

Minutes of the Regular Meeting of the Academic Council

Thursday, March 19, 2015

Joshua Socolar (Physics/ Chair, Academic Council): Welcome, everyone, to the March meeting of the Academic Council. Today's agenda is refreshingly simple. We'll have a discussion of the report on Master's programs carried out by the Graduate School, and we'll then switch into a hybrid mode of Academic Council meeting and University Faculty meeting – well, maybe it is not so simple. I'll explain that later. In any case, please join me for a reception following the President's address.

APPROVAL OF THE FEBRUARY MEETING MINUTES

Socolar: May I have a motion to approve the public part of our minutes from the February 19th Council meeting? As the majority of the meeting was in executive session, only the open portion of the meeting is posted on our website. I was the only one who said anything on the record, but if anyone wants to tell me what I should have said, now is your chance (laughter).

(Minutes approved by voice vote without dissent)

REPORT FROM PAULA MCCLAIN ON MASTER'S DEGREES AT DUKE

Socolar: I now call on Dean of the Graduate School and Vice Provost for

Graduate Education, Paula McClain, to present the results of a study of Master's degree programs at Duke and their impacts on other programs and student services. The report was shared with Council members by email. The copy that Council members received was marked as a draft, but it is very close to a final version. The report is being delivered to the Council, as well as to the Provost, and we are being asked today to offer suggestions about what next steps might be taken regarding the issues it raises. First Paula will summarize the report.

Paula McClain (Dean, Graduate School, Vice Provost, Graduate Education):

Good afternoon. I last appeared before Academic Council on February 20, 2014 to talk about Master's degrees. In fall 2013, the Graduate School and the Master's Advisory Council began to see a flurry of Master's proposals coming through. Concern was being raised among the various approving bodies: Executive Committee of the Graduate Faculty, Academic Programs Committee, Executive Committee of the Academic Council, and this body, the Academic Council. At that time, I indicated that the Graduate School and the Master's Advisory Council were going to undertake a study of the status of Master's degrees at Duke. And I now return to talk about the results of the study. Lots of people participated in the production of this

report, including the Graduate School's administrative student interns who did all of the interviewing of the various stakeholders, did the bulk of the data analysis; whenever we needed more data we asked them to find it, and basically they served as all-around factotums on this endeavor. This report would not have been possible without them. The report, as Josh said, has been to the MAC, the Executive Committee of the Graduate Faculty, the Academic Programs Committee, the Executive Committee of Academic Council, it's now coming to you and it will go to UPC on Monday. I'm going to be brief in highlighting some of the results as President Brodhead speaks at 4:00 and I don't want to encroach on his time. I also want to leave time for questions and answers. Our hope is that this report will serve as a jumping-off point for broader faculty discussion on Master's degrees. We assume that the mechanism for the broader discussion will be developed by President Brodhead, Provost Kornbluth, and Josh Socolar and Nan Jokerst as chairs of Academic Council. As you can see from this graph, the number of Master's students at Duke has grown by about 50% over the last decade. The growth has outpaced our doctoral population and we've projected that we will add another 350 Master's students in the next five years in programs that already exist and have already been approved. Our research found, as you can see here, only a third of this increase was the result of new Master's programs that began during the timespan, but that most of the growth actually came from programs that started before the last ten years. I'm just saying, in terms of what we do about this, if we don't create anymore new programs that would not necessarily stop the growth in the number of students. Also much of this growth has

taken place in departments and schools with little centralized planning at the university level. Half of the growth of the Master's students in the last decade has been international students. As a result, now almost 30% of our Master's students are now international students, though that number varies widely between programs. Some programs are majority or almost wholly international students. Our international population consists primarily of only two countries: India and China. Other countries have very small numbers of students. The significant shift in demographics means the needs of our students have changed significantly as well and forces us to rethink how we best serve them. Here is a look at how we compare with our peer institutions. Despite the significant growth we have experienced we are actually in line with our peers in the number of Master's programs and students. It should be noted, however, that some of our peers, for example, have schools that we do not have. Yale, for instance, has 12 schools and has a School of Architecture and a School of Public Health so these are not perfect comparisons because of the differences in structure but it gives us some sense. And based on another survey that we did on associate deans at our peer institutions, it seems like we're adding new Master's programs faster than our peers and in fact many of them are not adding. An important question we must consider is why this is the case. One of the key factors we must consider is whether the programs we are offering are valuable to students. We asked faculty and there are a number of databases that we used. If you've read the report you can see all the different databases that we used: the faculty survey, exit surveys for Master's students, AAU data; a whole host of data. When we asked faculty whether a

terminal Master's degree is relevant to their field, as you can see the answers vary widely. Faculty and professional schools and Pratt felt that a terminal Master's degree was a relevant degree. But the Social Sciences and Humanities faculty were split with some faculty with admitting Master's programs saying the degree was relevant while those faculty without admitting Master's programs did not see them as relevant. A terminal Master's is considered relevant by 100% of the faculty respondents in those Natural Sciences with admitting Master's programs and by about half the faculty respondents in those Natural Sciences departments without admitting Masters. In the Basic Medical Sciences and Social Sciences without admitting Masters, the majority of the faculty said that a terminal Master's is not relevant. Maybe this is tautological. If you have an admitting Master's program, of course you feel that it's important. If you don't have one, of course you feel it's not. I think we need to do a little bit more digging behind this to see whether or not some of the Masters that we are offering are in fact really relevant. We also need to consider how having more Master's students affects the academic environment. On the faculty survey, we asked faculty about this. In general, faculty felt that Master's students are good for the academic environment. But when you look down at various schools and departments, there were concerns from some faculty about the additional strain on faculty resources and time for the increase in Master's students. Also on the Master's student exit surveys we noticed that there are some concerns from the students about the quality of advising that they're getting in the Master's programs. That it's not uniformly positive. Looking beyond the faculty we talked to a number of university units

