

Summary
Meeting of the Duke University Board of Trustees
September 27-28, 2019

Thursday, September 26

New trustee orientation was held during the day, and in the evening many trustees attended the annual Founders' Day celebration. The University Medal for Distinguished Meritorious Service was awarded to Brenda Armstrong (posthumously) and Trustee Emeritus David Rubenstein. Duke Alumni Association Awards were presented to Blake Wilson (University Distinguished Alumni Award) and Leonard White (Alumni Distinguished Undergraduate Teaching Award).

Friday, September 27

After an opening executive session with President Price in which the board approved the creation of an ad hoc working group to review the university's policy and process on socially responsible investing, trustees attended the first of four sessions this year of strategic education, focused on the topic of research, translation and commercialization—at Duke, peer institutions and the region. This is a priority in the university's strategic framework; the sessions at board meetings this year are designed to advance the knowledge of trustees and senior leaders so they are in a stronger position to advise the president as he shapes strategy in the future. In the afternoons, trustees attending meetings of the standing committees.

In the evening, the board chair and president hosted an evening of tributes and celebration at the new Karsh Alumni and Visitors Center.

Saturday, September 28

After early morning meetings of two standing committees, the trustees met in plenary session, which began with the introduction of new members of the senior leadership at Duke – Kimberly Hewitt, vice president for institutional equity; and Mary Pat McMahon, vice provost/vice president for student affairs. Trustees then received annual reports on Duke's finances and investments (from DUMAC); an update on undergraduate admissions; and highlights of Duke Health's strategy, including the interface of the health system with the university—and its support of the School of Medicine—and issues related to network growth. They approved appointments to the Employees Retirement Plan Board; financing and construction for Substation #2 Switchboard Replacement; and degrees earned at Duke-NUS Graduate Medical School.

After the board meeting concluded, the Committee on Honorary Degrees (a university committee composed of faculty and trustees) met to begin the process of identifying candidates for honorary degrees to be awarded in May 2021.

Meeting Summary of the Audit and Compliance Committee

September 28, 2019

What were the major topics discussed?

- Duke University consolidated financial statements for the year ended June 30, 2019
- Update on research culture and compliance initiatives
- Compliance updates including review of the annual Clery Act report, athletics compliance monitoring and institutional compliance program priorities

What were the major insights shared?

- Discussion on promoting a culture of excellence and integrity in research and research compliance
 - Priorities, initiatives and investments to promote scientific integrity, faculty engagement, reporting concerns and implementing accountability structures
- Updates on fiscal year 2020 plans from the institutional and athletics compliance assurance programs
 - Acknowledgement that compliance continues to increase in complexity and visibility; continued effort to evolve program focus, maintain vigilance and ensure institutional oversight

What actions were taken?

- Accepted the consolidated audited financial statements for the fiscal year ended June 30, 2019
- Approved appointment of KPMG to perform the independent external audit for the fiscal year ending June 30, 2020
- Approved appointment of KPMG to perform non-audit services (as described in the advance materials) for the fiscal year ending June 30, 2020
- Accepted the 2019 Clery Act report as presented
- Accepted the Athletics Compliance monitoring plan for fiscal year 2020

What are the next steps to be taken?

- Continue updates on research excellence initiatives

Meeting Summary of the External Engagement Committee

September 27, 2019

What were the major topics discussed?

- The overall theme for this year's work plan is Duke Engaged. Each meeting will address a key topic of the university's engagement with science and technology, the community; the world; and strategic priorities and national issues.
- The administrative liaisons summarized their top five priorities for the year for each of their areas.
- The key topic was engagement with science and technology specifically looking at current perceptions and realities on the local, national and global levels.

What were the major insights shared?

