

REPORT TO THE DUKE UNIVERSITY BOARD OF TRUSTEES

PRESIDENT NANNERL O. KEOHANE

September 29, 1995

I am pleased to welcome the Board back to campus for this first meeting of the academic year. A special welcome for our new trustees; yesterday those of you who participated in the trustee orientation program asked great questions, and made many thoughtful observations. My guess is that, like the new members of Congress, you will quickly make your presence felt on the board, and we welcome that.

This is also the first meeting of the board for two new members of the administration. Tallman Trask III joined the senior management team on August 15 as executive vice president after serving in a similar post at the University of Washington. He brings an outstanding record of accomplishment as a university administrator and skillful financial manager. On September 1, Myrna Campbell Adams joined our administration as vice president for institutional equity. Vice President Adams comes to us from the associate chancellorship of the University of Illinois at Chicago. She is trained as a lawyer and her experience in mediation, dispute settlement, and equity issues will serve her well as our chief officer responsible for the university's programs to promote equal opportunity and to prevent discrimination and unfair employment practices.

And, of course, this is the first meeting for Bill Chafe since he assumed the post of dean of the faculty in arts and sciences in July. Bill is a superb historian with deep roots at Duke, and he brings an appreciation of the importance of both undergraduate and graduate education to this critical leadership post at the university.

We are sorry that this fall marks the end of Jerry Campbell's tenure as University Librarian. We will have an opportunity to salute him for his distinguished record of service to Duke in December, but I wanted to be sure to recognize the importance of this transition now. The Provost will appoint a broadly representative search committee for a new Librarian, and as always, we welcome suggestions and nominations from the Board. The Library is a critical foundation for the excellence of any research university; Jerry Campbell has done much to strengthen that foundation, and we want to be sure to find a worthy successor for him.

This meeting coincides with Parents' Weekend, which is always a special time in the fall semester. A wide array of activities is scheduled for the parents, including a panel discussion on Saturday afternoon, which no doubt will cover a lot of ground -- from academic issues to residential life and the new alcohol policy and safety concerns. I am told by Tom Butters that the Navy game is a sell-out, and assured by Terry Sanford that Duke will be victorious. Mostly, however, there will be plenty of unstructured opportunities for parents to visit with their Duke students.

I thought you might want to know some of the vital statistics about the last Duke entering class of this millennium. 71 percent of the students in the Class of 1999 enrolled in Trinity College graduated in the top 5 percent of their high school class, with 86 percent in the top 10 percent. 78 percent of our new students in the School of Engineering graduated in the top 5 percent of their class, with 89 percent in the top 10 percent. Altogether, there are 1,649 freshmen, with slightly more women than men. Two-thirds of the entering class came to Duke from public high schools. And in a development that mirrors national trends, Asian-Americans make up the largest percentage of minority students, 11 percent. African-Americans make up 8 percent. As usual, North Carolina ranks first among home states of the new students, followed by New York, New Jersey, California, and Florida. We are pleased that 12 percent of the new class are the children of alumni.

As you know, for the first time, virtually all the first-year students are housed together on East Campus. You will be hearing more from the Student Affairs Committee about their discussion of some of the changes that have occurred as a result of the implementation of our plan for co-curricular and residential life. But based on

my conversations with students, the email I am receiving, and reports I have from students, parents, and staff, the East Campus experiment seems to be off to a promising start. There is a sense of excitement and concentrated energy that hasn't been seen on East Campus in a long time. The Frisbee games on the lawn, dining al fresco in front of the East Campus Union, studying in Lilly Library, and just plain "hanging out" together, seem to be the order of the day.

One of the most notable initiatives is the new Faculty Associates Program. More than 100 members of the faculty from across the campus, including the professional schools and the medical center, are participating in various programs with students not only on East Campus, but on West, North, and Central Campus quads as well. The faculty interest in this program was very great, which says a lot about their commitment to educating undergraduates. We're particularly grateful to Professors Robert Thompson of the Department of Psychiatry and Jean O'Barr of Women's Studies for co-chairing the new program.

Even the delays in the construction program for East Union, and some bumps in the road to getting the new food plan in place, have not dampened the spirits on East Campus. The dining facilities are now open, and I encourage you to visit them. They are truly spectacular, and are being heavily used not only by first year students but also by upperclass and graduate students, and faculty and staff from across the university. We expect the new post office and campus store in the basement to be completed late next month.

Trent Drive Hall on North Campus has been refurbished with new weight, exercise and aerobics rooms, two new kitchens, pool tables, and new computer clusters, and it, too, is turning out to be a well-received facility. The main stumbling block for Trent has always been its location, which we can't change; but it appears the students are enjoying the new amenities, and the programming for Trent -- social, cultural and intellectual -- seems to be among the best on campus.

As you know, we began the year with two new alcohol policies, for the fraternities and university-wide. This has, understandably, created some confusion and dislocation, and it has taken some time to get social functions going. The quad councils, however, are now in place, the new Kudzu Tavern is open, and social life is being restructured with partying focused around more live entertainment than we've had in the past with "kegs." And not surprisingly, Duke students are amazingly inventive in thinking about options for their social lives.

