

November 23, 1998

## MEMORANDUM

**TO: Members of the Duke University Board of Trustees**

**FROM: Nannerl O. Keohane**

**RE: Summary of Activities**

I am pleased to provide this report of activities since our last meeting of the Board of Trustees. Our December meetings come at a festive time of the year, as we approach the end of one semester in the life of the university and share with each other the spirit of the season. This spirit is always enhanced at Duke by the fact that the basketball season is well underway. With both our men's and women's teams ranked well in the preseason polls, it's an especially exciting time on campus. In addition to the basketball game on Saturday night, we have more than enough on our plate -- a preliminary review of FY99 budget parameters, discussion of long-range planning associated with upperclass residential life, and a report on the Y2K problem and how Duke is addressing it -- to make this an important meeting. I'm especially pleased that Trustee Emeritus John Koskinen, who has been designated by President Clinton to manage the federal government's response to the Y2K problem, will be joining us for our Y2K discussion.

### **The Campaign for Duke**

This, too, will be our first opportunity to meet as a full board since The Campaign for Duke entered its public phase, and one of the least well-kept secrets I can remember--the \$1.5 billion goal--was formally announced. John Piva and Bob Shepard tell me that we have raised as of this date more than \$734 million in gifts and pledges--nearly half of our \$1.5 billion goal by the end of 2003.

In the last few weeks, we were delighted to be able to announce several significant gifts for University priorities. The first was the pledge by Trustee Emeritus Ray Nasher of \$7.5 million to help support the construction of a new \$15 million Nasher Museum of Art at Duke University. As a result of the generosity of Ray and his family, we can look forward to having a splendid facility for teaching, for attracting special exhibitions, and for displaying our diverse collections. The architect selection committee, chaired by Tallman Trask, is interviewing a number of internationally distinguished architects for the 50,000-square-foot facility, which currently is targeted to begin construction some time in the year 2000. News of this gift received considerable media coverage both locally and nationally, including a very favorable editorial in *The Chronicle* and an article in *The New York Times*.

Our art museum is not the only locus for important exhibitions on campus. This past week, an exhibit containing more than 1,300 interviews documenting the lives of blacks in the Jim Crow South during the time of legal segregation opened at the John Hope Franklin Research Center for African and African American Documentation in Perkins Library. The exhibit, "Beyond the Veil: Documenting African American Life in the Jim Crow South," is the fruit of an oral history project started three years ago. In addition to interview tapes and biographical papers of black families throughout the Southeast, the exhibit will showcase historic family photos collected and copied by researchers. Dean of Arts and Sciences Bill Chafe, who helped organize the project at Duke's Center for Documentary Studies, characterizes the exhibit as a "multi-textured, rich, and complicated story about the history of African American responses to segregation. The interviews tell us how courageous yet

careful African American families were as they sought ways to resist discrimination, protect their children, and build institutions that would add strength to the community. This collection is the first full effort to document in the words of African Americans themselves the extraordinary ways that black Americans struggled, endured, and triumphed over the age of segregation."

In a novel approach to exhibitions, one about adolescent pregnancy recently moved out of the Center for Documentary Studies into a Durham pool hall. The exhibit, called "The Youngest Parents," portrays nervous young parents who seem unprepared for their new responsibility. According to the staff at The Green Room, regular patrons of the pool hall were initially unsure what to make of the exhibit, but it subsequently sparked debate about where people expect to encounter art and about how society should respond to the issue of adolescent pregnancy. The thought-provoking exhibit has since moved from The Green Room to the Durham County Library, where we expect it will receive a broader audience through January 4.

We have also announced a \$6.5 million gift from Dr. John P. McGovern, a noted Houston pediatrician, and a \$5 million gift from The Duke Endowment, to support construction of the \$30.5 million Children's Health Center, a major component of the Medical Center's Promise of Medicine Campaign. Dr. McGovern is a long-time friend of Dr. Wilburt C. Davison, who was the founding dean of our School of Medicine and, after his retirement from Duke, a member of The Duke Endowment Board. In recognition of Dr. McGovern's and The Duke Endowment's dedication to advancing children's health, and in tribute to Dr. Davison's unique contributions to the Medical Center, this marvelous new facility will be known as the McGovern-Davison Children's Health Center.

