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Minutes of the Regular Meeting of the Academic Council

September 26, 2002, 3:46-5:00 PM

Nancy Allen (Medicine), the new Chair of the Academic Council, opened the meeting by introducing herself and the new faculty secretary, John Staddon (Psychological and Brain Sciences: PBS). The minutes of the May 9 Council meeting were approved by voice vote, *nem. con.* as written.

Announcements

Nancy Allen, Council Chair, welcomed council members, President Keohane, Provost Lange, Executive Vice President Tallman Trask, interested faculty and members of the press. Fred Nijhout (Biology) has been appointed Vice Chair of the Council, with Paul Haagen (Law) as alternate. Allen assured these gentlemen that she will take her vitamins to spare them anxiety.

There are two key review committees meeting this Fall. Allen noted that "Appendix C of the Faculty Handbook states that members of the faculty are to be involved in reviews of the most senior officers of the university and the deans who report directly to the Provost. In accordance with these procedures this is the fourth year of the terms of two of our senior individuals. And those committees are being formed this fall.

"The first is for Provost Peter Lange and this committee will be chaired by Professor Rich Schmalbeck in the School of Law. The second is for Dean Kristina Johnson of the School of Engineering and Professor Sidney Simon in Neurobiology will chair this committee. Faculty will have ample opportunity to have input into the work of both of these committees.. you will be hearing more about this as the next few weeks unfold. There will be shortly a complete list of the faculty serving on those committees available in the Academic Council office."

Faculty Scholar Award

Ben Ward (Philosophy), chair of the Faculty Scholar Award Committee and committee member Peter Wood (History), reported. Ward: "I should say that this is a very very special committee at Duke and an extraordinarily happy function. We always groan as we begin the process because we have these dossiers to read and it is a very concentrated process, but once we start reading them there is nothing but smiles..."

There were 22 nominations from 16 different departments — up from last year. This is the second year the Committee has looked at nominees at the beginning of the fall semester of senior year rather than the spring semester of junior year. It seems to work well. Each of the four committee members read the dossiers independently and then decided to invite seven for interviews. The Committee recommended 3 students for the 2002-03 Faculty Scholar Award: Dave Ashok Chokshi, nominated by Chemistry, who also majors in Public Policy Studies; Jacob

Gates Foster, nominated by Physics, and Melanie Eggers Wood (no relation), nominated both by Mathematics and Theater Studies.

Nancy Allen pointed out that in order for those scholars to be named at Founders' Day, the Council last year delegated to The Executive Committee of the Academic Council (EC AC) the power to approve these selections. "This year was unusual in that the meeting is on the 4th Thursday rather than the 3rd, and the committee just finished their work this past weekend after their interviews so EC AC has approved the list of names and we will note that in the minutes. If anyone has any comments for Professor Ward we would certainly appreciate them and I want to thank you and your committee for fine work in selecting these students as our faculty scholars for this year." (Applause)

Earned Degrees

Nancy Allen noted this was the first year that only 3 certified copies rather than 4 are required from each school. Moreover, she has succeeded in discovering where these copies actually end up: One goes to Allison Haltom's office, one goes to the printer and the third goes to the Board of Trustees. All were approved by voice vote. The earned degrees are as follows:

DIPLOMAS DATED SEPTEMBER 1, 2002

Summary by Schools and College

<i>Trinity College of Arts and Sciences</i>	
Dean Robert J. Thompson, Jr. Bachelor of Arts Bachelor of Science <i>Pratt</i>	3
<i>School of Engineering</i>	
Dean Kristina M. Johnson	7
Bachelor of Science in Engineering Master of Engineering Management <i>School of Nursing</i>	
Dean Mary T. Champagne	15
Master of Science in Nursing <i>Nicholas School of the Environment and Earth Sciences</i> Dean William H. Schlesinger	
Master of Environmental Management Master of Forestry <i>Fuqua School of Business</i>	
Dean Douglas T. Breeden	106
Master of Business Administration <i>Divinity School</i>	
Dean L. Gregory Jones	
Master in Church Ministries	
Master of Theological Studies	
Master of Divinity Master of Theology	

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School of Law

Dean Katharine T. Bartlett	
Master of Legal Studies	1
Juris Doctor	6
Master of Laws Doctor of Juridical Science	

