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Minutes of the Regular Meeting of the Academic Council

Thursday, October 23, 2014

Joshua Socolar (Physics/ Chair, Academic Council): Welcome, everybody, to our second meeting of the academic year. I want to start, before we get into our posted agenda, by reporting to you that Duke Kunshan University really does exist (laughter). I made a visit there last week with the Liberal Arts in China Committee, which has been charged with developing a framework for the curriculum that will be implemented when DKU begins to offer an undergraduate degree. I was also there to represent ECAC and this Council in initial discussions about faculty governance structures that are going to require some serious attention in the coming years. Let me give you a quick look at the campus which is probably the first view this council has seen of actual buildings as opposed to artist's renditions. Take a look.

This is an artist's rendition (laughter). It's just to get you oriented. This building does not exist yet. What you're going to see is pictures of this building, the conference center, here, the academic building, and up there, the dorms and faculty residences. And the plan right now is for the students and faculty who are in Kunshan right now doing the global learning semester and the graduate

programs to actually move in to the conference center, I think this week. But here's what things actually look like on the ground. So this is the view from the conference center dining area, looking out you see dorms and the corner of the academic building.

Here's a picture of the conference center. You can see that there still is some construction going on. But the water features are filled with water and the walkways are paved. On the right, there, is a picture of the dorms. This is a little more of what the housing looks like. These are almost ready. On the left is the faculty housing area. The houses have kitchens which is nice. On the right are the student dorms. And a picture of a student room as best as I could get it in. Each student has their own private room and four of them are grouped together in a little suite that has one common area.

This is what the academic building looks like right now. The red carpet is not permanent (laughter). The pictures on the left are just to give you an idea that it's a rather expansive building with big, open hallways, a lot of glass. The pictures on the right are the ones of most interest to us. They are the faculty offices. And we put Ingeborg Walter in there for scale

(laughter).

There are classrooms: tiered seating classrooms, a little workspace, they call it a team room. It's not really big enough to be a classroom. But there are other rooms that look a little bit like this or a little bigger that will be classrooms. And then there's an auditorium and that's Chancellor Liu in the foreground.

So, I just want to say a few words, because going over there drives home some important points for us as faculty. And I don't want to get into a discussion of this right now, but I do want to say a couple of things. First, is that what we saw over in the hotel where classes are being held right now, was really impressive. There's a fantastic spirit of academic inquiry that has developed among the faculty and the students who are all living in that hotel. There's a lot of one-on-one interaction. We talked to international students who are having a terrific experience and really seem excited about it. And the faculty there as well are really enjoying working with these students. The question, of course, is whether we can scale that up to the big campus. And so we had some discussions with Executive Vice Chancellor Mary Bullock and the faculty who are there and a couple of points have become apparent. First is that, in phase two, we're supposed to offer an undergraduate degree at DKU, and it's going to be a Duke degree of some flavor, because it can't be a Chinese degree or it would have to conform to all the requirements that the Chinese Ministry of Education places on those degrees and we don't want to do it that way. So I just want that to be clear. But there's a lot of work to be done in designing a curriculum. And Noah Pickus, who was on the trip with

me, and Keith Whitfield also, were beginning to think - Noah is chairing the Liberal Arts in China Committee that is beginning to think about the framework that that curriculum will have. But there's a long way to go between where we are now and what we need to submit to the Chinese Ministry of Education in order to get approved to go forward with this. And we're going to need DKU faculty involved, which means they need to be hired as well, and if you back things out from a launch date of 2018-19, which is roughly what we're aiming for, you realize we really have to put more resources and attention into this now. And that means Duke faculty are really going to have to be involved. The same is true for matters that define the job of faculty at DKU. You know, we have an entire handbook here at Duke that's a voluminous set of definitions and procedures and so forth; they have nothing over there yet. And there's going to need to be something in place. And so we're starting to think about drafting a statement of principles but we're a long way from filling out a handbook. And then I'll also mention that there are research and graduate programs which are going to be coming online and being put in place over the next few years. Those are a little easier, at least for me, to imagine. Because there are a lot of faculty on campus who are excited about the opportunity to do research in China and have a base over there and go over for short or more extended visits. And there is a faculty committee, the China Faculty Council that is paying attention to those issues. So all I want to do for now is make the point that, although the launch date for phase two is 2018-19, a new phase of planning needs to happen now. And I've talked with President Brodhead and Provost

Kornbluth and also Noah about this and I think we're all on the same page. We all understand that, as President Brodhead would say, we need to start leaning in a little harder now. And I think we're going to leave it at that for now. If we make it all the way through the agenda that we have for today and there's time left over, maybe there will be a chance to talk a little more about it.

APPROVAL OF SEPTEMBER 18 MEETING MINUTES

Socolar: Our first order of business, as usual, is to approve the minutes from our last meeting. Are there any corrections or edits to the minutes?

(Approved by voice vote with no dissent)

The attendance sheets are being circulated, so please initial and return these to Sandra at the end of the meeting. I'll remind you also to please identify yourself when you ask a question or offer a comment.

NEUROSURGERY DIVISION TO DEPARTMENT PROPOSAL

Socolar: Today, Dr. Ted Pappas, Vice Dean for Medical Affairs, is here to present the proposal for the transition of Neurosurgery from divisional to departmental status. The proposal and other supporting materials were posted with your agenda. We will discuss the proposal today and vote on it at our November 20th meeting.

Let me just mention, as Ted makes his way up here, that several former divisions in the medical school have become departments in recent years, including

Neurology in 2013, Orthopedics in 2010, and Dermatology in 2009, all of them having been approved by this Council. My understanding is that this trend is bringing Duke Medicine closer to the structure of most of its peers. I did a quick check: UCSF, Stanford, U Penn and Harvard all have 17-20 clinical departments in their schools of medicine, whereas Duke currently has 14. But we still want to understand the motivations and implications of the change in the context of our own school. And for that I'll turn it over to Ted.

