REPORT BY PRESIDENT NANNERL O. KEOHANE

PREPARED FOR THE DUKE UNIVERSITY BOARD OF TRUSTEES

May 12, 1995

Commencement

Thank you, Mr. Chairman. I am pleased to welcome you back to the campus for an important meeting of the Board and an exciting culmination of our academic year. Thanks to the efforts of the many people in our grounds department who work so hard to make Duke such a beautiful campus, and all those in Dr. Wilder's office who plan the intricate events, we are ready for these academic rites of spring to get underway.

On Sunday David Gergen will deliver the commencement address as we celebrate the successful conclusion of the academic careers at Duke of nearly 1,500 undergraduate students and more than 1,600 graduate and professional students, including 243 candidates for the degree of Doctor of Philosophy. We will also welcome five honorary degree recipients: Librarian of Congress James Hadley Billington; Dr. Anthony S. Fauci, director of the National Institute of Allergy and Infectious Diseases and a leader in the war against AIDS; human rights activist Coretta Scott King; United Nations Undersecretary General Nafis Sadik, the highest ranking woman in the United Nations; and renowned allergist and one-time Duke faculty member Dr. John P. McGovern.

This evening, of course, we will have an opportunity to thank the seven Trustees whose terms on the Board end this June, in a different kind of commencement event.

Both today's issue of Dialogue and the May 5 issue highlight some of our most outstanding seniors and the honors they have received, and I commend both those lists to your attention; we are very proud of the accomplishments of our students.

This is also a fitting time to pay tribute to the good work that three senior members of the Duke administration have done over the past few years. As you know, Dr. Charles Putman will be moving to the job of senior vice president for research administration and policy in the fall, devoting a large proportion of his time to Duke's increasingly important efforts in garnering research grants and contracts in support of our faculty and research facilities. For the past five years, he has served the university tirelessly, creatively and very sensitively as executive vice president for administration and finance. I am confident that every employee in the university knows him by both name and face; his door is always open to those who need help or have good ideas to propose. Many good things have been accomplished in these five years by the offices that report to him, and we owe him a great deal of gratitude for this significant service to Duke University.

Leonard Beckum will also be changing jobs, taking up a full-time position as professor of the practice of public policy in the Terry Sanford Institute. He will continue several of his special projects, including a particular involvement in the city schools of Durham and with at-risk youth in this area. As university vice president/vice provost for the past five years, Dr. Beckum has been a source of perceptive counsel and receptive openness to faculty, staff and students across the university. His office has reached out to people of all kinds of backgrounds, with a special attentiveness to the needs of minority members of our community. His particular gifts in bringing people together across apparently insuperable barriers have made a great difference for Duke, and to him, as well, we owe much gratitude.

Roy Weintraub has served as acting dean of the faculty of arts and sciences since 1993, taking up the post at an especially crucial time in the history of the school. He has greatly strengthened the school's strategic plan, and put it on a much sounder financial footing, with his shrewd sense of how tough choices should be made; he has
also improved the quality of the faculty in several key departments, with his equally shrewd sense of how to seize brilliant opportunities to best advantage. Rarely has so much been accomplished in such a short period of time by a dean of any school; Roy did not let the fact of having "acting" before his name serve as an excuse for indolence or postponement of difficult decisions, and Duke University and the School of Arts and Sciences are much the better for his two years of dedicated service in this job.

Admissions

On the admissions front, Christoph Guttentag reports that the assembling of the Class of 1999 is proceeding well. Our yield -- the percentage of admitted students who choose Duke -- is up overall, and he anticipates that we will probably go only about 40 spaces into the waiting list, less than a third as deep as last year. For the first time since World War II, by a margin of 40, we will have more women in the incoming class than men. We are especially pleased that more of the women students are interested in engineering; we expect the entering engineering class to be 31 percent women; last year 23 percent of the first-year engineering class were women.

Of the 1,600 students in the entering class, 225 are valedictorians and more than 400 scored 1400 or more on their SATs. It appears that the Class of 1999 as of now will have 118 African-American students, down from last year's total matriculation of 143. We also will have fewer Asian-Americans (184 from 200) but substantially more Hispanic students (80 from 59). Of the entering freshmen, 128 are children of Duke alums and 85 have Duke siblings. Once again, North Carolina will lead home states with 13 percent of the incoming class. New York will be second, followed by Florida, New Jersey, and California.

We will report final results to you in the fall once we have final matriculation numbers.