School of Medicine

Dean R. Sanders Williams	
Master of Health Sciences	1
Master of Health Sciences in Clinical Research	7
Master of Health Sciences in Clinical Leadership	3
Doctor of Physical Therapy	1
Doctor of Medicine	

The Graduate School

Dean Lewis M. Siegel	
Master of Public Policy	2
Master of Arts in Teaching	9
Master of Science	22
Master of Arts	20
Doctor of Philosophy	53
TOTAL	321

Faculty Hearing Committee

Continuing Members of the Faculty Hearing Committee are John Baillie (Gastroenterology/Medicine; term expires in 04), Thomas Bashore (Cardiology/Medicine, 04), Caroline Bruze-lius (Art & Art History, 03), Craig Casey (Electrical & Computer Engineering, 03), Robert Mosteller (Law, 04), CHAIR (Fall Semester) David Pisetksy (Rheumatology, 03), Kenneth Reckhow (NSEES, 04), Thomas Rowe (Law, 03), CHAIR (Spring Semester). Four proposed new members would have 3 year terms. The following individuals were elected *nem. con.* by voice vote: Trina Jones (Law), Carol Meyers (Religion), Chris Schroeder (Law), and Peter Wood (History).

Faculty Compensation Committee

Tom Metzloff (Law), chair of the Faculty Compensation Committee, reported on medical benefits and changes in the upcoming health plan. Also commenting were Executive Vice President Tallman Trask and Lois Ann Green, Director of Benefits Administration.

Tom Metzloff: "The administration came in August to present some proposed increases in various medical benefits charges. It was necessary to do that in time to advertise materials for the upcoming open enrollment period. Our committee and other groups on campus were really asked more to comment rather to approve or study at this point. So I think it's more appropriate that I let Tallman discuss some of those changes..."

Executive Vice President Trask: "I think on balance we've done pretty well, but I'm a bit concerned that our luck is about to run out." Trask expressed his hope that he would be able to "talk about and engage" the Faculty Compensation Committee before next year. Three years ago Duke began to offer multiple plans for health coverage, some Duke-based, some not. The acqui-

sition of Raleigh Community hospital posed some problems. The Duke plan remains structurally essentially as it has been for the last 3 years.

Costs have increased substantially for two main reasons: (1) Prescription drugs, where Trask estimates that costs for next year will be a little over \$26M, up from \$15M 4 years ago. The major increases are for drugs advertised on television — this is a national problem. We are now spending a little over \$1M on the little purple pill (see below). (2) The size and composition of the population covered. The number covered has increased by about 10,000 in the last four years because of the acquisition of Durham Regional and Raleigh Community Hospitals. Layoffs in the Triangle have meant that many families previously covered through another employer — and thus no cost to Duke — have come under the Duke plan. Other families have switched to a Duke plan because it offers more benefits than alternative plans; these families may be, on average, more costly than the existing Duke population.

Trask showed a number of slides to illustrate his major points. The Duke plan proposes an average rate increase of 14.0% (Wellpath Select), vs. increases proposed by other plans ranging from 21.8% (Cigna) to 41.9% (Blue Cross Blue Shield), the latter perhaps not unrelated to BCBS's proposal to become a for-profit corporation. These increases have been approved by the NC insurance commissioner.

Over the last decade employers have increased health insurance costs by 5.5% per year compounded, compared to Duke at 3.1% per year compounded, on average. Unless there is some intervention, this relatively slow growth will accelerate in the future. Duke has made the following changes: The co-pay will increase by \$5 for next year. We are putting a deductible on inpatient admission of \$250. We are putting in co-pays for outpatient surgery and for more expensive technical examinations; there will be an annual limit on durable medical equipment. Payroll financing will be available for lower paid employees who have difficulty. Thus, those in the Duke Select program (80% of those covered by Duke) will pay about \$5 (individuals) or \$39 (family) a month more.

Trask continued: "Duke's plan will remain relatively speaking very generous and well funded by the employer...We pay 85%, the employee pays 15% and for dependents we split it 50-50.. Lois Ann and I are about to throw up our hands and say we don't know what to do next. If we look at another 25% increase in health care there's no way to squeeze it out of this plan without ...the employer paying a lot more money, which means Duke will have fewer dollars for other things." If this is to be avoided, then either employees will have to pay still more or there must be another, and probably more substantial, cut in benefits. "We are clearly moving away from a world in which we basically reimburse medical expenses as they occur.. to an indemnity and serious calamity kind of insurance."