The McGovern-Davison Children's Health Center has also benefitted from a \$500,000 pledge from Wachovia Bank as part of a \$1 million gift to the university. Wachovia Bank has long been a generous supporter of Duke, and their latest gift includes, in addition to support for the Children's Health Center, \$200,000 for the Fuqua School of Business and \$150,000 to the law school, with the balance for the President's discretionary fund.

### **Duke University Health System**

As you know, an unprecedented 36-page article about the Duke University Medical Center in *Time Magazine* was published the week The Campaign for Duke was launched. This extraordinary article explained in both pictures and text the remarkable commitment to the most sophisticated and compassionate medical care that characterizes the work done by doctors, nurses, and staff in our Medical Center every day. Chancellor for Health Affairs Ralph Snyderman told the Trustees' Executive Committee in November that the illustrations in the magazine of the funds flow associated with supporting advanced medical education and research did in three pages what he has been trying to do in three hours of speeches! While that is surely an overstatement, it is true from comments both he and I have heard from people all over the country that this article has made an important contribution to public understanding of the unique and significant roles academic health centers play in the life of our nation. I am told that the American Association of Medical Colleges has ordered copies for distribution to every member of Congress, the governors of all 50 states, editorial boards, and other national leaders so they can understand better the forces that are buffeting academic health centers at a time when medical education and research are more important than ever. I particularly want to note the effective work done by Nancy Jensen and the staff of the Medical Center News Office in coordinating this very important project.

Since our last meeting, the health system has taken a number of steps to solidify its position as a full-service health care provider in our region. In November, the purchase of Chartwell Southeast, a home infusion services company, and a joint venture with St. Joseph of the Pines to form a home health care agency, were completed. The new Duke Community Infusion Services will provide infusion services at home in the Carolinas and Virginia for the management of pain, administration of chemotherapy and antibiotics, as well as nutritional fluids. Under terms of the joint venture with St. Joseph of the Pines, Duke purchased 50 percent of St. Joseph's

existing home care operation. Both of these initiatives will enable our physicians to have greater involvement with their patients once they leave the hospital.

This past week, Tallman Trask and I joined Ralph Snyderman and several members of his team in an exhilarating tour of several of the facilities on the Health System campus, led by hospital Chief Executive Officer Mike Israel. We participated in a regularly scheduled, bi-monthly round table for middle managers from across the health system, organized and ably conducted by hospital Chief Operating Officer Brenda Nevidjon. The robust participation of members of the staff in making suggestions for changes in policies and practices to improve the delivery of patient care at every level was an excellent indication both of the skill and involvement of the health system staff, and of the commitment of the leadership to seeking and implementing their best ideas.

We visited the new North Pavilion complex, with its sophisticated facilities for ambulatory surgery in complex procedures such as bone marrow transplant, the offices and laboratories of Duke's Clinical Research group, one of the largest and finest in the world, and the new state-of-the-art classroom for medical school students. Dr. Snyderman and I chatted briefly with two students who described the wonders of the new classroom technologies that allow them to "experiment" with various forms of treatment on cyber-patients (surely an advance on more primitive methods, one assumes, for several reasons), and shared with us the part of their textbook demonstrating a particular part of the foot that has been bothering this amateur jogger recently. I found myself, not for the first time, regretting that I hadn't chosen to go into medicine.

We also toured the new Duke Clinic lobby, treatment areas and welcoming food court and terrace. The beautiful wood, ample sunlight, and plentiful people at information desks to show visitors how to find their destinations, were impressive contrasts to the familiar labyrinthine corridors of Duke South -- now undergoing much needed renovations.

Visits such as this, including meeting some of the able and enthusiastic administrators, doctors, nurses and staff people who make the Health System such a world-class enterprise, are one of the aspects of my job that I treasure most. I wish that all of you could have such opportunities more often. We discussed the possibility of holding some of our meetings and one of our social occasions in the beautiful new spaces north of North, so that you will also have the chance to learn about the far-flung and complex enterprise for which you are as a Board responsible.

### **Recent Discoveries**

One of the pillars on which Duke's extraordinary health enterprise is built, of course, is medical research. An example of the significant research contributions our scientists are making in improving our understanding of and ways to help prevent cardiac disease, was the series of reports on research findings Duke researchers made at the 71st annual scientific meeting of the American Heart Association in Dallas earlier this month.