that provide service to students about how the increase in Master's students has affected them. In some cases we also examined relevant data from the units. Clearly it was difficult to quantify the effect because what we found out is typically these units do not track the academic degrees of the students they serve. So it was difficult for them to tell us how many Master's students, how many PhD students, how many undergraduates. But the positive out of that is some of these units are going to start tracking by degree so that we can identify Master's students pulling on services more than other students. We did get a general sense, however, that this growth in Master's students has placed additional pressure on these services. Also not listed on this list but in another section of the report, the Graduate School is also experiencing stress. We are trying to absorb all of these additional students and all of our activities without increasing staffing and this is becoming pretty evident quite quickly, especially since, for all the new Master's programs that have been approved recently, there is a requirement that they be reviewed externally in the third year. To add all these additional external reviews on top of our doctoral program reviews is creating stress. We're going to do it, it's just that we're doing this with the same staff we had before the increase. We have a number of recommendations and there are far more than this. The first is that we think it's important that Master's education be taken into consideration as part of Duke's central strategic planning. The last strategic plan paid very little attention to doctoral education or Master's education and we really think, given the fact that graduate and professional students now outnumber undergraduates by 2000-plus students,

we need to talk about doctoral education and Master's education in our strategic planning. Second, we need to develop better processes to evaluate new and existing programs and we need to have a mechanism for discontinuing a program when it is the right thing to do. One of the things we noticed in terms of the increase, most of the increase coming in programs that were already approved is that once this ramp up began, some Master's programs that were dormant for years in departments all of a sudden came alive and all of these students were admitted into these program. So we need to think about whether a program is not working or not doing what we think they should be doing and if we have a mechanism for sun setting them. Finally, as I mentioned earlier, our Master's student body has changed demographically and that leads to significant changes in their needs. We need to have better processes for understanding their needs and addressing areas where we can do a better job of serving those needs. Master's students are here for only two years. For international students that becomes very difficult for them to become oriented and integrated into the community in two years before they're gone. So we need to think strategically and thoughtfully about what services we're providing. Here is a list of important questions that came up as we developed the report. These, along with others as you'll see at the end of the report, need to be part of the ongoing conversation about Master's degrees and their role and place in the intellectual environment at Duke. I want to leave it there because my hope is that the three of us can respond to questions that you have when you read the report. It's a lot of data in there and you have to read it several times in order to think of questions but it's nuanced as well.

Socolar: Thanks very much, Paula. I think if you've read the report you know that it's very thorough and well done and actually speaks to all the questions that this Council asked Paula and her team to look into. I imagine that there are some questions or comments.

Amy Bejsovec (Biology): There are some really troubling aspects that came from that report, particularly the Nicholas School Master's, and it seems to me there's some urgency in dealing with that because we don't want Duke's reputation to be sullied and people to start saying, oh, there's this useless Master's program. It really seems that that's doing harm to the students because it's not giving them anything that's providing them with something that's going to improve their chances of getting employed. What are the immediate steps that you're thinking of taking?

McClain: Well, it's really not for us to take steps at this point. I'm kind of throwing this back on the faculty governance system in terms of what is the mechanism we set up to discuss these issues and then how we proceed. We don't have a mechanism for sun setting, we just don't. So that's something above my paygrade in terms of what we do (laughter). That's a fight with another dean I don't think I want to pick at this point.

John Klingensmith (Cell Biology / Associate Dean, Graduate School): I would just comment, Amy, that Master's program in Nicholas is being reviewed next fall.

Pat Wolf (Biomedical Engineering): I'm sorry I didn't read the report but I'm wondering about the financial aspects of

it? Can we become dependent on this now?

McClain: I'm not sure who mentioned this the other morning in APC but I think as a financial model it's not sustainable. If, in fact, units are dependent on Master's tuition for certain things, these students are not always going to be there and so if that's the model that we're moving towards, I think it's one that's really unstable. So I think it's mixed. Some programs are using the Master's tuition to help out, other programs are not.

Craig Henriquez (Biomedical Engineering): I also didn't get a chance to read the report. I'm wondering if you looked at admission rates for the Master's program versus other universities. It always seems to me that our admission rate for undergraduate is about 30%; PhD students are about 10% or so.

McClain: I can give you the Graduate School numbers. Now, let me tell you in terms of finding numbers for other universities. The Graduate School at Duke is really transparent. All of our data are on our website so that any student who applies sees everything. That's not the case with some universities and what we found is that when we were surveying associate deans at other institutions, that's one of the things in terms of the selectivity rate for Master's students that they really don't want to talk about for the Graduate School. The PhD selectivity rate is 11-12%. For the Master's students it's about 30%. The problem with that is that a lot of departments that have ramped up their Master's programs do not have separate Master's classes. So you have Master's students with a higher selectivity in class with PhD students. So one of the concerns for the Graduate

School is we don't want departments to downgrade the quality of their PhD program because they've taken in too many Master's students. That's one of the things we're doing in the Graduate School now. Under the Master's programs now, we are setting limits for PhD students. You get a number; this is the number of students you can admit. We're now doing the same thing for the Master's programs. This is your number for this year; we don't want you to go over. That's our way to see whether or not we can manage this. We can't do that for the professional programs because they're out in the various schools.

Peter Feaver: (Political Science): I'm not sure if the first bullet is a rhetorical question or whether you have hypotheses that you're entertaining, but I have two to propose; these are really speculative. One is to start from a lower base, fewer Masters than our peers so that the world is our oyster for creating new ones compared to schools that already had a fair number that they were servicing. That's one hypothesis. The second one is that Duke takes responsibility-based management and more religiously follows it which creates a much stronger incentive for the units to get in the money making business. So you would pursue these hypotheses if you took these further. But maybe you've already looked at these.