Ted Pappas (Vice Dean for Medical Affairs): Thanks very much for the invitation to present. So this is a part of a rather lengthy process that takes over six months to move a proposal like this to create a new department through the approval process. There is a separate process prior to this through our medical center, and then of course through the university which culminates with the Board of Trustees. What I'm going to review initially is some of the internal criteria that we use within the medical school to decide whether it's time to move a division within a department out to a separate department. The criteria you see here, and we'll talk a little bit about each one of them, we like to make sure that we're consistent with the national model and so we'll talk a little bit about what the national model is for neurosurgery. A division that becomes a department has to have a very robust clinical practice. They have to have a nationally recognized research program. They have to have education programs that are first-rate and separate and distinct from other programs. They have to have an all mission budget that can sustain itself. We have to have leadership

in place that looks like they can be appropriate for a departmental status. And then we have to evaluate what the impact is on the department that they're separating from. To make sure that we don't create a department that has trouble because something was separate. Those are our criteria. And so I'll go through them one by one. First of all, there are 103 academic neurosurgery programs in the country. Only ten are currently divisions or sections within other departments. So clearly the national model is for neurosurgery to be a separate department. And essentially all of our peer institutions that we think we're competing against already are separate departments. So we think it certainly meets this criteria as moving towards a department would be what the national standard is for neurosurgery. If we split out neurosurgery today, this would be its ranking in the national ranks for NIH funding. So we would split out a department of neurosurgery that would already be number two in the country as far as a funded department. So it easily meets that standard as having a very robust academic program because it's a very successful group of scientists already within neurosurgery. As far as its clinical practice, we have a very busy group of neurosurgeons. They practice at all of our sites in Durham and in Raleigh, our VA hospital, and financially they're very successful. Their clinical productivity is at the 95th percentile if you look at other programs around the county. We have folks that function at the very top rung as far as their clinical productivity. And they've had a positive balance financially within their division for over 15 years. So they're very financially productive so they can sustain all of their programs including their research programs. We certainly

expect the clinical programs to be broad-based and this sort of laundry list of all the different areas of neurosurgery that are easily covered by our faculty and this really is the soup to nuts of what neurosurgery is. Everything from brain tumors through pain therapy that neurosurgeons get involved in. Just a snapshot of who their faculty is and just to give you an idea about their growth. And they have grown rather rapidly over the past five years or so. But this is the size of the faculty which includes a group of residents, fellows, nurses, and their research faculty, and then the folks that support them. It's a total of about 110 people including their support staff. Just a word about diversity, this is more balanced than you see in most departments of neurosurgery. For reasons that we could talk about, neurosurgery has been a white male dominant field around the country. So this balance is actually quite good. Having said that, becoming a separate department will require them to create a diversity plan which is what every department does in the School of Medicine and I expect these to achieve more balance in the future. They have a great residency program. They only take two residents per year. They entertain about 200 applications; they interview 50, to pick two folks. They almost always get their choice of applicants because they have such a highly-rated program. It does include research into their program which is funded by Dr. Sampson's grant so they do train everybody as an academician as they come through this training. They're also very integrated into the educational programs for medical students and research fellows. At all four years of our medical school training, there are very specific programs for Duke

medical students. Because of that, they always have medical students who are very interested and eager to go into neurosurgery. They do quite well in recruiting our own students because our programs are so good. And then their labs are very busy and well-funded. So they certainly have research fellows, and certainly would be willing and interested in having graduate students in the future. And just a word about leadership, John Sampson is currently the chief of the division of neurosurgery and he is a professor of neurosurgery and is incredibly well-funded himself with the new UO1 and SPOR grant that's been funded. And there's a process in place for selection of the new chair of neurosurgery so there has to be a process that the dean is putting together right now. So John will be the interim chief and there'll be a transition to a new chair. It could be John, it could be somebody else. Finally, just a word about the separation from surgery. So there is a financial impact on the department of surgery. Needless to say, they create a lot of revenue for surgery. So as you split neurosurgery off, surgery has to respond by doing a couple things. The decisions have been made to share resources and so neurosurgery has chosen not to completely duplicate administrative support. And so there will be purchase of administrative support from surgery. So basically we won't have to replicate all the administrative structure, which will save money on both sides of the ledger. And then the department of surgery has had to downsize the program just a little bit, the administrative support of the entire department with the loss of some of the dollars that will go over to neurosurgery. So those changes have already taken place. So both

organizations, neurosurgery and surgery, will be financially sustainable. This is just the list of the various approval processes that culminate in the Board of Trustees approval in April. So I'm happy to take any questions about either the process or neurosurgery itself or anything else.

Pat Wolf (Biomedical Engineering):

You never really said *why* you wanted to do this.

Pappas: That's fair. You know, our faculty, and when we recruit faculty, have great passion about having their own department. And when we will recruit a new chief, or recruit faculty, the first thing they always ask is why are we still a division when I could be recruited to Harvard or Yale or UCSF or any of the other major places we compete with for these faculty. They're wondering why are they still in the department of surgery. I think that's one. I think as you see, they are a unit on their own. So they do have a lot of research funding. They have programs that belong to them. So they don't need surgery if that's the right way to phrase it. They can sustain themselves. They have a unique collaboration that is different from the rest of surgery. They tend to interact a lot with the neurosciences as you can imagine which is different from the rest of surgeries. So I think for all the reasons that most departments would be independent, they have those reasons.

Grainne Fitzsimons (Fuqua): Do you have any concern about whenever you divide an organization, and you lose some communication, right? So are there collaborations among the neurosurgery group with the members of surgery department or do you have plans in place

to keep those communications open? It sounds like you're keeping the administrative staff. I'm wondering if you've thought about that.

Pappas: Well, again, essentially all the support, be it clinical research support, basic research support, financial support, HR support, all the essence of the administrative structure will be shared. So the underpinnings of how the department runs will be a shared resource with surgery. The interactions, again, they largely interact much more with the neurosciences, so they largely interact with neurology, neurobiology, and some of the other programs that we have. We dress in the same locker room (laughter). But beyond that, there isn't as much as you might imagine there would be. So these days, I think we've evolved enough in the different programs that neurosurgeons operate on different patients, different operating rooms, and with different residents, different fellows.

Helen Solterer (Romance Studies): What kind of concrete plan would you have in the next five years to address the gender, race, ethnic diversity question of your team?

Pappas: You know, a lot of it in neurosurgery has been role models, because the role models have been all men, not too different from some of the other fields of surgery. But it has been that way in neurosurgery. So we do have women on faculty, on both the research faculty and the clinical faculty which is great. And that will certainly help the process. But the diversity plans that have been patterned out of the medical school are pretty specific relative to pipeline, and so the dean's office asks us to put together

something that addresses the pipeline. Because you can't just say "we don't get enough that come to us," you have to do something about the pipeline. So there are plenty of opportunities to work on issues of pipeline, certainly this city and this county and so a lot of our diversity plans work on that. We also, then, have the applicant pool into the residency because we end up hiring a lot of our own residents on faculty. So if you manage your applicant pool into residency, you will manage your faculty and so some of the diversity plans will speak to that. Trying to figure out how you attract the candidates you want, of those 200 that will apply, you have to get the right folks coming. And then you're going to be in tough competition for some candidates who are going to be highly prized in a lot of places. You have to put your best foot forward, have role models that look a lot like the applicants. So I think it's all of those things.