Tom Metzloff pointed out that Duke provides a Medical Reimbursement Account where a certain amount can be deducted, pre-tax, from your paycheck and used to pay for these deductibles. Apparently less than a quarter of Duke's employees take advantage of this feature.

Tallman Trask added "...we are going to moderately harass people to encourage them to establish those accounts this year. It really makes a very big difference and relatively few people are taking advantage of it. I hope by next year (it won't be this year) we will have in place some kind of debit card system so that you'll have a card that takes money out of your medical reimbursement account and you won't have to worry about that."

Questions

Terry Oas (Biochemistry): "So with respect to the debit accounts-reimbursement accounts if you guess wrong and you put too much money in those accounts, who gets the money that's left over at the end of the year?"

Tallman Trask: "The federal government." (A voice questioned this.) Terry Oas: "Having done it for a couple of years and tried to get it right on, I've never been even close to.. .doing it. Does that mean you're paying taxes on whatever the difference is? I don't understand why the system has to exist this way. Why do we have to guess and speculate on this?"

Tallman Trask: "That system was designed by the Congress of the United States..." Tom Spragens (Political Science): "Two questions: The first one has to do with the reasoning behind the proposed addition of significant co-pays for hospital stays and outpatient surgery. As you noted, one of the biggest cost increases comes in pharmaceuticals and much of that increase comes from people who demand drugs they see on television. Can't you control costs by adjusting drug co-pays to discourage this excessive use of brand name drugs?"

Tallman Trask: "The adjustments here are going to be more subtle and not necessarily money related. A number of drugs come off patent this year and they have already been replaced with new and more costly drugs that in many cases, doctors tell us, are not a whole lot better than the old drugs." New drugs in this category may not be included in the formulary and so may be subject to the \$35 deductible. "If we want the brand new purple pill then we have to pay the difference." Anti-inflammation drugs like Vioxx are an example. Perhaps 85% of the people who get Vioxx prescriptions through our pharmacy have never taken another drug for inflammation. We will ask them to try something cheaper, that may be just as effective, before we simply authorize the more expensive drug. So it may be that many of the drugs that we're concerned about will end up being not \$10 co-pays, but \$35.

Tom Spragens: "I would just encourage that. You don't have much choice if you have to have surgery. You do have a choice between two equally effective pills with different costs." Tallman Trask: "We are going to try to push back against television advertising." Tom Spragens: "The second question is why you cite a larger number of participants in the program as a cost problem. I thought most HMOs wanted to increase their participant base?"

Tallman Trask: "It's a total expense factor. Actually on a per-life factor it probably helps us.. .On the margin everyone is cheaper."

Tom Spragens: "So all those are people...are receiving the Duke contribution?" Tallman Trask: "Everybody who's covered gets at least 50% Duke co-pay." Roger Barr (Biomedical Engineering): "I wonder if you could comment a little more about the dollar limitation on prosthetics.. .Could you explain the purpose of this coverage; just what is a prosthetic? Does it include, say, a crutch or a heart valve or a pacemaker?"

Lois Ann Green (Benefits Administration): "Prosthetics are primarily things like durable medical equipment and limb prostheses. In our experience, the \$15,000 annual limit will more than cover most of the computerized prostheses now available. The limit on prostheses does not apply to heart valves and things of that nature that are surgically implanted. Roger Barr: "So these are prosthetics in the sense of that benefit is external?" Lois Ann: Yes, and most of it applies to durable medical equipment such as beds or motorized scooters and things of that nature.

Marjorie McElroy(Economics/ECAC): "Is the co-pay per visit?"

Tallman Trask: "Per admission."

Marjorie McElroy: "So you can go to the hospital 10 times a year and pay ten times?"

Executive Vice President Trask (Delphically) "Per event."

Richard Willis (Fuqua): "Do you have a sense why Blue Cross's rate increase so outstripped the competition and also why the insurance commissioner approved that?"

Tallman Trask: "... [my guess is that it] had something to do with the privatization issue."

Linda Franzoni (Mechanical Engineering) and Executive Vice President Trask exchanged remarks concerning the comparison between Duke Select and Blue Cross Blue Shield. Executive Vice President Trask concluded that Duke could drop Blue Cross Blue Shield as a provider if the community so desired.

Peter Feaver (Political Science): "These increases are probably manageable for folks at the average and above average salary at Duke, but they are probably catastrophic for folks at the staff level, especially if next year it gets much worse. Can you at least explore the possibility of some regressive [progressive?] charge that would protect the staff?"