McClain: That's why we added it. We thought about those two possibilities and that they both, in fact, might be true. Some of these Master's degrees were done to generate income, others were done for intellectual reasons and there is a market that Duke could fill with a strong intellectual degree that would have people take the degree. One of the things

that we know we need to avoid, which I think we've done in the past is the assumption that if we offer it, people will come. Because when you look, at least at those programs under the Graduate School, some of the newer ones, in terms of the number of applications, they're not where the expectations were when the degrees were approved.

Miriam Cooke (Asian and Middle Eastern Studies): I also am afraid that I have not read the report but I was wondering if you were considering the possibility of a moratorium?

McClain: That is not one of our recommendations because we don't think that a blanket moratorium works in the sense that there may in fact be a group of faculty who want to put on a Master's degree that really would be spectacular. So, a blanket moratorium would preclude that. But I do think, and we've had discussions with the Provost, that we really need to raise the bar in the approval process and we've started adjusting the proposal guidelines in the graduate school for degrees to push the bar higher.

Sally Kornbluth (Provost): I'll just make one comment on that. I think one of the lessons of this report is that it's a very heterogeneous landscape. So I think any kind of blanket regulation in the nature of a moratorium would be short-sighted. I do think that one thing this report does point out is that there is a homogeneous need for certain campus services as the number of Master's students increases. So I think there are certain takeaways that will have to apply to all programs but I think in terms of other aspects, in terms of approval and also in terms of how educational processes can figure, it's

going to be different from degree to degree.

Rob Mitchell (English): I could imagine a temporary moratorium until there is a procedure for determining how to sunset those Master's programs that may not be working because that would put pressure for that process to come into being. It sounds like the problem is there is no process for that and I can imagine that the strategic planning could take several years. So that could be a way to put pressure on wherever that would happen. I'm not sure how that happens. So those people that do want a new Master's program would also be encouraged to think about what the assessment mechanisms for them are.

Kornbluth: I think it's a fair comment except it's not always the same people holding the process and I'm not sure we want to hold individual groups of faculty or departments hostage if they have some exciting new program to say that we have to fully develop an assessment plan before you can do that. I do think it's fair to say that it behooves us to think about that fairly quickly, but also think about how Paula mentions having to add additional criteria for evaluation and I think we need to do that fairly quickly if we want the new ones that are coming online to incorporate the principles that we want for our Master's degrees going forward.

Josh Sosin (Classical Studies): I have a question building on Rob's and I've been trying to find a way to bring it up for a little while and maybe this is it. Is it your sense that the burden on the system comes mainly from the aggregate underperforming programs or from the programs that are wildly successful? It

might actually be that the 28 programs, each with only 3 students and we can recognize that that's a problem, but it's not a problem that puts strain on the entire system. It's runaway success in the big programs that puts the problem on the system.

McClain: It's the latter or rather both. The ones that are wildly successful that bring lots of students onto campus are putting a lot of pressure on the system.

Sosin: If that's the case, then what you have is a sort of fixed and fairly inflexible layer on top that provides core services to everyone that has to provide a ceiling and then we have to commit to some way of thinking about even distribution of finite goods across all the different departments because you can't have a system in which the super heroes hog up all the Masters. So it seems that, in a way, we have to start in a sense of where the ceiling is university-wide. And then think down from that. Not that I have any idea how to do that.

Kornbluth: One quick comment. I think you're absolutely right. The other thing is that when people propose Masters, we need to tell them to tell us what the floor is. What is a number below which it's not actually a viable program?

Kerry Haynie (Political Science/ ECAC): I've seen the report before. One concern is that with this growth in the number of Master's students, it's happening at the same time where we're under pressure to strengthen and decrease the faculty in Arts and Sciences. What are the implications of a decrease in faculty in terms of what we deliver and how we deliver it?

Kornbluth: I think you're absolutely right. In reality the driver in both cases is the same. It is economic reality and what the department can support and I think it is very program specific. What teaching firepower do you need to conduct a Master's program in any given area and people have to think very seriously upfront whether it's going to be an economically-viable driver in terms of how much money the program is going to bring in, what new faculty you actually need to do that teaching, etc. I think where we've gotten into trouble is that people will look and say, this is going to be a great driver, as Paula said, for other economy in the department without thinking what it's going to take to actually run that program effectively. I think it's a really good point and it comes back to that heterogeneity and looking very specifically at what the requirements of the program are and if it's worth is for the department to mount that program.

Richard Schmalbeck (Law): I'd prefer not to disclose whether or not I've read the report (laughter). Actually my question will disclose that (laughter). I'm having trouble getting my head around the relevance in the committee's view of the occupational qualification aspects of these terminal Masters. We still reject the idea that the occupational qualification is terribly important to the undergraduate experience and on the other side of this, the PhD experience, we sort of presume that it's relevant, and yet we know that supply and demand conditions are such that many people embarking on those programs will never achieve the position they aspire to for which that program would be relevant. Is there a systematic view that the committee brought to this study about whether they should be

occupationally relevant or they need not necessarily be relevant?

McClain: On the exit surveys for Master's students, the question was asked; do you have a signed contract for a job? And in some of the disciplines, the answer was a high majority of no. And these are the same students that are carrying high debt because we do not fund the Master's students. Masters are self-paying, whereas we do fund PhD students. So one of the things we do have to ask about Master's programs is not only if there is a degree, but is there something that these students can do with this? Not necessarily we're going to train you for a specific job, but is there a range or an area where this Master's will help you do that job? What we saw on some early proposals, because they have to have some sort of career planning, is the default is we're just going to send them to Career Services. Career Services is saying we don't know what to do with a Master's unless you help us. So yes, when I think of the Master's degree we're not doing the trade school thing, but I do think that if we're going to charge these individuals three semesters minimum of Duke tuition for a Master's, I think we should say that when you finish this, this is the realm of the range of things that are possible for you to do with this degree. I think what we saw on some of the exit surveys in terms of the negative views of some of these Master's students who didn't have jobs is that they took on a lot of debt and they wasted a lot of time and they're back where they were when they were undergraduates. In fact, there's a question on the exit survey for those who don't have signed job offers asking what they are going to do. A lot of things they say is that they're going to go back and do what they were doing before they came and got their Master's degree.