Lee Baker (Trinity College): I'm just curious in terms of timing. With federal funds, NIH funds going down, Affordable Care Act maybe impacting clinical revenues, did that factor in? Or do you feel like you're fleshing out the residents coming in even in terms of the timing it's fine to do that. And will that impact surgery as well and that relationship and the timing of those two things?

Pappas: Fair question. It's going to impact the entire medical center. And again, I think if anyone has ever sat in one of these discussions in the past, this principle of completely sharing overhead is the first time we're doing that. So we have not spun our departments, for example orthopedics has all their own support, dermatology does, neurology

does, this is the first time we have addressed that issue, by saying, happy to do this, but we cannot just replicate. So we are probably, between neurosurgery and surgery, sharing to the tune of about \$500,000 worth of overhead between the two which is big money. And so I think that is a direct acknowledgement of what you said. We can't just willy-nilly duplicate resources.

Kathy Franz (Chemistry): More out of curiosity than anything, but what does UCSF have-- they seem so far ahead of a potential number two. Just curious what they're doing.

Pappas: They have a huge research effort in the neurosciences there. It's very big. And a lot of that gets tracked to neurosurgery. Now, we actually have lots of neurosciences on this campus. They're distributed amongst DIBS, the brain tumor center, neurosurgery, neurobiology, and neurology. So I think our efforts are similar. But it's distributed in a way that it clusters to neurosurgery.

Socolar: Thanks very much, Ted. We'll vote on this proposal in November so that you can stay on track.

Pappas: Thank you.

UNIVERSITY PRIORITIES COMMITTEE FOR 2014-15

Socolar: Okay, we now have Peter Feaver, Professor of Political Science and Public Policy and chair of the University Priorities Committee. Peter is also a member of the Academic Council, by the way. Peter's visit here is prompted by requests from council members to be better informed about the activities of

UPC in time to offer feedback about the committee's agenda or to seek additional information before important decisions are settled through the course of the year. ECAC has asked Peter to say a few words by way of introduction to UPC and the issues it considers, and then we have plenty of time for discussion.

Peter Feaver (Political Science and Public Policy): While you're getting that set up, I just want to point out, Dr. Pappas just left, but ever since he operated successfully on my wife's pancreatic tumor, I'm willing to vote on anything, even if he proposed the abolition of political science (laughter). I'm very grateful for his work. So, as Josh indicated, I'm the chair of the UPC and the first part of this is what I showed you all last year, if you were on Academic Council. The UPC is a committee that is convened by the president, chaired by faculty, and is populated by faculty across all of the university, and senior administrators. And I think one of the distinctives of this committee is how much senior administrator time is consumed in these meetings. I'm sure Sally would agree with that and was shocked to discover how much of her time was consumed in this. You read the charge there. It's an advisory committee, which combines the discussion of the university's academic priorities and the financial realities. And it's the faculty location where that nexus - what we care about missionally and what we have to spend financially. This is our roster; you can see it's a distinguished mix of faculty across the full university, including the medical school. That's another distinctive of this committee. Now, it meets every other week and it sees issues identified by the faculty or by the administration. And it really has a

very broad portfolio. We're free to discuss almost any issue with financial implications. As a matter of practice we focus disproportionately on the campus side of things, campus is the word for everything from the medical school entryway, this way towards Athletics. Even though 50% of the university's budget is over in the university health system, we spend relatively less time on the health system itself. Another 25% is on the school of medicine. We do look at school of medicine issues, but we spend most of our time on the other 25%, which is campus. And that includes both the central administration area, which is Tallman's area, and the 18% of the budget which is our provost's area. So what do we not do? We don't take formal votes. We're not like APC in that respect. And we're not really a formal veto player in the decision-making process. What we do is we're a faculty sounding board, and an agenda-setter. And a little bit of an investigative function, where we can use the convening power of UPC to request information from the administration and have them report out on things that faculty are interested in. So that distinguishes us from APC, lack of vote, but I think it's a vital committee for faculty governance. It is also a training ground for faculty. So I think I mentioned this last spring, that before I got on UPC, I had been a professor for, I don't know how many years, long enough for me to think that I knew the business of the academics pretty well. I thought I knew, I don't know, 90% of what you needed to know. And I got onto UPC and I realized I knew 0.09% of what one needs to know in terms of running a university. It's very educational for faculty. And so those of you who are interested in this thing, you should lobby Dick to get onto this

(laughter). It's a great sobering education into the financial realities. So our agenda for this year: some of our agendas are just set by the fiscal calendar. So we are hand and glove with the Budget and Finance Committee of the Board of Trustees. I serve on that as well as being on UPC -- because I'm on UPC, I serve on that. And so we follow their agenda and they are the ones charged with giving due diligence to the financial budget aspects of the university. And we track the same dashboard that B & F tracks. We had that distributed so we'll get to that at the end. I'll show you what an actual dashboard looks like that the B & F looks at. But we also look at known knowns and known unknowns. And this year, these are the ones that I know we're going to spend time on. The strategic plan-- the provost shared the planning process and we have had further discussions with her since her briefing to you last month. We're also pressing the administration for more discussion of what I call the "Uber-strategic plan" which is the one that will decide the envelope of the size of the funds that the provost's strategic plan will have that weighs things like giving hot water to the dorms versus a new department in neurosurgery. Think about the tradeoffs there. That's a very difficult kind of assignment but that's exactly why we pay Dick the big bucks.