- Top priorities for Public Affairs and Government Relations included refinement of issues management policies; elevating awareness of science and technology expertise at Duke; advancing Duke's priorities with policymakers in light of the 2020 elections; and beginning plans for Duke's centennial celebration in 2024.
- Development and Alumni Affairs priorities focus on advancing One Duke to support university goals and ambitions; alignment of philanthropic goals in support of science and technology; preparation for the next campaign; implementation of recommendations from the Activating the Global Network strategic task force; and promoting the Karsh Alumni Center to the Duke Community to utilize its full potential.
- Priorities for Durham Affairs include development of an organizational model for community affairs; increasing local engagement regarding community issues; mapping civic engagement across Duke; advancing health partnership efforts; and define goals with community stakeholders.
- Duke already has a strong reputation in science and technology but it is a very competitive environment and many peer institutions are engaged in similar activities. By concentrating on the One Duke approach, engaging and partnering with alumni and stakeholders as advocates, and identifying ways in which to provide information and materials to the general public, Duke will cultivate its standing as a leader in science and technology.
- Duke's institutional focus on science and technology provides several potential opportunities for community engagement: through its expressed commitment to science and technology; through the existing structure for communication and access to STEM activities for local youth; and in the ability to evaluate participation and impact of programs in the community. Building philanthropic support of science and technology will include: hosting focus groups to hone messaging; hiring leadership staff to oversee philanthropic efforts; raising launch funds; and focusing on transformational gifts.

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

September 28, 2019

What were the major topics discussed?

- Proposed goals for the year.
- Update on the process for trustee prospect review and recruitment, including next steps.
- Committee effectiveness and committee leadership.
- Report on trustee check-in conversations.
- Update on Boards of Visitors Initiative.
- Report on trustee conflict of interest disclosures, committee work plan, new trustee orientation, and committee standing items process and timeline.

What were the major insights shared?

- The highest priority for the committee this year will be trustee prospect review, cultivation, and recruitment.
- The need for the committee to develop a trustee prospect/candidate profile, to include desired attributes and priorities.
- The need for the committee to review and categorize new potential trustee prospects and also receive updates on existing trustee prospects.
- Need to be opportunistic in trustee recruitment, potentially flexing the size of the board to achieve optimal composition.
- Agendas for committees need to be driven by committee administrators and by what they need to accomplish in support of the president's strategic priorities and framework.
- Committees are most effective when the committee administrator(s) and the committee chair (and vice chair, if applicable) are well coordinated.
- Routine check-ins with trustees are good and provide valuable feedback, especially if a trustee is taking on a new role.
- The Boards of Visitors Initiative has had many positive impacts, but consideration should be given to the role of trustees and emeriti trustees with the boards of visitors, as well as professional development opportunities for school development officers.

What actions were taken?

- Agreement to establish an ad hoc group to be charged with drafting a trustee prospect/candidate profile.

What are the next steps to be taken?

- Form an ad hoc group to be charged with drafting a trustee prospect/candidate profile, to include desired attributes and priorities.
- Gather feedback from the committee on new potential trustee prospects.
- Formatting updates to the current trustee prospect list.
- In December, the vice president of alumni affairs and development will speak with the committee about trustee leadership in campaigns.
- Need to create a guiding principles document for committee effectiveness, to include guiding principles for the chair, committee administrators, and committee members.
- Need to create a glossary of acronyms for trustees.
- Need to keep thinking of innovative ways to advance the Boards of Visitors Initiative, including seeking input from the Dean's Cabinet on trustees and the boards of visitors.

Meeting Summary of the Graduate and Professional Education and Research Committee

September 27, 2019

What were the major topics discussed?

- Duke Law School: The dean of the law school, Kerry Abrams, presented strategic priorities to the committee, which the dean feels align closely with the President's Strategic Framework. There is more of emphasis on clinical skills, legal education, and writing. There is interest in partnering with other areas of the university in issues around technology, AI, and patents. Student diversity continues to increase, but faculty diversity is an area for improvement. Current financial issues facing the law school are financial aid, low endowment, and the donor pool.
- Fuqua School of Business: The dean of the Fuqua School of Business reviewed the school's strategic plan and programs with the committee. Due to the possibility of changes to federal immigration policy, there has been a national drop in international applications to business schools. Fuqua has been able to weather changes in the business school landscape, due to innovative programs with STEM designations and programming in data analytics. Similar to the law school however, Fuqua is facing challenges with respect to endowment, financial aid, and scholarship support. There are peer schools that are able to offer their programs tuition free due to large donor gifts. Online education at Fuqua remains an area of strength, with the school set to bring two additional online programs to the market.