Schmalbeck: But mightn't they be 50% more liberally educated than before? (Laughter)

McClain: Probably so, but when you're carrying the debt, and the debt is in the report in terms of how much debt they're carrying, this is just our debt. Not the debt that they brought with them from their undergraduate. I do think we have a responsibility to think about that on these Master's degrees.

Kathy Andolsek (School of Medicine): Some of our schools have scholarship support and other funding mechanisms for Masters, not just doctoral students so one opportunity would be to see how that works and where some of these other Masters might take advantage of that. My other question relates more to the issue around contributions to diversity. If you look at the Master's degree opportunity to further diversify our student body...

McClain: I'm not sure our data are showing that that's what's happening.

Andolsek: Would that be value added?

McClain: That's a line that is said, but I'm not sure that when we look at the student body in these Master's programs, that we're seeing that change in diversity.

Andolsek: Can we make that an opportunity or is that considered by your report as to whether or not that could potentially be done?

McClain: In our approval proposal forms now, programs have to talk about what they're going to do about diversity. Along with that is how much financial aid you are going to put in for your share of the tuition revenue to fund these students.

You'd be amazed that people say, oh, 10%. What is 10% of \$47,000 a year going to do for an underrepresented student? It doesn't do anything for them.

Jane Richardson (Biochemistry): It seems as though, at least for wildly successful programs, there ought to be some sort of tax that helps fund the services (laughter).

McClain: Yes, that's the discussion that has to be had.

Rochelle Schwartz-Bloom (Pharmacology & Cancer Biology): Going back to a follow up on Rich's question: might there be a way that those successful programs where the students are getting positions, there may be some rubric that they're using, could be borrowed? For example, I work with the MAT students, Master of Arts in Teaching, and that's a very dedicated program where those students are going to get jobs and we help them get the jobs. They also have, when they come in, in their applications, a clear idea of the kind of job path that this degree is going to get them into. So between their thoughts and what they're writing in their applications, and the faculty's real commitment to getting them into those positions, it's a win-win. So maybe there are ways that process could be borrowed. Of course, the faculty would have to buy into it.

Harvey Cohen (Clinical Sciences): It seems like there are a lot of important and relevant questions here. What's much less clear to me is, who are the actors and what are the mechanisms for actually getting action on these items? All I've heard is, it's not our job...

McClain: No, it's the Provost's, the President's, and the Chairs of Academic Council...

Cohen: What's the mechanism for moving this to that action?

McClain: I think they have to decide what mechanism is best, whether it's a faculty committee, something...

Cohen: We could study this to death. I mean, is there something, a mechanism for moving forward?

Kornbluth: I think we have to develop a set of recommendations from this, working with Paula and ECAC, thinking about what set of principles we want to extract. And then I think we can go through the same faculty governance committees. I think it should be further discussed in APC, UPC, and here. But I think, as I said, because it's heterogeneous, you have to think about what core principles we can draw on. Part of it could be what triggers setting of a program, what are additional things that need to be considered in the initial proposal, what kind of a tax needs to be put on to take care of certain core services. So I think this report is the first step. I think we need to work on next, extracting what the principles are that we can derive from that and then put it back through and I can imagine having either a discussion or a discussion and then vote, I can never understand when the vote gets triggered, but something like that here.

Mary Fulkerson (Divinity School): I was just going to add a small comment to yours. It would be really good to find out the specific jobs that those other schools that have actually done a good job generating this kind of information. So I'm

just seconding and thirding these two comments.

Socolar: Thank you very much, Paula. Thanks for putting these questions before us. We clearly have some work to do. I hope you at least help to figure out where to go next.

McClain: I'll help; I just don't have all the answers.

Socolar: Thanks to Paula, Brad, and everybody who worked on that report and I'm sure we'll be hearing more about these issues next year as strategic planning goes forward. And we will be reviewing at least one Master's program in April and possibly two, so the leaders of those programs will be very happy to hear that there was no strong support for a moratorium on Master's approvals.

PRESIDENT BRODHEAD'S ADDRESS TO THE FACULTY

Socolar: We now enter an odd space somewhere between an Academic Council meeting and a University Faculty meeting. The ultimate power of the faculty here at Duke resides in a body called the University Faculty. According to our faculty bylaws, a meeting of the University Faculty is supposed to be held at a date set by ECAC, at which the President is expected to report on the state of the university. The bylaws of the University Faculty, however, delegate virtually all of its power to the Academic Council, and the President appears often enough at Council meetings that there does not appear to be a pressing reason to convene a separate meeting for a State of the University address. Nevertheless, we do appreciate the annual opportunity to hear the President speak on a topic of his

choosing, so we are reserving precious Council time for that (laughter). I want to emphasize that the University Faculty still exists, even though it is not formally being called into session today. If anyone needs to call it into session, maybe because you're concerned about the Academic Council going rogue and needing to be reined in by the University Faculty, all you have to do is get 50 faculty to request that the President convene a meeting of that body – and be sure to show up (laughter).