Dick Brodhead (President): You weren't supposed to mention our plan to cut off hot water! (laughter)

Feaver: So we're going to spend some time on that. That's an important, big strategic issue. DKU, in the past UPC's been very helpful in helping the administration think through the risk profile of DKU and will continue to

remain seized with that issue as you might imagine. Athletics is a perennial matter of concern for UPC, unless you all resolve every matter in the briefing that comes afterwards, we might still have a stray cat or dog left to talk about that this year. Sally has brought the economics of research to our attention. She wants us to look more at that and we shall this year. And then Financial Aid which is a big, big issue for the university. So those are the known knowns and the known unknowns. The unknown unknowns as Secretary Rumsfeld puts it or as things that are driven by the Chronicle, or what have you, world events or local events that bring an issue to our attention that didn't rise, and we should have been looking at it and now we need to look at. And also, this is the reason for me coming to you all at the beginning of the year rather than the end, other topics that you have generated, that you the faculty say "Are you paying enough attention to this issue?" So I encourage you to send me emails of those kinds of questions that you want us to look at. To help you understand the kinds of things we do, I had those three slides distributed to you, and I've already gotten some questions. Let me see if I can clarify some of it. There was some confusion about the positive variance relative to the operating budget. That's actually jargonese for really good news. That means we spent \$70 million less than we had budgeted. In that \$70 million there was a planned use of \$64 million of reserves, which had been planned and approved by the Board of Trustees. So it wasn't a shocking use of reserves, but we didn't need to use those reserves -- we actually put \$6 million back into reserves. Now why was the budget so much out of whack in comparison to performance? There is a

bias towards conservative budgeting, but that's not all of it. It's mostly two other factors. One is unplanned gifts that came in; unplanned revenue that had not been budgeted, but then happily came in. And the other was delays in expenditures through hires. So, searches that were budgeted but then weren't filled, particularly on the medical side, those were very large numbers. And if they're not filled this year, they will probably be filled next year. So that explains the \$70 million. The \$85 million on the GAAP operating deficit; the GAAP is the General Accepted Accounting Principles; it is something that legally we are required to report. But it's a misleading statistic for universities, particularly for Duke University, for a variety of reasons. Some of them having to do with complex ways that income is reported, that expenses are reported in the health center, the health side of the university. Also, when you have a large part of your assets in fixed things like buildings and land, the GAAP measures that in a way that might be misleading. Even that number, \$85 million, which the Board of Trustees wasn't at all worried about, that's \$27 million better than had been expected. This is the dashboard that sort of gives you a sense of the issues that the B&F Committee, in particular, has been watching because they had some matters of concern in the past. And we've got some really great news. You all know about the strong performance of DUMAC, which is very, very good, and is an important contributor to everything we do at Duke. We're very grateful for that. Relatively, good news on the undergraduate financial aid. It's not green, but it had been orange or blinking red before. It's yellow, and the reason for that is partly the improved economy that

meant that there's less demand for financial aid than had been budgeted as family incomes increase. But also, the administration took a hard look at financial aid under the previous provost and tweaked the formula a little bit, the formula of admits and things, and that had a positive effect on the budget. So we admit a few more international students who are fully funded, we admit more of our early decision applicants, and both of those things had a little bit less of a demand on financial aid than had been expected. And then this is the famous rainbow slide which gives you a sense of the complexity of the university, because every unit of the university gets revenue from a different mix. So some are heavily research-funding oriented, Medicine being the obvious major player, others like Divinity, the research funding is less of a major player. Some schools are more tuition-dependent than others; this also gives you a sense of the size. Medicine is essentially the size of all the others to the right, and then Arts and Sciences is the size of all the others to the right. So you get a sense, a little bit, of the scale. Last word on this is that Duke uses a unit, I forget the jargon term: responsibility-based accounting. What's the term called, Tallman?

Tallman Trask (Executive Vice President): Responsibility-centered management.

Feaver: Yes, responsibility-centered management. And what that means is that the units are on their own; the tubs are on their own bottoms. They have access to the revenues that their unit generates and they must budget against those revenues. And then must share in the central costs on a fair and equitable basis. So that

things that benefit the entire university, things like the library system or the Nasher or centrally-owned assets that everyone in the university benefits, then the costs of those are allocated out to the unit based on a formula that takes their growth over the last three years and so as units grow their operating budget because they are growing in revenue, growing in research, then their portion of these allocated costs grows accordingly. And then there are other centralized costs that are called attributed costs, which go to the units that benefit disproportionately from that. The most obvious candidate of an attributed cost is admissions, which benefits disproportionately Arts and Sciences and Sanford-- undergraduate admissions. Sanford and Arts and Sciences and Pratt disproportionately make the use of that, Law School doesn't. So that's an attributed cost that's pushed down to the unit. So that's what we look at, and I think I'll stop there, Josh, and take questions.

Socolar: Any questions?

Earl Dowell (Engineering): Peter, that was a very nice presentation, very informative. On your first chart, the first of these last three charts, you have a comment about the economics of research, and apparently that's something that the provost has asked UPC to look at. And you have that number, 40%, at the bottom that says the university typically self-funds 40% of the full cost of research. Could you tell us how that number is calculated or estimated?

Feaver: Yes. So the best way to explain that is to talk about how the government F&A rate is set. It's set at, I think it's 57% right now, is the current one. So if you

manage to get an NSF or a NIH or DOD grant, where you'll actually pay 57%, that's close to the maximum indirect that a Duke grant is likely to get. But even that 57% leaves out things that Duke considers that you have to pay in order to do the research function. The government has walked out of the indirect and negotiates every five years, I think it is, or on an interim basis, negotiates with the universities and says "We'll pay for this, but we won't pay for that. We'll pay for this, but we won't pay for that." And the stuff that they won't pay for has to be covered by Duke. It's research related, but it has to be covered by Duke. And that's for the government-funded, the ones that pay the full 57%. Most of us who get our research grants from other places than the government know that foundations, privates, they don't pay 57%. And so even the delta that the government recognizes: yes, that's directly related to research expenses, the foundations won't pay for that. So, if you take that full number of what are all the costs of doing research, and then you subtract out the amount that we can get funded, whether it's from the government, or from foundations, that leaves about 40% that is unfunded. And that can be small expenses to pretty large ones like startup costs or new faculty, particularly in the sciences where startup cost is quite significant and that's research-related cost that is hard to offload onto the government.

Dowell: Now, that's a very clear explanation. I'm just surprised that the number is 40%. I haven't done the calculation myself. I assume you'll be doing that further.

Feaver: Well, they did it for us. Scott Gibson is a master briefer of this question.

And he totally persuaded me that that was a fair number. Now, I had the same reaction, really, are you telling me that it costs that much? And he says yes. Now, what he emphasizes in that briefing, and I didn't emphasize it today but I will, is, the university recognizes that research is central to our mission. So while it's uncovered, it doesn't mean that it's waste, right? It's actually what we're about and what the university is about. So the university is *gleefully* happy to pay (laughter), recognizing that there's value for what the university is doing. But it means that when a faculty member comes and says "Hey, I just got a new grant, and my new grant is not going to cost all of the 57% that NSF is paying me, why don't you give a little bit of it back," this is the reason why, the university says, "Thank you for your interest in research, but no." (laughter)

Karla Holloway (English): Are we interested at all in comparing that 40% to our peer institutions?