Duke molecular biologist Walter J. Koch, an associate professor of experimental surgery, and his colleagues reported that they have for the first time delivered therapeutic genes throughout a rabbit's heart, showing that the genes can improve heart functioning. Currently there is no effective means to reverse heart failure, only to treat its symptoms. These animal experiments are a crucial step in developing a genetic treatment for congestive heart failure, the debilitating and deadly condition in which heart muscle loses its ability to stretch and contract, usually due to clogged arteries caused by coronary artery disease. People with congestive heart failure often experience fatigue, weakness, and an inability to carry out routine daily tasks. This work is funded by the National Institutes of Health and the American Heart Association.

In a finding of interest to those concerned about the economics of medical care, a team of Duke cardiologists

led by Dr. Kristen Newby reported that hospital stays beyond three days for people being treated for uncomplicated heart attacks may not be cost-effective. Typically such patients stay in the hospital six days. Their study of the records of 22,454 patients who stayed in the hospital for about a week showed that almost all deaths occurred in the first two hospital days. The physicians hypothesized that, at most, 16 such patients may have died if they had been released after 72 hours instead of remaining in the hospital an extra day. The research suggests that there would be little loss of quality care if hospitals reoriented their systems to provide all the necessary procedures to treat such patients in three days. The research was funded by several international pharmaceutical companies.

Research on alcohol consumption by college students has received a good deal of attention in recent years. A new study conducted by researchers at Duke and the Durham VA Medical Center found that just two drinks of alcohol can affect the ability of young adults to learn and remember new information. The same amount, however, has little effect on people over the age of 25. There have been similar findings in numerous animal studies. The Duke-VA study is the first involving humans. The research team was led by Duke neuropsychologist Scott Swartzwelder with funding from the U.S. Department of Veterans Affairs.

With support from the National Institutes of Health and Corixa Corp., a Seattle-based biotechnology company, a study is just getting under way in which medical center researchers are preparing to test a vaccine to see if it can prevent recurrence of breast cancer and ovarian cancer in up to one-third of women with these diseases. The physician-scientists have just finished the first phase of their novel clinical trial and are expected to enter phase II studies by the end of the year. If they are ultimately successful, women whose cancer cells produce too much of what is known as the "Her-2/neu" protein might be able to take several doses of the vaccine to achieve life-long immunity to the cancer, according to Dr. Kim Lyerly, clinical director of the Duke Center for Genetic and Cellular Therapies. He says this particularly aggressive kind of cancer often recurs even when treated with the most advanced clinical tools medicine offers. The hope is that this will offer a non-toxic way of finally shutting that cancer down.

A research project based at the Wetland Center of the Nicholas School of the Environment has received a \$551,000 federal grant to identify scientific and socioeconomic factors that contribute to successful wetlands restoration in North Carolina. Funded by the U.S. Department of Agriculture, the water and watersheds project will work in tandem with a new state North Carolina Wetlands Restoration Program now developing remediation plans for 17 different river basins. Duke's Wetland Center will focus its ecological investigations on a Johnston County Community College pilot project to restore a drained wetland adjacent to Hannah Creek, near Smithfield, within the Neuse River Basin. It will also do a larger study of farmer willingness to participate in such restorations in the Neuse as well as in other state watersheds.

Much has changed since 1978 when Duke Press published *From Currituck to Calabash* describing the good and bad of beach development in coastal states throughout the nation. Now Duke geology professor Orrin Pilkey and colleagues from other institutions, offer *The North Carolina Shore and Its Barrier Islands* as the earlier volume's replacement. The authors note that since 1984, 10 hurricanes, most notoriously Fran and Bertha in 1996, have significantly reshaped North Carolina's coastline. That recent activity is in sharp contrast to 1978, when the absence of hurricanes served to delude homeowners about the potential dangers of beachfront living. The authors call for greater restrictions on coastal development.

Finally, Duke researchers believe mental stress should be considered along with cigarette smoking, high blood pressure and high cholesterol as major risk factors for heart disease. The 1990s have seen an accumulating body of evidence that mental stress and negative emotions can cause heart attacks, build up deposits in the arteries of the heart and reduce blood flow to heart muscle. And there are indications that reducing stress can reduce the risk, but how this might happen is a mystery. To try to help answer that question, the National Heart, Lung and Blood Institute has awarded a \$4.3 million, five-year grant to a team of researchers at Duke and the University of North Carolina at Chapel Hill.