Faculty Honors and Research Advances

As we have often discussed, nothing determines the quality of the university more than the quality of its faculty. We continue to be successful in recruiting outstanding scholars to Duke and in retaining many of those whom other universities try to persuade away. Last week Provost Strohbehn formally welcomed, at a dinner in their honor, 13 current and newly appointed faculty members who were awarded Distinguished Professorships by the Trustees. It was a splendid event, and the disciplines these outstanding scholars represent reflect the breadth and quality of the university's academic programs.

Last month Duke Medical Center researchers reported in the journal Nature Medicine the first successful primate transplantation of pig hearts genetically modified to resist rejection. This remarkable development has significant implications for our ability to circumvent the scarcity of human organs available for transplantation with the potential for saving untold numbers of lives. The research team was led by Dr. Jeffrey Platt, head of Duke's research program in the process called xenotransplantation. It is worth noting that some of this research was carried out in our new Medical Sciences Research Building.

I am pleased to report that a $1 million gift from Duke alumnus Karl von der Heyden will be used to establish the Karl von der Heyden Fellows Program, which will bring international leaders in business, government, public life, law, and the academy to Duke. Many of you will know Karl von der Heyden from his service on the Fuqua Board of Visitors and the Provost's Advisory Committee on International Affairs; he will join the Board of Trustees in July. Karl came to Duke from Berlin in 1957 when few foreign students were enrolled here. The first von der Heyden fellows are expected to arrive on campus some time next year, and we are most pleased by this latest evidence of support for our internationalization efforts.

Community Affairs
On April 26, as part of National Science and Technology Week, in cooperation with Durham Public Schools Superintendent Owen Phillips, we invited youngsters from the Holloway Street Elementary School, Holton Middle School, Durham High, and the North Carolina School of Science and Mathematics, to tour the Levine Center classrooms and laboratories and to see first-hand the excitement of science. The 40-plus students from local schools met with faculty and Duke students to learn about computer, environmental, engineering, medical, and biological research being conducted in the building. This is another example of the many ways in which the LSRC serves as a catalyst for improving our educational offerings.

Last week we celebrated the work of 53 volunteers from the Durham community who led this spring's Durham-Duke fund raising campaign. The annual campaign ended last week with a total of $108,000 in undesignated and designated gifts. Durham-Duke is the corporate component of the Duke Annual Fund, and 104 area businesses have pledged more than $67,000 in support of this component of our fund raising efforts. The campaign seeks to generate unrestricted contributions to help the university meet some of its most pressing needs. For the first time in its 15-year history, this year's campaign will also benefit a specific program of the university -- the Community Service Center -- which will receive $5,000 for an undergraduate work study tutoring initiative in the Durham Public Schools.

Campus Life

The new campus-wide alcohol policy has received final administrative approval and will be implemented at the beginning of 1995-96 academic year. The InterFraternity Council has approved a parallel policy covering its member organizations. The two policies restrict open distribution of alcohol at social gatherings on campus. The university policy will allow undergraduates to provide free beer and wine at campus parties to those who are of legal age if the alcohol is distributed by a university-approved bartender who will be responsible for checking students' ages before serving them. The IFC policy limits fraternity parties to bring-your-own-beverage functions. The policies were devised with a great deal of student, faculty and administrative input and reflect several months of hard work by those students and Janet Dickerson and her staff.

We continue to support student efforts to create social alternatives to keg parties, and are confident that the new quadrangle councils will provide significant enhancements to social activities as the new residential and co-curricular life plan is implemented next fall.

You will know from information I've shared with you and from reading The Chronicle that there is concern among some students over the implementation of the residential life plan. Part of this is occasioned by natural discomfort about changes in familiar routines; part by the dislocations caused by the transition to a new plan, which affects particular students in different ways. My e-mail communication on the issue has been extensive, and Vice President Dickerson, Dr. Putman, Dean White and I, along with other administrators, have met with many students in different forums to address some of the concerns we are hearing. Housing Assistant Dean Bill Burig, who has been at the eye of this particular storm, has worked tirelessly to solve the complex problems created by implementing a new policy.

The students who have worked on the plan remain as excited about its potential for improving the undergraduate experience as we do, but the assignment of students to Trent and the fact that some seniors have been on a waiting list, because of the need to distribute the different classes evenly across the new quadrangles, are typical areas of concern. I know that the Student Life Committee has discussed aspects of the plan, and we will hear more from them later.