Tallman Trask: "That's...under active consideration...We're also starting some conversations about an increasingly cafeteria-style benefit system that would allow a wider range of choices. And, as I said.. .for co-pays, we will allow people to pay over time if that's an economic issue."

Ronen Plesser (Physics): "Two questions. Why does the family premium seem to be increasing proportionally more than the individual? The other question: Do hospital admissions include ER visits... ?"

Tallman Trask: "ER visits are not considered hospital unless you are admitted. And the difference [between family and individual premium increases] is because the payment split on an individual is 15/85%, Individual/Duke; whereas for all spouses, family members, children...it is 50/50." So the larger the proportion of families to individuals on the plan, the faster, proportionally, the non-Duke contribution grows.

Susan Schneider (Nursing): "I want to ..encourage people to use the flexible spending account, although you need to realize there's a cap.. .I'm a faithful user of the flexible spending account. I have a chronic condition and one child in orthodontics and my money was gone at the end of July."

John York (Pharmacology) wondered whether the fringe benefit rate (on Federal grants) could be increased to offset some of these cost increases. Executive Vice President Trask commented that any future increase in employer contribution would automatically increase the fringe-benefit rate, but that won't solve the problem. Most people at Duke are paid by Duke.

Nancy Allen noted, for the record, that the purple pills in question are Prilosec and Nex-ium. "I saw some quizzical looks. It must be the few of you who aren't taking one or the other."

Appointment, Promotion and Tenure (APT) Committee Annual Report

Provost Peter Lange: "[This is] such a critical function for the university. I'm going to run through.. .a set of overheads, which present the data. There really is not anything particularly remarkable this year. As you know, we have been seeking, mostly through jawboning, to push down responsibility for making critical decisions on tenure to the units and the deans. That is, to let the APT committee perform as an oversight body, as it should, so that those with the greatest expertise actually make the decisions." This requires that departments make their decisions responsibly. Provost Lange felt that progress is being made, although perfection still eludes us.

A year or two ago, the Holland committee made a set of recommendations that were implemented last summer. The so-called "rule of reasonableness" was applied to requirements.

That rule has reduced the number of "more information please" letters sent back to departments, reduced the time spent on obviously strong cases, and allowed more time to be spent on difficult cases.

Provost Lange: "I want to publicly acknowledge the really excellent service of several of the now-retired members of the committee. We have a lot of turnover this year: George Augustine of Neurobiology, James Burger of ISDS (Institute of Statistics and Decision Sciences), Tolly Boatwright of Classical Studies, Claudia Koonz of History, Teh Tan of Mechanical Engineering and Material Science, and Robert Whaley of the Fuqua school, all served on the committee with great effect. I would also like to acknowledge last year's chair who is also now retired from that position, George Tauchen of Economics. George did a really superb job in steering the committee especially as we were going through this transition to the new rules. And of course, as always we had great assistance. The committee could not function effectively without the help we received from Jeane Bross and Robert Russell who handle the Faculty Affairs Office....

"Now let me turn to the results. I want to look first at the reviews that were required for internal promotions to tenure. Can everybody see that? If you can't, you may have to take one of those purple pills." (laughter).

The data presented by the Provost covered Arts and Sciences, Divinity, Engineering, Environment, Business, and Basic Sciences (Medical School).

This year there were only 18 tenure cases, down from twenty-four or twenty-five during the previous three years. In addition, one candidate withdrew and one candidate received a negative vote in his¹ department or school, leaving sixteen cases to be examined by the committee. Of those, the committee recommended fourteen for tenure. That means in two cases, they did not recommend tenure. The Provost concurred in all those recommendations and in addition denied tenure in one additional case, yielding an overall tenure rate of 81%.

Most of the votes by the tenure committee — 87% — were unanimous or unanimous but for one dissenter. In one case there was a unanimous negative vote, which means that a department brought forward a case with a positive recommendation that the committee unanimously rejected. In this case the principle of devolution, that hard decisions should be made by the departments and schools, not by the Provost or the APT committee, had obviously broken down.

The Provost showed a slide summarizing APT committee votes over the last three years. He concluded: "The number of [negative] unanimous-but-one votes.. .has been declining...which I take to mean the departments are doing a good job in making those decisions...the committee does tend to reach consensus fairly often."