So I now have the pleasure of presenting a man already familiar to us all. Given his brave appearance at our February meeting, I am tempted to introduce him as Richard the Lionhearted, but the crusader image that calls to mind does not really seem appropriate – perhaps Richard the Broadminded, or Richard the Broadhead? (Laughter) But no, at this time of year, with the madness of March upon us, and here in the cozy confines of Westbrook basement, I want to give a nod instead to his boundless enthusiasm for Duke and his recognition that it is indeed a special place. So ladies and gentlemen of the university faculty, please welcome a man who had a hall-of-fame college career at Yale before turning presidential, our very own Dickie B. (Laughter, Applause)

Richard Brodhead (President): Wow! I was sitting there and I was listening to your introduction and when you got to the part about the precious time of the faculty I was wondering whether or not the remarks I had prepared will be of sufficient value to you. However, here you are, locked in the basement of the Westbrook building, so I will proceed with tyrannical confidence (laughter). There is such an event at this university; I don't know that there is at any other

university. There is such an event as the President's Annual Address. I discussed the logic with ECAC of this and they actually came up with some good reasons for it so here I am again, cheerfully standing up. It has been my approach to this event in other years to try to lay out my thinking about some large question facing the university. Some of you with good memories will remember that I've talked about Duke and race, globalization; I gave a talk about the cost of education at selective private universities and the value proposition of the liberal arts last year. If I were to quiz you, those who didn't read the MA report may not also remember the topic of last year's address. Last year I talked about leadership transitions in the senior administration, the construction boom on campus, and the goals of our fundraising campaign—people, places, and funds, as I called it for short.

The number three seems to have stuck in my head, for this year I want to speak to three areas, and they have something in common, namely they're not strictly academic but they're not easily separable from the academic. They have been involved with this university since its founding. To end your suspense about what my three adjacencies will be, I want to talk a little bit about Duke and health care, athletics, and our home city of Durham.

Medicine was built into the founding act of envisioning Duke University, and in its early years, medicine did as much as anything to make Duke known. As part of his plan to revive the school's fading fortunes, John Franklin Crowell, the graduate student recruited to be president of Trinity College when it was still located in Randolph County. Do you know this? His boxing partner in Graduate School was the son in law of

Julian S. Carr, a citizen of this town who knew of a vacancy for this failing school in Randolph County, North Carolina so he went to be its president. He had the idea of starting a medical college and teaching hospital at Trinity in 1891. After Trinity moved to Durham in 1892, the idea continued to be talked about, and when President Few conspired with James B. Duke to transform Trinity College into a fully ramified research university, they planned for a medical school to be added when there were sufficient funds.

One year later James B. Duke died and his will turned out to have a codicil in which he left an extra \$4 million for the founding of the medical school at Duke, which coincided with Mr. Duke's indenture to the Duke Endowment underlining his commitment to bring high quality health care to the Carolinas. Armed with this funding, Duke built a medical complex continuous with the new West Campus and welcomed the first class of medical students in 1930. As Crowell had foreseen, an academic medical center required a teaching hospital, and Duke Hospital also opened its doors for patients in 1930, in July. Just look at this building. It's the wonderful world of Oz, right? You can see that Old Chem is still under construction at the bottom. The railroad track that brought in the construction materials visible in the last picture is gone, but there is not yet one bloody blade of grass, let alone towering magnolias.

Of all the acts of outrageous optimism and pure nerve that accompanied the founding of Duke, none quite exceeds the thought of building from nothing, on the site of a cleared pine forest, a medical center that would vie with the best in the land. But that's what happened here. There were, of course, favoring circumstances: the professionalized,

research-based model of medical education projected by the Flexner Report in 1911 was still relatively new at this time, and Duke had the advantage of being able to build to this model unencumbered by baggage from an older medical world. The level of aspiration at which Duke Medicine was pitched and the financial resources that accompanied that aspiration made it possible for President Few to recruit top leaders to his nonexistent school, specifically the brilliant young doctors whose paths to advancement had been blocked at Johns Hopkins.

In consequence, Duke Medicine did not start off humbly and somehow manage to evolve, as had been the case with Trinity College. It appeared full blown as a high-end, up-to-the-minute medical facility. It had to be accredited five years after it was built and in its first accreditation it was ranked in the top quarter of American medical schools only five years after it was founded. This gives you some indication. It's also true that major national advances began to come out of Duke very early on. Deryl Hart, the Johns Hopkins doctor recruited as the first chair of surgery, introduced ultraviolet lights into operating rooms at Duke in 1936, a major step forward in controlling post-operative infections. When this upstart university began to win a national reputation, Duke Medicine led the way.

But the penny will have already begun to drop, it's already dropped or it's on its way down the chute. In the act of becoming the home to high-end medical research and education, Duke had to go into a business related to academics but not identical with it: namely, the business of health care. Fast forward eighty years, and Duke is as eminent as ever in medical research and patient care, and we are

ever more deeply involved in the business of health care delivery—and thus, subject to the vicissitudes of that rapidly transforming sector.

A curiosity I have been well positioned to observe is that while the Great Recession of 2008-09 had an almost immediate impact on the university side, the medical part of the Duke economy was at first not so badly hit. You may recall that during the first two years of the recession, when there were no raises in the university, employees of the health system continued to see salaries advance, and the ARRA stimulus bill, which disproportionately benefited medical research, further hid the bad news to come. As things began to rebound on the university side, medicine has entered its own, belated period of economic challenge, with storm clouds menacing every phase of its operations: new uncertainty about the funding of graduate medical education, a changing health care system certain to cut reimbursement levels to which we have long grown accustomed, and a continued slump in research funding from federal agencies that has been aggravated in the post-sequester era. (The NIH reached its high water mark in 2003, with research funding declining over 20% in real dollars from then to now).