Feaver: Yes. Duke fares very well compared to other universities that are our peers. We have a number of advantages over some of our peers, in particular in the cost of real estate. So we have access to very cheap, relatively cheap, high quality leasing opportunities, warehouses downtown basically, compared to our peers in Boston and New York.

Ravi Bansal (Fuqua): Two questions. It would be helpful if you just explain these different categories in this bar chart that you have.

Feaver: So where does the revenue from Arts and Sciences come from? One source

it could come from is net student incomes. That's basically tuition. That's our student undergraduates paying tuition dollars, a huge driver of Arts and Sciences revenue, much larger than Medicine, which doesn't make much money from tuition. Another source is sponsored direct research. And I think that's this color (refers to slide). Sizeable for Arts and Sciences, but not nearly as sizeable...

Bansal: What is support from SIP?

Feaver: This is the Strategic Investment Pool, which is centrally-managed, by which we mean Allen Building managed, but advised by the faculty, of course, spending on strategic priorities that affect the university as a whole. And so, over the last - and this is what the provost is just launching - is a new strategic plan on how to spend new SIP-type money. In the past, Peter Lange, through two or three of these strategic plans, came up with investments that were SIP funded by these things. All of those things happen in the unit. So if one of those things was the faculty diversity initiative, well those produced faculty to operate in one of the units, and their funding, for a while anyways, was covered by SIP, and so that's where the SIP was.

Bansal: So the other question I had was: Is it possible to also see the expenses of these units?

Feaver: It is. I don't have that slide now; we won't necessarily get into that level of nitty-gritty detail. We try to stay at the 30,000 or 15,000 foot level, but I'll give you an instance of when we went a little bit lower -- Arts and Sciences. For the last two years, we were getting the same briefing, which was, the fiscal picture is

steadily improving, except for Arts and Sciences. Good news on all accounts, except for Arts and Sciences. Arts and Sciences was having the most difficult time recovering from the financial shock. And so last year we did a slightly deeper dive and Laurie (Patton) came in and talked a little bit more on the expense side and on the revenue side. And we learned quite clearly that this was less of a revenue problem for her, but more of an expense problem in the commitments that were made to grow the size of the faculty that were unsustainable.

Bansal: So if the expense is more than the revenue, what does that show?

Feaver: That doesn't show up on this slide, but every unit, I said every tub is on their own bottoms, so the units are required also to maintain a reserve, basically a rainy-day fund. So that if through some bad planning or surprise or shock or something, their expenses that year exceed their revenues that year, they dip into the reserves. And the Allen Building wants them to dip into their own reserves before they come running to the Provost to be bailed out by the Provost. Now, what happened in the financial shock was there was such a hit on the revenue side across the university that we all had to be bailed out. Not just by the Provost, the Provost had to be bailed out by the Board of Trustees. And they dipped into deep, central reserves, which are sort of the most sacred seed corn of the university. So Duke rode out the financial crisis much better than many of our peers because of prior good decisions. But now they quickly are trying to put us back on discipline, and in fact most of the units have recovered and are showing a profit. They recovered faster than the central

funds did since the crisis.

Pat Wolf (Engineering): I was wondering on that bottom line, on the budget line, total revenue: Where does Athletics fall?

Feaver: So Athletics is not considered a unit.

Wolf: I understand that.

Feaver: It's covered under the CMAC which is Tallman Trask's area. Although, the large element of the Athletics' budget is financial aid in the form of student scholarships. So, as for the size of it, you will have an expert up in a couple of minutes who will know the number. I don't know the number off the top of my head.

Feaver: Tallman, you do know the answer? If Athletics had a number, where would it be?

Trask: Around 70.

Fritz Mayer (Public Policy): Similar question, where are the university centers that are not housed in any of the schools fall?

Feaver: That's under the Provost's area. The Provost centrally managed area. And those are managed directly by the Provost and a large chunk of their funding was covered by the SIP. That was what the last generation of the strategic plan was, creating these using SIP funds. And the Provost manages them directly and they are meant to generate their own revenue.

Mayer: None of those that are managed directly by the provost are showing up on

this chart.

Feaver: Well, the provost is managing all of these, as well.

Mayer: I understand, you make a division between the Provost's area and Tallman's area, that's what that was.

Feaver: Yes.

Mayer: Thank you.

Dowell: One more question about this chart. As you and I discussed previously and as you mentioned earlier, several schools are transferring funds into the central administration which covers parking, police department, and so forth. It would be helpful to have those numbers broken down by units across the board so that we could compare those numbers to these other numbers.

Feaver: Yes. The number that they have is derived from a formula that is reflecting the last three years of their..... And what they do is, it's a simple algorithm, they take all the costs that have to be spread out, this is why Peter Lange would have a conniption fit every time we called it a tax. He would say it's not a tax, because we've already spent the money (laughter).

Dowell: If you're in the school you think it's a tax (laughter).

Feaver: Well, there's a separate tax. All of the costs are added up into a bucket and then they say, "What's the size of your budget, Arts and Sciences, compared to Pratt, compared to Nicholas, et cetera, and how fast did it grow over the last three years?" And then they divvy up all

of those allocated costs proportionate to the size of your budget. So Arts and Sciences bear a very large burden, but it's also the largest of the operating budget. So, as a percentage of their revenues, it comes out to about 10%.

Dowell: So if I take 10% of the bottom line, I get the contribution for the separate schools?

Feaver: Roughly, yes. If you want the administrative burden on the units, which is not how it's talked about in the Allen Building, then it's about 10% of their revenue. Now there is a separate thing which you asked me about. The funding mechanism for SIP got broken during the downturn because it had been historically funded through, basically, float, DUMAC's over performance. And then float we would get on that from reserves and DUMAC would get a return on that. That broke down when the financial market adjusted and we had all these SIP commitments, including some very expensive ones having to do with buildings that we couldn't not pay. We had to keep paying them. But the flow into the SIP was broken; that's what we had to get rescued from by the Board of Trustees and they said "Fix the funding model for SIP so that you don't have to come back to us." They changed the model for it. But one of the things they fixed mid-year that caused a lot of consternation last year was the SIP rebalancing. Where, basically, it turned into a one percent of your operating budget tax for all of the units back to SIP. The rationale for that was that most of the units recovered faster than expected in terms of their revenues, the units were very entrepreneurial in generating new revenues, and also, much of the SIP

spending was actually in the units. So this was just a net decrease of SIP subsidy to the units was one way of looking at it. But that turned into an in perpetuity 1% tax from the units back.

