bringing together engaged stakeholders and organizations are key to developing a next-generation sustainability report.

What actions were taken?

- A Task Force working group was tasked with refining recommendations and reviewing final Task Force report

What are the next steps to be taken?

- N/A

Meeting Summary of the Centennial Strategic Task Force February 26, 2021

What were the major topics discussed?

- An update was provided about the collaboration efforts between Duke University and The Duke Endowment on their corresponding centennial celebrations. A summary from the joint meeting held in January was provided in the pre-meeting materials.
- The task force heard background on the work of the Institutional History Committee. President Price shared his thinking regarding next steps for the committee.
- Task force members used smaller breakout sessions to convene the three working groups organized around the strategic questions in three categories: Past, Present, and Future, to prepare for a final report out to the whole group.
- Information regarding the framework, format, and timeline of the final report was shared with the task force members. An overview of the chief findings from the stakeholder interviews was presented and discussed. Members of the editorial group and the visual accompaniment group were confirmed and will work in tandem to construct the final report.

What were the major insights shared?

- After the initial joint meeting between the Duke Centennial Strategic Task Force and The Duke Endowment, it was clear that there is a great deal of overlap and alignment in planning for each centennial celebration with regard to storytelling and activities. The meeting laid the groundwork for collaboration between both organizations.
- The Institutional History Committee originally considered and advised on proposals regarding historical namings. The committee will also work to inform those planning the centennial on how best to bring Duke's history to life.
- The strategic question subgroups reported back to the group with their strategic recommendations on how best to approach planning for the centennial.
- The final report will include an executive summary, an introduction, chief findings, short and long-term strategic recommendations, and suggested follow-up on the work of the task force. The preliminary draft is due before the Board of Trustees meeting in early May, with the final draft due by the end of May. Insights from each of the strategic question groups (past, present, and future) will be incorporated into the draft report. The report will also include tangible ideas and activities to consider to celebrate the centennial.

What are the next steps to be taken?

- The editorial group and visual accompaniment group will meet and work together on the draft report due in April.
- Representatives from Duke and The Duke Endowment will meet on a regular basis to maintain the momentum on collaboration and communication with the centennial celebration plans.
- The Office of the Secretary to the Board of Trustees will distribute a survey to all task force members asking for their evaluation of their experience on the task force.

Meeting Summary of the Duke and Durham Today and Tomorrow Strategic Task Force

February 26, 2021

What were the major topics discussed?

- The major topic for the February meeting focused on partnering with the community to impact quality of life in Durham and included these key strategic questions: How does the community inform our work? How can Duke advance its commitment to Durham through the five areas of focus identified in the community impact plan? And how can Duke measure this advancement?
- Task force members were separated into two breakout panels simultaneously. Panel A focused on housing affordability and infrastructure, food security and nutrition; Panel B focused on early childhood and school readiness, college and career-readiness. Panelists for both sessions were leaders from Durham educational institutions and nonprofit organizations, and the panels were moderated by assistant vice presidents from Duke's Office of Durham & Community Affairs.
- Task force members also reviewed themes from the stakeholder interviews report. A thorough discussion ensued with task force members providing reflections from their interviews.
- The three committees on meaningful engagement, internal coordination, and quality of life provided meeting reports and updated the task force on emerging recommendations.
- Task force members were provided details about the upcoming activities, such as next committee meetings, preparation for the final report, and the final work session.

What were the major insights shared?

- Major insights shared by panel A were the need for Duke to invest in the community, particularly community organizations, and that there are a range of models from which Duke can choose to make its presence in Durham felt in a positive and effective way. Panel B shared the need for Duke's support in early childhood education, specifically in the area of pre-k, and strongly encouraged strengthening and scaling workforce development interventions.
- Major insights shared from stakeholder interviews included the need for Duke to partner on existing metrics and the need for sustained support, as well as the importance of listening and carefully defining what "listening" means with partners. Also noted was the importance of Duke being transparent with its plan of action and the "why" behind it, particularly in Duke's roles as employer and healthcare provider.

What actions were taken?

- No action items for this meeting.

What are the next steps to be taken?

- Committee meetings in March, development of the final report, and the upcoming final work session.