This confluence of challenges was sufficiently concerning that in February 2013, Chair of the Board of Trustees Rick Wagoner appointed an Ad Hoc Committee led by trustee Jack Bovender to study the impact of known and unknown potential challenges on the Duke University-Duke University Health System relationship. Questions to be considered included: as the current health care transformations unfold and operating margins grow thinner, will the Health System be able to support academic research in the School

of Medicine at a sufficient rate? If the Health System needs to grow the scale of the population served to be competitive in the market, might we need to contemplate new partnerships as a means to expansion? And if we grow in this way, how can we assure that the priority Duke gives to the research mission would be protected? At the outer limit, might the business end of Duke Medicine finally become so large and so responsive to its own different logic that the idea of a symbiotic relation of university and health system might finally prove untenable?

At the end of a deep dive I've never seen equaled in comprehensiveness, the ad hoc trustee committee looked dire possibilities in the face but came to a cautiously reassuring conclusion. A stress test conducted by outside experts predicted that the health system would be able to manage whatever changes are brought by the Affordable Care Act without disastrous impact on its finances. This meant that while the health system needs to continue to build its competitive position, there is not a strong case for us to grow on terms that would dilute our academic mission. So far from seeing our health care business and research activity inevitably growing further and further apart, this group reaffirmed their inevitable interdependence and called for clearer provision for financial support of the academic side. To optimize these reciprocal benefits, the committee concluded that we need to take better care to coordinate strategic planning in the medical school and health system, and to strengthen the coordination of governance on the university and health system side.

In effect, the ad hoc committee report represented a reaffirmation of the core dream of an academic medical center.

Academic medical centers are sites of health care delivery and medical research and the training of expert future medical practitioners, but the point is, these things do not just happen side by side. In the ideal version, patients get their care in a place where people are asking the fundamental questions that lead to new and better models of care, and research is practiced in such a way as never to lose sight of the human condition it can aim to ameliorate. Every part of the academic medical center equation is under fierce new pressure that could lead to a fracturing of their fragile alignment. This makes it more essential than ever for these activities to be managed so as to be mutually supportive.

Let me mention two more or less direct consequences of the trustee study. In response to its deliberations, a key step has been taken to make surer provision for academic support. Through a transfer of more than \$500 million from the DUHS balance sheet, the university is planning for the creation of a permanent quasi-endowment to support the academic mission of the School of Medicine. Augmented with \$200 million from SOM reserves and \$40 million from the university's earnings on its reserves, this fund will generate roughly \$45 million in annual support to the SOM for the indefinite future—a measure of predictable, long-term security our School of Medicine has never had.

Second, the deliberations of this committee were enormously useful to me in a task I've had this past year: finding a new Chancellor for Health Affairs. When we learned that Victor Dzau would be leaving to become President of the Institute of Medicine, I took preliminary soundings on the proper shape for this key leadership role. Among others, I spoke to presidents of other universities

noted for their biomedical strength. Many, as you know, have a separate dean for the medical school and CEO for their health care business who report up through different paths, and I was eager to learn what they saw as the advantages of different organizational structures.

One helpful colleague told me that having one person over both of these operations is the ideal arrangement if you can find the perfect person, but in the normal run of things, it just makes more sense to have two separate chiefs. This person was so helpful, I wish I could tell you his or her name, but I don't think that would be fair (laughter). Then how do you manage things that have high institutional value that require collaboration across domains, I asked—things like our Cancer Institute or Translational Medicine Institute, to name no more? With commendable candor, he replied, "Oh, we don't have many of those." Indeed you don't, I did not reply (laughter).

I put this together with the lesson of the ad hoc report and the conclusion seemed clear: just for the reason that the health care delivery business and academic medical research are threatening to pull further apart, the highest success will come to the place that is able to hold all the parts together, to make the components of an academic medical center work together in a mutually beneficial fashion. So when we began to look at chancellor candidates, we were looking not just for impeccable professional credentials, but specifically for people who could manage to this sense of shared mission and common purpose.

Eugene Washington, our new Chancellor who will start at Duke on April 1, has every qualification one could imagine for this wide-ranging position: a

distinguished researcher and department chair in OB/GYN, he became the first provost at the biomedical research powerhouse UCSF, then dean of medicine and CEO of the health system at UCLA, and national co-chair of PCORI, the Patient-Centered Outcomes Research Initiative, one of the key visualizers of a new national practice based not on treating illness but promoting health. To this all, I'd add that he is a proven uniter and inspirer, someone with a long track record of listening to others to elicit their best thought, then making them want to work together for the highest communal good. We will not be spared the challenges of health care reform or the newly difficult environment; but Gene Washington's leadership will give Duke the best possible chance to face new facts with creativity, imagination, and a keen sense of our ultimate goals. End of chapter 1 (laughter).

I know you're saying to yourself, he said he was going to talk about *three* things; what's the second? (laughter) You have to follow me; it's my delight to give you a little lesson every year (laughter). In the history of this university, a domain that has a surprisingly close structural analogy to medicine is athletics. Duke elected to have a medical school and hospital in the act of defining itself as Duke; put another way, Duke built medicine deep into its institutional identity—and exactly the same is true of athletics. You may not remember that football, then the ultimate high-visibility college sport, was banned at Trinity College by President John Carlisle Kilgo in 1895. The previous student, the graduate student who was hired as president had brought football and had indeed coached the football team! (laughter) The ban was reluctantly continued by President Few until 1920. That's a 25 year hiatus in the

football program. But when Trinity College was reborn as Duke University, a crucial part of the planning involved the restoration of high-end athletic competition. The football stadium, the first structure put to use on Duke's newly built campus, holds down the south end of West Campus as medicine holds down the north. And just as Few went to the celebrated Johns Hopkins, the frontrunner of new-model medical schools to hire a leader, Wilburt Davison, to create a tradition of excellence and put the new university on the map, (this is a great sentence) (laughter) Few went to Alabama, the Johns Hopkins of intercollegiate football, to recruit the football coach who would take Duke to the front of the pack: Wallace Wade, whom we might call the Wilburt Davison of college coaches (laughter).