Another area of concern at the campus relates to the establishment of a new managed care health plan for Duke employees. This special open enrollment program began April 24 and continues through May 26, with
employees choosing either the new Duke plan or the Kaiser Permanente managed care plan. In my conversations with those concerned over the changes, I have reminded them that the fundamental principle that governed the plan's development was the need to provide university employees with the highest quality health care benefit at an affordable cost. At the time managed care initiatives were introduced in the summer of 1994, the plan was losing between $500,000 to $750,000 per month. Had these changes not been made, it would have been necessary to impose premium increases between 25 to 35 percent this year alone. The new managed care plan, which will be introduced in July 1995, has premiums that will decrease by 10.7 percent with guaranteed premium caps for the next two years.

While these benefits are significant, it is also clear that the plan dramatically changes the process by which we will receive health care following many years of a system with which we have grown comfortable. We will have an opportunity to discuss these issues during Chancellor Snyderman's presentation tomorrow.

We continue to be concerned about budget reductions proposed from Washington. Both the Senate and House Budget Committee marks established by the committees' chairmen include significant cuts for programs important to Duke and to higher education. As expected, the House cuts proposed by Budget Committee Chairman Kasich are far more draconian than those proposed by Senate Budget Committee Chairman Domenici. Both proposals would eliminate the availability of the in-school interest subsidy for graduate and professional students who have received federal loans, but the Senate bill would continue the interest subsidy for undergraduates.

I have been encouraged by the leadership that Peggy Cross and John Tolsma of DSG have given to fighting for financial aid programs for students. They and other students visited Washington for a day on the Hill and are working with student leaders at other universities in cooperation with the Alliance for Student Aid, a Washington-based consortium of organizations concerned about financial aid issues.

Senator Domenici's proposal did not include, as far as we can tell, any references to cuts in indirect costs or in the research budgets of the National Institutes of Health. The proposal does include a $100 million cut in research funded by the National Science Foundation, and we expect that there may be some cuts in research support buried in the broad language associated with the Department of Defense and Department of Energy budgets. Chairman Kasich's budget proposal again calls for far more dramatic cuts.

Today's Dialogue contains an op-ed piece on the importance of research that I abstracted from my recent talk about these issues before the American Society of Newspaper Editors in Dallas in April, which has also appeared in a few other newspapers.

We are working to identify Duke alumni and others who can help us educate and inform members of Congress about the importance of these programs. I am encouraged by the initial response to this effort to tap the reservoir of alumni leadership across the country. We owe special thanks to Trustee Randy Tobias who, along with 19 other CEOs of leading American corporations, sent a letter to Speaker Gingrich and Majority Leader Dole urging support for university-based research programs. That letter has appeared in modified form in ads in The Washington Post and other papers, and makes a very effective case for the importance of sustaining the longstanding partnership between the federal government, the research universities, and the private sector.

**Spring Sports**

On the sports front, I am happy to report that Duke has done very well this spring. The men's and women's tennis teams, both ranked in the Top 10 nationally, begin NCAA championship competition this weekend. The men captured their third straight ACC title, while the women won their eighth straight conference crown. Our lacrosse team captured its first ACC title since 1954 when the Blue Devils knocked off UNC in this year's title
game. Duke lacrosse is ranked fourth in the country, according to one poll -- its highest ever ranking -- and hosts Notre Dame this weekend in the NCAA tournament. Our nationally ranked golf team is headed to NCAA regional play in search of its seventh NCAA championship bid in the last ten years. The baseball team has won 29 games and hopes to reach the 30 mark for the third straight year this weekend. Of course, we were pleased to learn a few weeks ago that Duke, for the seventh time since 1981, has been recognized with a College Football Association Academic Achievement Award. This is a wonderful tribute to our team and an outstanding conclusion to Coach Fred Goldsmith's remarkable first year with us.

Finally, for those of you and/or your families who can find any free time this weekend, I encourage you to take advantage of arts-related activities involving our students. Duke University Museum of Art's main gallery has an exhibition of contemporary Nicaraguan paintings curated by Duke senior Sophia Lacayo, while the Institute of the Arts' gallery is featuring an exhibit of works created by an advanced student from Professor Vernon Pratt's Theory of Design seminar. Hoof 'n Horn, Duke's student-run musical theater group, performs the musical "Hair" today and tomorrow -- a '60s nostalgia trip. And if you haven't visited the Sarah P. Duke Gardens recently, now is definitely the time to go. Not only can you enjoy the profusion of late spring blossoms, you'll also be pleasantly surprised by some of the recent additions to the Gardens' landscape.

That, Mr. Chairman, concludes my report.