What were the major insights shared?

- Both professional school deans noted their desire to pursue online-digital initiatives. The committee looks forward to learning more regarding online education at the February board meeting.
- Both professional school deans shared their financial concerns around low endowment and financial aid amounts. Law and Fuqua are eager to identify new revenue sources, particularly those that leverage relationships with other parts of the university, i.e., data science and health care.

What are the next steps to be taken?

- As implementation progresses, the committee would like to revisit topics in the Reimagining Doctoral Education report.

Meeting Summary of the Resources Committee

September 27, 2019

What were the major topics discussed?

- Financial status and performance of the university for FY 2019.
- Recent workforce-related developments across Duke.
- Facility management activities and capital projects planned for FY 2020.
- Recent IT projects, particularly the triangle fiber ring.
- Duke's technology strategy, position and outlook.
- Facilities renewal with a focus on the campus buildings portfolio.

What were the major insights shared?

- The university's overall financial situation has improved dramatically over the past several years but important challenges remain to address the president's strategic framework and other institutional priorities that will require a consistent focus on cost containment.
- Duke's information technology environment is in a solid position, benefiting from collaborations with DUHS, faculty, and market leaders, and remains agile and flexible in keeping Duke on the cutting edge of technology trends and responding to changing needs.
- The facilities in most immediate need of renewal are university buildings (classroom, office, lab and research spaces) primarily due to insufficient annual renewal funding levels.

What actions were taken?

- The committee recommended to the board to approve the Employees' Retirement Plan (ERP) Board membership.
- Substation #2 Switchboard Replacement (Tier 2, debt financed) - the committee recommended to the board to authorize construction and approve the financing plan (\$5.3M).
- Graduate Housing - the committee approved project initiation contingent upon an acceptable land lease being negotiated with the developer.

What are the next steps to be taken?

- The committee was asked to continue to consider how Duke should evaluate success in the IT environment, and to provide suggestions for future IT discussions.
- Management will develop a multi-year facility renewal plan in order to give the committee a better sense of critical needs over time. The plan should include the residence halls, Schools of Medicine and Nursing, and university buildings. This will be done on a timeline that will enable accommodation of outcomes, as deemed necessary/appropriate, in the FY2021 operating budget that will be presented to the committee in May.

Meeting Summary of the Undergraduate Education Committee

September 27, 2019

What were the major topics discussed?

- Gary Bennett and Mary Pat McMahon discussed their shared vision for the Duke undergraduate experience and ways the offices of undergraduate education and student affairs can work towards common goals.
- Review of excerpts from committee's charter.
- Review Next Generation Living and Learning Task Force implementation plan.
- Review of the proposed student experience dashboard.

What were the major insights shared?

- The committee discussed the importance of a holistic approach to a Duke undergraduate education, which should consider the physical, mental, medical, and emotional health of all students.
- The committee discussed facilitators and challenges associated with efforts to enhance the undergraduate experience and the importance of building momentum following the Next Generation Living and Learning (NGLLE) task force.
- Mary Pat McMahon introduced the notion of a student experience dashboard and identified preliminary metrics that might be used to gauge the success of efforts to enhance the undergraduate experience.
- The committee reviewed the NGLLE Task Force implementation plan. The committee discussed the proposed activities, timelines, desired outcomes, and also its role in overseeing the implementation activities.
- The committee discussed ways to promote faculty-student interactions as part of the proposed residential experience enhancements and beyond.

What are the next steps to be taken?

- Continue oversight of NGLLE implementation with regular progress updates for the committee.
- Develop beta version of the student experience dashboard.
- Consider providing structural overview of undergraduate-serving units in a future meeting.