William Preston Few was no fool. He knew that to establish its name and its claim to greatness, Duke needed strengths in addition to its strictly academic strengths, and he saw athletics as a means to build a sense of internal community and to win this school national acclaim. Thanks to this deep incorporation of athletics in the establishment of Duke's identity, this university has had a continuing inter-involvement with another world that's not wholly academic—with the result that as with health care, we are subject to the dynamics and vicissitudes of the intercollegiate athletics market.

Perturbations in the intercollegiate athletics scene have brought challenges to the schools that play Division I sports. This is not a new story, but in the last few years, the money available through media contracts has put college sports increasingly in the entertainment business, with pressures on university priorities that can be highly distorting.

We can all name universities that have savaged academic budgets while continuing to build sports facilities with embarrassingly large price tags. We can all name universities that admit students to play high-visibility sports who have no realistic ability to benefit from educational opportunities or interest in doing so. Am I the only one who was struck by the phrase from a very celebrated football player this year, "I didn't come here to play classes; I came here to play football?"

Given the potential of sports programs to sully academic reputations, some ask, why not get out of this business altogether? My reply would be, if there are self-defeating ways to link athletics to academics, those aren't the only ways—and we would lose a significant richness from our mix if we were to subtract this portion of our program. I myself was not a varsity athlete, it's always my hope that you think I was (laughter). I myself was not a student athlete, but in twenty years of presiding over residential universities with highly miscellaneous programs of activity and engagement, I have come to understand that athletics can be far more than just a pastime or recreation—it can be a mode of education complementary to more strictly intellectual ones. Men and women learn things through athletic competition that aren't so easily learned in other ways. These include the pleasure of high performance; the ability to recognize excellence and to embrace the discipline necessary to achieve it; the logic of teamwork; the ability, in success or failure, to keep getting up and trying again; the ability to start with a strategy and revise it improvisationally, on the fly, as circumstances change. These aren't the only things worth knowing, but they are highly valuable life equipment. It's not for nothing that in ancient Greece and parts

of Europe a seat of learning *and* athletic competition is called a gymnasium.

The problem is that for a university, there's no embracing athletics at the highest competitive level without becoming involved in contemporary intercollegiate practice. But even as we participate, a school has choices as to how to manage its participation. I am proud to represent a university where student athletes have graduation rates as high or higher than non-athletes and where the great preponderance of athletes are serious, accomplished students. You will recall my mentioning that of Duke's 640 varsity players, 495 or 77% were included on the ACC Academic Honor Roll.

Keeping the balance requires continual attention as new threats and opportunities emerge in the intercollegiate scene. You will remember that this past year, the 65 universities in the five so-called power conferences were recognized as having semi-autonomous standing within the NCAA, able to pass regulations in some areas that will affect their students alone. It is easy to see how autonomy could open the door to abuse. This could be the means for the schools with the highest media revenues to shower funding on athletes in revenue sports in ways that would make them little different from paid performers, with less and less in common—and less and less contact—with the student body at large.

This January I attended the first meeting of the Autonomy Conferences to cast votes on Duke's behalf. I am cautiously pleased to report that at this first outing, the power conferences avoided such measures and favored more constructive ones. The measures that were approved include tighter policies on athletic concussions; permitting schools to offer athletic scholarships that cover

the full cost of attendance; and the one that mattered most to me, a measure that forbids universities from revoking a student's athletic scholarship for reasons of athletic performance. If a school can withdraw students' scholarships the day they are no longer strong contributors to the team that recruited them, it's a naked confession that the school had no interest in or commitment to the student other than for what they could do on the court or field. In a better world, the offer of an athletic scholarship is a commitment to stand by a student until he or she finishes his or her education, as has long been the case at Duke.

My larger point is that over the course of their histories, different universities court involvement with their own sets of extra-academic activities, such that when these relations grow problematic, severing the Gordian knot is seldom an option. The art is to make the relation work. This is certainly true for my third example, the city of Durham.

Most universities are located where they were founded—Harvard is in Cambridge, Stanford is in Palo Alto, UNC is in Chapel Hill—but one of Duke's peculiarities is that this school was founded elsewhere, in rural Randolph County, and operated there for over fifty years. Just as it chose to have health care and chose to have big-time sports, Duke's ancestor Trinity College chose to be located in Durham. The ambitious little college packed up its bell and the several thousand books of its library, loaded them onto a boxcar, and moved to this city in the 1890s in order to be connected to more dynamic parts of contemporary America (Durham was a New South city), and, not coincidentally, to have access to philanthropic support from New South wealth. The consequence was that here again, Duke acquired an enduring

codependency through an originating choice.

For many years, Duke must have appeared little connected to its chosen home. In the early 20th century Durham was a vibrant center of black culture and commerce, was indeed so prominent in the world of black business enterprise that it was known as the “Black Wall Street.” That’s the city Trinity College chose to move to, but little would one know it from anything about the early history of Trinity College in which blacks do not figure in at all except, of course, inevitably, as the people who performed the servile labor that made the place work all along. You know where East Campus is, and you know where West Campus is, and you know they’re joined by a circuitous route that actually heads south and moves around before heading to the West Campus. Did it ever occur to you to wonder, why didn’t they just build West Campus right next to East Campus? Well of course they tried to, but real estate speculators bought up the land and so the choice was made to find land elsewhere. But why didn’t they build it in the middle of that loop? The place where Chapel Drive goes south before heading north and then heading to East Campus? It’s because something was there. A mill village. You’ll notice that the Durham Freeway is not there. This is a densely populated mill village that was contiguous to the mills off Erwin road. After the freeway was built and after the mill village was knocked down, central campus was built there. When Trinity College became Duke, it generated two parts that were connected by a road that disconnected them from the thing that was sitting in the middle of it: mainly the industrial working class village that was associated with a factory.