Lee Baker: Did I hear you right when you say that institutes are not allocated to the schools? They're just....

Feaver: Generally the Institutes are covered by the Provost directly or by the SIP. Now, there may be faculty who are joint appointments and so if they have a joint appointment in, say, Kenan and Philosophy, or something like that, then Arts and Sciences through Philosophy covers part of the line and thus is helping fund part of the activity of the Institute, and vice versa.

Lee Baker: And the second question is about unassigned income and the support from SIP.

Feaver: I'm not understanding the question. Endowment and investment income includes unassigned income. Tallman, help me out on that.

Trask: Unassigned income is a misnomer because all our unassigned income is eventually assigned (laughter). The collection of money that we get from the Duke Endowment, some of the interest income on accounts, it's central money, and what happened was, it was all completely committed until about 2000. Then we told all the deans, you can keep what you have but you're not going to get anymore.

Lee Baker: And the final thing: Student Affairs. Is that allocated across the schools? Because graduate schools and

professional schools also have Student Affairs.

Feaver: Is Student Affairs attributed or allocated?

Trask: It's allocated but the formula takes into account what services are actually provided. It's one of our trickier ones. It has placement in it, but a number of schools have their own placement. So they don't get allocated those costs; especially the professional schools, there's a lot of duplication of the Student Affairs efforts so they don't get charged twice.

Feaver: So let me close by making the following observation, I'm not going to say nice things about Dick, Tallman, and Sally, although I could. I'm going to say, one of the things I have learned from being on this committee is the high quality of the people just underneath them, the folks that you don't see but who are critical to the university. People like Scott Gibson, Tim Walsh, and myriad folks in the back room of the university. One of the reasons why we're doing well, besides the leadership of you guys, is really the high, excellent leadership and performance of those guys. That's the secret sauce of Duke. And that's my takeaway.

Brodhead: Would you allow me to say something? Which is, I've never heard a clearer presentation (agreement from audience). And I would only ask the rest of you, or submit you with envy to realize you could learn all of this (laughter). My point is a more serious point, which is, it's only when faculty members are willing to take the time to learn all of this that you actually understand the structure in

which the parts therein lie.

Socolar: Well said. Thanks Peter.

NCAA GOVERNANCE AND DUKE ATHLETICS

Socolar: I'd now like to introduce Chris Kennedy, Senior Deputy Director of Duke Athletics, and Professor Jim Coleman, from the Law School and chair of the Athletic Council. We usually hear a report about Athletics issues much later in the year, typically at our May meeting, and we will do that again this year just to get the report. But there are some big shifts going on right now in the intercollegiate athletics landscape, and there may be opportunities for Duke to assert itself in shaping the future of the so-called "power conferences," as well as requirements to respond to the changing environment for recruitment and support of student-athletes. So this seems like a good time for the faculty to get a better understanding of what is happening. We'll hear from Chris about NCAA governance and from Jim about the ongoing litigation regarding the rights and status of student athletes, and my guess is that President Brodhead will want to say a few words about his role in all of this. Before they begin, I want to remind you that we also have faculty representation on the Athletic Council that Jim chairs. And I just wanted to show you briefly what the Athletic Council is. So the Athletic Council consists of ten faculty members, it has alumni, it has trustees, undergraduate student representatives, graduate students, a club sports representative, a student athlete. It also has members of the administration, including Kevin White, who is Vice President and Director of Athletics. When

this group gets together it's a broad spectrum of the university. Just so you know these are the faculty members who are on the council (refers to slide). And there's a council meeting tomorrow, in fact, that's going to discuss the very issue we're talking about here. So, if you have ideas that you think should be relayed to them, now is the time to do it. Chris and Jim?

Chris Kennedy (Senior Deputy Director, Athletics): I don't think I need this microphone, but I like to have structure between me and the faculty (laughter). I don't want to add a lot to the document that was circulated prior to the meeting, but just to make a couple of points about what's going on with the structure of the NCAA right now. First thing to understand is that there's this concept that the NCAA is some monolithic body out in the Midwest somewhere. NCAA is us. NCAA is a body, a membership body, made up of more than 1,000 institutions. And some of the changes that are taking place have arisen from the fact that there is such a range of types of institutions involved in the NCAA, all the way from Reed to the University of Texas. And historically one of the reasons that it's been hard to accomplish things legislatively under the NCAA's system of voting is the competing interests of Reed and Texas or Williams and Duke. And the consequence of this has been considerable chafing among the so-called "power conferences" who feel that they're being held back by smaller, less affluent institutions. What's just happened, and in fact is still happening, is that the five power conferences, including the ACC, have devised a structure which is called the Autonomy Movement, by which they have some independence to pass certain

kinds of legislation. It's being described as based on student-athlete welfare and the ability of the schools that have the capacity to do so to augment the benefits that we're allowed to confer upon student athletes. So, that Autonomy measure has passed and we're in the middle of a legislative cycle. By December 1, the institutions will have developed legislative proposals to be voted on in January at the NCAA convention. They've expressed their priorities as they're developing these legislative proposals that include things like paying the full cost of attendance, whatever that means, we don't know. Being able to provide loss of value and disability insurance to athletes with potential to play professionally. To provide educational expenses after students have exhausted their eligibility and left the university; some healthcare initiatives. But we don't know exactly the form that these things are going to take and we won't know until the proposed legislation is revealed on December 1. The other thing I'd say is that I've been directly involved with college athletics since the fall of 1967 and I can honestly say that I've never been so uncertain about the future, about where we're going to be in a year, in two years, in three years. I just can't predict what this Autonomy Movement is going to mean. What it's going to mean for the NCAA as a whole, what it's going to mean for Duke. It's, as I say, a very uncertain time. Do you want to take questions or go to Jim?

Socolar: If there are questions?

Kennedy: You might have questions about other things, I suspect.

Dowell: The full cost of attendance is going to be, probably, the long pole in the tent. On the other hand, for a place like Duke, we provide the full cost of attendance to a student whose parents and themselves cannot pay anything, right? So, do you think Duke has the possibility of making that the standard? Because that would be much more variable than some arbitrary and, presumably, higher number.