He added "One of the great things about being on the committee is that this is probably one of the broadest intellectual discussions that you will have in an intensive manner about work that sometimes is rather distant from your field.. .these discussions are really very good." Often, the best questions are asked by committee members outside the candidate's field. They may even ask "How in the world do you people read this material?"

The percentage of faculty who make it through the entire process is an important measure of how we doing, although it can obviously be interpreted in different ways. In addition to those who fail to get tenure, some people leave because they were lured away by other schools; some leave because they decide that they are in the wrong profession; some leave because they feel that they may not be successful at Duke.

For Arts and Sciences (our largest hiring unit), for those hired from 1985-1995, the percentage that achieved tenure has ranged from 44% to 72%, with an average of 56%. The Provost

¹or her...

noted that we review for re-appointment in the third year, which leaves little time to create a record in some areas. There has been a decline in the number of faculty leaving in years one to four and he concluded "Hopefully [that means] better selection by our departments." It also reflects a greater willingness to reappoint, largely because of the difficulty in achieving tangible academic progress within two and a half years in some disciplines. We have tried to deal with this by asking for much more comprehensive referee letters at this early stage. "So, what we're hoping is that this process [will give candidates] clear signals about progress and what they need to do to advance...I believe that we are being appropriately selective, and that more scrutiny is being exercised by departments and deans along the way to the tenure decision..."

"Now, I want to discuss two other areas: the internal promotions to full professor and external appointments..." There were twelve promotions to full professor (across all schools) reviewed by the APT committee. Twelve were approved by the APT committee, and twelve approved by the provost.

There were some changes introduced by the Holland committee in the past year. We now require excellence in two, and good performance in one, of three areas: research, teaching, and service. The criteria before were both more ambiguous and, to a degree, more stringent. Now, we recognize that the way he divides his effort may change over the course of a person's career. "As long as they're making a very substantial contribution to the university through research, teaching or service two of the three and a pretty good contribution in the third, we're willing to promote them and that's what these criteria reflect."

The Committee reviewed twenty external tenure appointments and approved nineteen, plus one with a non-definitive vote (fewer than seven affirmative or negative votes). The Provost approved all twenty. "I think the process is working pretty well.. I think we need to continue to be very clear with assistant professors who come up for reappointment just what the expectations are and how they measure up...Dean Chafe and I [have] discussed the role of mentoring while also emphasizing that.. getting tenure is the responsibility of the faculty. We can give all the signals we want, but eventually it is the faculty member who has to do the work necessary to get tenure or to get promoted."

The Provost turned to two other issues: exceptions to the tenure process, especially the tenure "clock;" and increasing difficulty in getting books published in some areas of the humanities and "softer" social sciences. He and Dean Chafe may bring forward to ECAC and the Council a proposal for extending the tenure clock in some cases. The other problem is that monographic studies in some of the humanities and social sciences are becoming harder to publish. Hence, scholars in those field are having difficulty building a promotable publication record. The number of libraries willing to buy automatically the entire output even of highly respected university presses is now less than three hundred (down from 800 a few years ago), and the presses themselves are under financial constraints. University publishers are increasingly reluctant to contract for scholarly books in the humanities and soft social sciences, hence it is becoming increasingly difficult to qualify for tenure in those areas.

Provost Lange: "Thank you very much. Are there any questions, or comments, [turning to the Secretary]...John?"

Secretary: "I am mute."

Provost Lange: "Oh my God — I'm shocked, horrified actually."

Questions

Richard Burton (Fuqua): "Peter, you said you didn't like to mix data across divisions... I'm just interested in why you said that. And, are the data for the professional schools different from Arts and Sciences?"

Provost Lange: "No, they're not, as far as I know." The numbers become quite small when we separate out individual schools, which compromises privacy; that's one reason we don't present separate data. But there don't seem to be major differences. Faculty may leave some schools, such as Fuqua, at a higher rate, perhaps.

Tom Spragens: "Two and a half years isn't a very long time to evaluate a new faculty member. Any consideration at all to making a one-year longer initial appointment as a standard practice?"

Provost Lange: "The Holland Committee looked at that and rejected it...it has downsides on the other end.. now we're giving people early signals."

Nancy Allen: "Thank you Peter. Keep up the good work and thank the committee members for their work because that is a time-consuming and very important committee."

The meeting adjourned at 5:00 PM.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. Staddon", written in a cursive style.

John Staddon
Faculty Secretary

October 11, 2002