When the tobacco and textile economies collapsed in Durham, Duke’s lack of urban connectivity became paradoxically a kind of asset, at least in the short term. In the 1970s and 80s, as cities became focal points for social pathologies, universities that were more visibly urban in setting and signature—Columbia, Chicago, Penn, Yale—paid large public relations prices for their dangerous, depressed locales. When Duke hit the cover of the *New York Times Magazine* as the new “it” school in 1984, it was partly because it was set in a Gothic wonderland, standing apparently clear of its urban surround. I’m sorry; I would never have been drawn to go to a school by that particular fashion apparatus (laughter as he refers to slide).

But as urban decline abruptly reversed course in the US in the last twenty years, Durham’s missing downtown became a serious negative for this university, and a century after moving here, Duke came to understand the need to invest in its place. During Nan Keohane’s presidency and with John Burness in the lead, Duke began investing to reverse cycles of social decay in twelve proximate neighborhoods through the Duke-Durham Neighborhood Partnership. Through the genius of Tallman Trask, Duke also invested in rehabilitation projects downtown with decisive effect. Duke’s commitment to lease one-fourth of the one million square feet of the abandoned American Tobacco site led to the securing of the rest of financing for the ambitious project that reignited Durham as a commercial attraction. Comparable Duke participation helped advance the building of the Farmer’s Market and the Durham Performing Arts Center, which opened to the public in 2008.

From this start, with a brief timeout for the economic downturn, Durham has become a veritable boomtown for investment and activity. Two thousand three hundred residential units have been built within two miles of downtown within the past three years. Four hotels have opened or are soon to open within a mile of downtown. Durham's locavore food scene, the subject of much free publicity and national acclaim, continues to recruit new restaurants virtually by the week. Your President enjoyed being informed at one of these on a January evening that he could happily have a table if he did not mind the three hour wait (laughter). I'm happy to say that the owner of this restaurant is the son of a Duke faculty member; may all of your children thrive (laughter). As new residents and new entertainment and nightlife bring new dynamism to the downtown, the last undeveloped bits are coming to new life as scenes of commercial activity and employment.

In a choice that would have seemed unimaginable a short while back, the Duke School of Medicine decided that instead of building a new research building on campus, it would rehabilitate the last great tobacco warehouse, the Carmichael Building in West Village, into high-end lab space where it could co-locate faculty doing research on metabolomics, physiology and human genetics—one attraction being that private sector companies could locate in adjacent space to share research projects and commercial development of discoveries. The new tenants in the Carmichael Building have raised the number of people for whom working at Duke means working downtown to north of two thousand five hundred. The Chesterfield Building, long Durham's greatest eyesore, a dead, dull tomb for the

vanished age of the cigarette, is under construction now and will soon form part of a new archipelago of biomedical research and development spaces mixing academic and industry participants. Startups, which spring up most luxuriantly in high-density collision spaces with highly educated, innovative neighbors, will have a natural new home in what is being called the Durham Innovation District. Duke's own Innovation and Entrepreneurship Initiative will open such a space of connectivity in downturn Durham within the year.

As we help bring these new realities to life, we can glimpse a Durham that never was but that will benefit us immensely as it comes into being: a center of economic and cultural vitality that draws smart people from around this country and the world and gives their creative ideas a place to develop. If Duke and Durham are bound to each other in a shared fate, we've entered a chapter where both sides can see newly positive prospects, possibilities both parties have helped create through a vision of constructive partnership. Durham is not yet the new Austin let alone the new Silicon Valley, but the selection of this city as one of four new sites for Google Fiber development shows that it is not only we who see the potential concentrated here.

Duke has an important role to play in every aspect of this city's and this region's development. It was dismaying to learn that in the school grading program recently mandated by the North Carolina legislature, many Durham public schools got grades of C, D or F. There can be no great surprise here. Since the principal insight of these grades seems to be that affluent towns already known to have the best public schools do indeed have the best-performing public schools, with the

converse holding true for areas of concentrated poverty, the exercise seems at once punitive and stupefyingly tautological. But even if we do not like the grading system, we all have a role to play in advancing more equitable schooling for this city and its people. Duke cannot do this alone, but our partnerships with the Durham Public Schools in early education programs, summer and after-school academies, and our many shared research and literacy initiatives are crucial contributors to a better civic future.

With health disparities having emerged as one of the most devastating and intractable forms of social inequality in America in our time, Duke and Duke Medicine and even Duke Athletics have a crucial role to play in partnering for a healthy community. Eugene Washington, who has won recognition for his work on behalf of community health in Los Angeles, will find many willing and innovative partners in Durham. If we want to benefit from our home, we must be active to make it the community it can be.

I conclude with this. We are the inheritors of choices made long ago on Duke's behalf. There is no un-choosing those choices: they are so deeply woven into the fabric of this place that the theory of their separability is a simpleton's mistake. But just because these choices have been so decisive in their impact, it is essential that we manage their consequences toward this university's greatest good. That's our work here together every day. Thanks for letting me share a few glimpses from where I sit. And I thank you for your concerted work to lift this university toward its highest purpose. (Applause)

Socular: Thanks very much, Dick, for that enlightening and inspiring address. I'm

going to go tomorrow night to the American Tobacco Campus, watch a basketball game, and then go to the ER (laughter). Any questions?

Brodhead: Does anyone want to know the name of the restaurant where I was given the three hour wait? (laughter) Juju's, highly endorsed by the President (laughter). I got in eventually! (laughter).

Socular: Please stick around for our reception. Our meeting is now adjourned and I'll see you in April.