Kennedy: Possibly. I mean, what the NCAA has been lobbying for is full cost of attendance based on need. So that, in the same way that the financial aid office would evaluate a student's need, we would evaluate a student athlete's need and decide, here's what your football cost of attendance number is, rather than \$5,000 across the board to every kid, whether they're needy or not. We have to wait and see what's proposed legislatively. How are we going to calculate that cost of attendance across that range of institutions? It's coming.

Dowell: Are you saying you think it might turn out to be one number for all these universities?

Trask: One number for all the students at a given university.

Brodhead: Jim Coleman is going to speak in a minute about another dimension of this, which is the series of lawsuits that involve students claiming the right to some compensation or revenues. And the decision in that matter has seemed to freeze discussion of what is meant by the full cost of attendance and made that something to be determined by the courts and the federal standard rather than by the group. It's part of what makes this

such a complicated time, it's that you actually have countervailing pressures coming from different directions which don't leave the space for institutional reflection and decision-making as free as one would wish it.

Jim Coleman (Law/ chair, Athletic Council): What I'm going to do is just talk briefly about the antitrust cases because I think those are the ones that will have the greatest impact. There are other cases that are going on across the country involving the NCAA and some of the individual conferences. But I think that the real bombs out there are the antitrust cases. And what ultimately the courts decide or how the courts decide the antitrust laws will apply to universities with respect to their athletic programs. One way to think about the current situation is that we have "arms control agreements" that restrict what universities can do on the upper end of the cost of college athletics. How much money they can give students, number of coaches and stuff like that. The regulations that enforce those agreements are basically under attack in the sense that they restrain trade. They restrain competition among the member universities in the NCAA. So things like scholarships, things like whether students can sell the rights to their image and their name, whether they can enter endorsement contracts, are controlled by NCAA regulations which are then incorporated into the scholarship agreements that the students sign with the university and they are then enforced by the NCAA. The principal case out there right now, principal in the sense that it is the farthest along, is a case brought by a former UCLA basketball player named Ed O'Bannon. And he started out challenging

the use of his image and name in video basketball games. And he and some former football players sued and argued that the fact that they had to sign away their rights to their name and image as students was a restraint on trade because it's something that had value to them at the time and they could have sold it and particularly enforcing those contracts after they are no longer students was a restraint on trade. Under the antitrust laws, they're sort of a two-part analysis. The first part is whether an agreement is a restraint on trade. And so a rule which, in effect, is an agreement among the universities in the NCAA, that they will not pay above a certain level for scholarships is a price-fixing agreement in the sense that it fixes a price on what students are able to negotiate with the university. All universities are subject to the restriction and so ultimately they don't compete on that level. So Duke competes against Alabama because we're Duke, and they're not, and so to an extent that has value to a student and that's taken into consideration. But the broadest argument here is that universities ought to be able to pay a prospective student athlete whatever they can pay and then let the student basically go to the university that's willing to pay the most for his or her services. So there's a lawsuit out there that has that as a goal. The O'Bannon case, the court decided that restrictions on royalties and endorsement contracts and the rules that prohibited the university to pay the full cost of a scholarship or the full cost of attendance were restraints on trade. And then the second step of the analysis is whether it's an unreasonable one. And the court determines that based on what the defendant offers as the explanation or the justification for the restraint. So the court

decided that the restrictions were restraints on trade and that they were unreasonable because there were less anti-competitive ways that they could have accomplished their goals. What the judge did, which in terms of right now, means that this is not a decision that could bring about the most radical change. She decided to compare the current situation to a situation where a student could receive the full cost of attending a school and could receive a \$5,000 payment that would be put in trust while the student was in college and that that \$5,000 would represent the value of the student's image and name used by the university. And the court also said that the \$5,000 could actually be a \$5,000 payment, that is, put in trust and then paid to the student once he or she graduates. Or, it could be used to fund the difference between the scholarship that is offered and what the full cost of attending would be. That is the court's decision, it's going up on appeal, and it's in the ninth circuit, so that means that anything could happen. This is not a court that plays by the rules. So while the plaintiff's denied appeal from the court sort of narrow interpretation of what's at stake- the \$5,000 plus the full cost of attending the school- the ninth circuit could revisit that and decide that that too would be a restraint on trade, in which case we may get to the end of this a lot quicker than some of the other lawsuits that are winding their way through the court. But that's what's at stake. Now, the important thing to know about antitrust laws is that it doesn't require Duke to do anything differently. It simply frees Duke to offer more in scholarships, to set up this trust fund, but Duke wouldn't be required and the NCAA and the ACC could not require Duke to do any of that. But, it becomes,

then, a matter of, how do you compete against other schools for the very top athletes? Some athletes aren't going to have names or images that would be worth much of anything, except attached to a Duke jersey or some other university's jersey. But some athletes will have names that would obviously command independent value. And, again, even that could be enhanced by coming to Duke as opposed to some other place. But for Duke, then, the decision becomes, how much are we going to pay in order to compete for the very top students who would not come to Duke for what we think is reasonable to offer? So that's a decision that doesn't have to be made now, because you don't know what the upper limits are that we're talking about. But I think that's important to keep in mind that these are not going to be injunctions against Duke to do anything. They're simply going to be orders that say that the NCAA, meaning that the other universities as a group could not force Duke to do something that it wants to do more of. And that's what's at stake in all of this. And I think the reorganization is going to play into this. I think the unionization, I think all of these cases eventually are going to sort of come together and I think that the controlling issue is going to be the antitrust one because I think that will affect everything. The unionization affects private universities but the antitrust laws could accomplish exactly the same thing without unions.

Socolar: Any questions?

Paul Baker (Earth and Ocean Sciences): It's a very different question than what you've been talking about, but I'm just wondering, in general, if Duke is

brave enough, has enough self-confidence to say that we don't need to be in the ACC? That we could just try to join the Ivy League? Or do something else.

Coleman: That's a good question, way beyond my pay grade (laughter). Let me say, I don't think you can just look at the Ivy League now and say that the Ivy League represents the ideal because this would affect the Ivy League too. So if Harvard decides that it wanted to offer athletic scholarships and actually call it that, for the full cost of attending Harvard, this would say that the Ivy League couldn't stop them. And so we don't know what the world is going to look like when you have the possibility of an arms race. That's the problem here. Whether or not Duke should have athletics, that's a different question. For me personally, I can't imagine what the university would be like without an athletic program, but that's not my decision.

Socolar: Can I put a slightly different twist on that question and ask Dick to say a few words about what influence Duke might be able to have within the ACC as these discussions go forward? Because the presidents of the schools in the various conferences do get together to hash these things out.