## FEDERAL BUDGET

The preceding section of my report highlights the interdependence of Duke and the nation's research universities with the federal agencies responsible for supporting basic research funding in medicine, science, and engineering. The final negotiations over FY99 appropriations revolved around a massive omnibus appropriation bill that encompassed a number of agencies whose research support is crucial to the work of our faculty and students. In general, this was a very good year for federal research funding. The National Institutes of Health, the principal source of support for our faculty, received a 14.9 percent increase. The research accounts of the National Science Foundation, the second largest source of research support for Duke faculty, increased by 8.8 percent. Despite continuing threats of reduction, the budgets for the National Endowments for the Arts and Humanities respectively came in at current levels of funding. We were gratified that financial aid budgets across the board were increased or held their own, with the maximum amount for the Pell Grant increasing to a level of \$3,125 per year. While the level of authorized funding has increased each of the past five years for Pell Grants to the most needy students, its value is roughly half of what Pell Grants provided as a percentage of tuition 20 years ago. This statistic indicates the need for us to renew our efforts to ensure that the federal government remains a significant partner with the states and educational institutions in providing access to higher education for our poorest citizens.

I do want the Trustees to know of an important effort undertaken by the American Council on Education in which Duke is participating. You will recall that last year, a congressional commission, which looked at the cost of college, included among its recommendations that the higher education community and the federal government needed to do a better job of communicating with the public about the availability of financial aid to support access to the nation's private and public colleges and universities. As I testified at a hearing sponsored by U.S. Representative David Price last year, research consistently has shown that the American people, particularly those from disadvantaged backgrounds, significantly overestimate the cost of college and significantly underestimate the amount of financial aid available each year (it's now more than \$50 billion) for young people to attend college.

Under the leadership of the American Council on Education, a planning committee, including our own John Burness, has developed a national campaign to help increase public understanding of these issues. Secretary of Education Dick Riley and his staff are working closely with this planning group. At Duke, we will devote the next version of our half-time television basketball spot to financial aid, and to a broader message about the accessibility of America's colleges and universities. We are working on a potential series of advertisements with other leading private institutions, as well. I am happy to report that Trustee Roy Bostock and his colleagues at the MacManus Group are providing pro bono help to us in this effort.

The November elections included two major changes in North Carolina's representation in Washington. Democrat John Edwards defeated incumbent Lauch Faircloth, and Duke alumnus Robin Hayes (T'67) succeeded the retiring Bill Hefner in the Eighth congressional district. Both Senator Faircloth and Representative Hefner have been strong supporters on several issues of importance to our students and faculty, especially scientific research. I have written both John Edwards and Robin Hayes to congratulate them on the elections and to invite them to the campus to see first-hand the many ways in which Duke and the federal government work together to advance education, research, and patient care. Trustee Takcus Nesbit was an early and active participant in Senator-Elect Edwards' campaign, and it is clear that his experience as a campus political leader stood him and John Edwards in good stead in the campaign.

I also am pleased to report that all five members of the Durham Board of County Commissioners were reelected. As I said in my letter of congratulations to the commissioners, "Durham is fortunate to have a board of county commissioners which not only is committed to responsible government, but also works effectively as a team. . . . Certainly in the last two years, no issue was more important to our community than ensuring that our citizens will continue to have excellent health care. Thus, I take this overwhelming vote in some measure as

a statement on the part of the voters of their strong support for your collective decision on the merger of Durham Regional Hospital and the Duke University Health System."

### **Neighborhood Partnership Initiative**

In a major boost to the university's Neighborhood Partnership Initiative with 12 neighborhoods near our campus and the seven schools that serve them, The Duke Endowment is providing \$372,802 to support four pilot projects identified by neighborhood and school leaders as important priorities. Each project represents a partnership of many community groups, and addresses unmet needs of families and children in schools and neighborhoods adjacent to our campuses. This support once again demonstrates The Duke Endowment's commitment to help communities in the Carolinas. The grant will provide funds to build a teen center for West End middle and high school students, the top priority of West End leaders for a number of years. It also will fund Partners for Youth, a mentorship and summer jobs program to help teens in these neighborhoods prepare themselves for productive careers. Two other programs--STARS!, a six-week summer pre-kindergarten readiness program for children at E. K. Powe and George Watts Elementary schools, and Partnership for Success, a training program led by two faculty members in our education program (David Malone and Jan Riggsbee)--are helping to improve the effectiveness of Duke student tutors and their host classroom teachers in the public schools.

Duke also supports important community needs through participation in the United Way, which funds nearly 200 different human service programs, from child development to care for the elderly, at 86 member agencies in the Triangle. Nearly 88 cents of every \$1 donated goes to local services. Last year, almost \$690,000 was raised at Duke for the United Way's support in the community. This year's goal is \$760,000.