Brodhead: I'd be happy to say a word, and I would say, this meeting is likely to go beyond its 5:00 close, but I will have to leave then because I host something at 5:15. So thank you for allowing me to say this. Everyone in this room knows that there are versions of athletics that are highly complementary to the virtues of education in general. This has been a lesson for me. If you look at me, you might have guessed that I was not a varsity

athlete, but I have come to appreciate that athletics is a way people learn certain things: powers of discipline, powers of reaching for one's highest performance, powers of teamwork, powers of getting up after failure and going out and trying again. These are powerful lessons that turn out to be very valuable when complementary to other forms of education. At the same time, we all know that athletics can be pursued in ways that are really antithetical to the interests of education; this happens when the values pursued by a university in the athletic world are differing and detrimental to those pursued on the academic side. We should take pride in the fact that we are at school that has put these two together at a very high level. We have 495 of our 640 varsity athletes who are members of the ACC academic honor roll last year. That's good news. And I just remember the day we recruited David Cutcliffe when he said to me, "I will never ask you to admit weaker students so that they can improve the football team because they'll be so distracted by their anxiety about their academic work when they're on the field, that they won't do well for me or you." There aren't many universities in America that are trying to do what we are doing. I would say this to you: it is my intention as the president of this university, now that we have these new opportunities opened up in the autonomy world, it's not my ability to decide what the court will decide in the O'Bannon or unionization cases. And so it's really not for me to speculate now. My guess is it will be years before those are decided. But as pertains to this new autonomy legislation, I'll just say, you'll find in me a supporter of everything that strengthens the educational commitment colleges make to their student athletes and the

commitment we ask of our athletes to their education. And you will find in me an opponent of everything that tries to drive a wedge between student athletes and the rest of education. This could go either way, I don't know which way it will go, but I will tell you the presidents of these- you may or may not find this funny—I'm now one of the senior presidents in the ACC. I was the president of the ACC not long ago. The presidents of the ACC meet a couple of times a year. We met in September. The presidents in the ACC are pretty much of the mind about just the things I said. And even schools that you might think otherwise about actually stood in unity on these principles. What we need is to find- and I have to say I'm not shy about raising my voice in defense of the right way to do athletics. But we need to find enough allies around the country to step forward with something that does honor to universities, to education, and to athletics as a part of education. And we need to stand together and not pursue this down paths that just make the whole purpose of athletics totally antithetical to the lives of the rest of our students at our schools. Are there any conditions under which we would join the Ivy League? Believe me; I used to be in the Ivy League. So it's a question that has been posed to me more than once. I don't think we're at the point of trying to decide that. The way Duke does athletics has been quite deeply engrained into our identity as a university. If we can preserve the strong version of that I have no apologies for our programs considered as a proper part of a larger whole. And if we can't keep that equation together, at that time we'll have to face the consequences.

Rob Mitchell (English): As President Brodhead points out, it's unclear what will happen, but are there any scenarios in which that \$70 million budget would decrease? It sounds like all these scenarios are ones in which it's just going to get bigger. If the O'Bannon case is overturned would it stay the same? Is there any scenario in which it would stay the same or roughly the same?

Brodhead: The University's contribution to the athletic budget has, in fact, decreased over the last three years. And I think that's been reported in this room. And when we come to the spring meeting where we talk about the budget, I think that could be discussed then. The budget of the whole has not decreased, nor has it risen much faster than anything else around here. Even in the campaign, we have had fundraising success for Athletics and for everything else in the university. And I think one of the truly extraordinary things is the biggest donors to our campaign have often made a gift to Athletics together with a gift to medicine, together with a gift for funding undergraduate research, things of that sort. That helps to validate the idea that these things are mutually supportive.

Socolar: Questions?

Brodhead: Let me just say, there are many challenges before the university but there aren't that many instances where the nature of the ground under our feet is as uncertain as it is in this one. Chris has been in this business longer than myself and you said you've never seen so many uncertainties. We'll have to deal with them one by one as they come up. But I would prefer to deal with them by deciding what we have in mind in trying

to achieve it than by waiting to see the circumstances and see how we can adapt to them.

Nan Jokerst (Electrical & Computer Engineering): I remember last year we talked about how we were out of the spirit of compliance with our Title IX gender for scholarships. Can we address that now? And can you tell us a little bit about how we monitor that and how far out of compliance we need to get before we get concerned?

Kennedy: You don't actually know if you're out of compliance until the Office of Civil Rights comes and tells you that you are. And there are different ways of measuring compliance. The safest one is what's called proportionality. Where the percentage of female student athletes and the percentage of aid they receive corresponds to the percentage of females in the undergraduate student body which is pretty close to 50/50 right now. By that metric we're a little out of whack. So what we did was convene a small task force to come up with a response to the whole Title IX question and decided that what we needed to do was add women's softball and then that still didn't quite get us to where we want to be. And the reason the proportionality is important is if someone files a complaint and the Office of Civil Rights comes in to investigate and finds that you're at that proportionality number, the investigation is over. Softball doesn't quite get us to the number that we need but what we realized is that we didn't have to add another sport. But we had room in several other women's sports to add additional scholarships. And the combination of those two things played out over the next - first season for women's softball will be 2017-18-- will

get us very close to proportionality. The other measurement to Title IX- those numbers mean nothing to a women's swimmer or a tennis player as they're walking around campus every day. What's important to them is the quality of their coaching, their equipment, their locker rooms, the way they travel, just the general day to day experience. My metric for measuring compliance with Title IX is, is that experience comparable across the whole range of our student athletes? But we still have to cover our rear ends.

Brodhead: Let me just add one thing that won't be lost on you, which is, all these legal decisions, which speak of varsity athletes as value-producers of the revenue that comes to the university are all talking about the so-called "revenue sports." The great majority of our sports do not produce revenue, they produce negative revenue. And that includes all women's sports. So the university has values that are different from the values that the court is talking about now. And there are decisions there that we're going to have to think about how to achieve what we want if circumstances become difficult. It's a challenging thing to have to deal with the decision that came down this summer and with the laws pertaining to Title IX. No one in the legal realm has attempted to reconcile these things but of course we will have to.

Socolar: Thanks very much. So I said at the beginning that we might have time to talk a little more about DKU but that's not going to happen. But it can happen in December if you send me questions or let me know what issues you're concerned about so that I can get the right people in the room to talk about them. This meeting is adjourned.