### **People**

Dick White, longtime botany professor at Duke and most recently dean of Trinity College, has returned from sabbatical, and we quickly prevailed on him to be the new director of Duke Gardens. He succeeds Bill Culberson, who is retiring at the end of the year. Dick joins the gardens at a particularly important time, as construction is getting under way for the Doris Duke Center for Duke Gardens, supported by a generous grant from The Duke Endowment and other significant benefactors. This will be a major visitors and educational site not only for the gardens but for the university as a whole. In addition, Dick plans to seek new ways the Gardens might be of more benefit to arts and sciences education at Duke.

Clarence Birkhead, assistant director of the university police department, has been named interim chief of the department while Tallman Trask, with the help of a university committee, begins looking for a successor to Alana Ennis. Ennis announced last month that after three years as Duke Police chief she is leaving to become chief of the Burlington, Vermont police department. As assistant director for operations, Birkhead has headed the day-to-day management of all uniformed police, security officers and the department's investigative unit. Daniel Rodas, special assistant to the executive vice president, heads the search committee.

Bruce Corliss, professor of Earth and ocean sciences, has been named senior associate dean of the Nicholas School of the Environment. Corliss will be involved in school management issues, faculty development and long-term strategic planning for the school's educational and research programs.

Judith White, who has served as Special Assistant to the President since 1993, has accepted an invitation from Tallman Trask to become Assistant Vice President for the planning phase of the residential life project. She will take a leave from most aspects of her work in my office, but will continue to chair the university-wide Space Needs Committee and serve as agenda officer for the President's Council on Black Affairs. Most of her other

duties will be reassigned to different offices in the university, including especially the Office of Institutional Equity, or taken up by members of my own staff, as appropriate.

## **Evaluations**

We're pleased that the Fuqua School of Business was ranked No. 7 by *Business Week* in its ranking of the best business schools, its highest position ever. Complete results of the 1998 *Business Week* survey were featured in the magazine's October 19 issue. As Dean Rex Adams said at the time, we take pride in the excellence of our students, faculty and programs, reflected not only in these rankings but in the increasing attention Fuqua is garnering for its leadership in several areas.

And in rankings of another kind, Duke students now have access to course evaluations via the Internet, thanks to a new online site conceived by a committee of students and faculty and created by a web development company. The site is called DUET for Duke Undergraduates Evaluate Teaching. Its purpose is to explore the various aspects of teaching and how they relate to student learning. In addition, committee chair Val Johnson, of our Institute of Statistics and Decision Sciences, says students have a right to find out something about the courses they are considering taking, and he says the new web site will make up-to-date information available. The site can be accessed as <http://devilnet.duke.edu/course-evaluations/>.

## **Alumni Travel**

In recent weeks, I have met with groups of alumni, parents, and friends in San Francisco, Richmond, Asheville and Charlotte. Engaged, vibrant, and wholly supportive of Duke are some of the words and phrases that best describe those who attended such "away" receptions. A similar high level of energy and commitment among Duke's closest admirers was evident on campus, at Parents' and Family Weekend, at Homecoming, when our youngest alumni were welcomed back with special festivities, and during our two fall Alumni Reunion Weekends.

My international travel, one sign of Duke's ardent engagement in internationalization, continues in January and February, when I will meet with groups of educators, alumni, and business leaders in Mexico City and in Panama. You will recall that I traveled last spring to several Asian countries in the first of a current series of international visits that already has proved fruitful for faculty and students, as well as the university itself. While in Mexico City, I will address the American Chamber of Commerce, where I will talk about the phenomenon of academic internationalization, here at Duke and at peer institutions, and the importance of cultural and racial diversity in educating leaders for all fields and all societies for the new millennium.

## **NCAA Certification**

Finally, I am pleased to report that the National Collegiate Athletic Association has notified me that Duke has received certification that our athletics programs are in substantial conformity with operating principles--governance and commitment to rules compliance, academic and fiscal integrity, and commitment to equity--as adopted by Division I membership schools. An internal team led by Senior Vice President Charles Putman conducted the internal self-study which was followed by a visit by administrators from other NCAA campuses and their recommendations to the NCAA Committee on Athletics Certification. While Duke has long been an exemplar for college and university athletics, it is gratifying to have the strength of our internal policies and programs recognized by the NCAA.

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