The new undergraduate alcohol policy, as you know, prohibits students from publicly distributing alcohol on campus and allows them to host bring-your-own-beverage parties, as well as parties that include alcohol served by a university-approved bartender. The Interfraternity Council policy prevents fraternities from distributing alcohol at any open event, even through a bartender. Both policies support campus recognition of North Carolina law, which makes drinking alcohol illegal for those under the age of 21.

Those of you who have read the Dialogue and the Chronicle will know that we are going through a period of adjustment while students, administration, and public safety are learning about the new policy and the implications for the campus, including enforcement. There also is some concern that students may be hosting more parties off campus in the areas immediately adjacent to the campus. That has caused some consternation on the part of residents of local neighborhoods, particularly in the Trinity Park area. We are trying to work through these issues.

As with any policy change, one of our challenges is communications. Vice President Dickerson has written Duke parents about the opening of the school year and the many developments on campus, including the new alcohol policy. She and her staff and our new Director of Public Safety, Alana Ennis, have participated in numerous meetings with students individually and in groups to try to provide accurate information about the new alcohol policy. I particularly want to applaud the leadership which Peggy Cross of Duke Student Government and Lex Wolf of the Interfraternity Council are giving to help students understand both the new policies and ways in which students can become more actively involved in developing their own social

environment.

One concern this fall has been safety, particularly off-campus safety. On the first day of school, Jason Haight, a first-year law school student, was killed when he could not apply the brakes on his bicycle and hit a truck. A few days later two Duke students were assaulted four blocks from East Campus in the early morning; the young woman was raped as they were leaving a residence there to return to the campus. Durham Police have two suspects now in jail. Two weeks ago, in a section of the Duke Forest in Orange County, an assault occurred against three university employees, again with a woman being raped. The suspect, a part-time Duke employee, is in custody.

As a result of these unrelated but most unfortunate incidents, there is a sense of unease about safety in areas around the campus. I met last week with Mayor Kerckhoff, and Director Ennis and Vice Presidents Trask and Burness are scheduling a meeting with city police officials, to discuss ways in which we could cooperate to support and enhance patrols by the Durham Police Department in areas near the campus where our students live. We hope that as a result of these discussions, the Durham Police will step up patrols in areas adjacent to East Campus where our students live, especially from Thursday night to early Sunday morning. We need also to make students more aware of the need to take appropriate precautions to ensure their safety, whether they are on campus or off.

FINANCIAL UPDATE

I'm pleased to report that for the 27th consecutive year, Duke has completed its fiscal year with a balanced budget. The strength of the university's financial performance for the year ending June 30 results from a great deal of hard work by deans and administrators across the campus and medical center. All divisions controlled their expenditure budgets. Although isolated overruns did occur, most operational problems were recognized early in the fiscal year and corrective action was taken to eliminate recurrence. In all, Duke was \$10,823,000 under budget, providing needed funds for important reserves and priorities approved by the Trustees. More complete financial information, included in your background information for this meeting, was provided to the Business and Finance Committee this morning, and will be available in the Annual Report of the University.

We will be hearing from Chancellor Snyderman and his colleagues tomorrow about Medical Center issues. But I want to acknowledge now the strong financial performance by the hospital. The past year has been a very important one, with managers continuing to focus on cost containment initiatives while maintaining the high quality of patient care for which the hospital is known. Hospital operations for the past fiscal year ended with \$27,615,000 above expenses after absorbing approximately \$7 million to pay for unbudgeted one-time expenses stemming from the enhanced severance package offered to voluntarily reduce the number of jobs at the hospital.

This year-end performance compared favorably to the budget of \$11.6 million and allowed the transfer of \$13 million to activities and initiatives identified in the Medical Center's long-range plan. The effects of the managed care environment continued to erode hospital patient volumes as the average length of stay decreased to 7.4 days, a 5.1 percent decrease from the previous year. Outpatient activity has continued to grow, which is consistent with the trends of the past several years. In total, gross patient revenue exceeded budget by 4.4 percent.

WASHINGTON ISSUES

As we reported to you in May and to the Executive Committee since then, many of us -- and I'm happy to say many of you -- have continued to be active in efforts to educate and inform members of Congress about the

importance of sustaining long-term federal investment in research and education as they implement their deficit reduction strategies. In June, Vice President Burness and I spent a full day in meetings with congressional leaders and also had an excellent discussion with The Washington Post about these issues. I was encouraged by these meetings and the increasing awareness of the long-term implications for our national competitiveness of cuts to higher education and research. We continue to be very concerned, however, about the implications of Medicare reform on the teaching and research missions of academic health centers. To help us in planning for next year's budget and beyond, Provost Strohbehn and Chancellor Snyderman have established processes to evaluate the implications of possible federal reduction scenarios on both the university's and the medical center's budgets.

I am encouraged by actions to restore funding for a number of important financial aid programs for our students, but am very concerned about a proposal approved by the Senate Labor, Health and Human Services Committee that would impose a tax on colleges and universities that admit students who receive federal financial aid. While the dollar impact of such a change at Duke would be relatively modest, it would have a potentially serious effect on many smaller independent institutions that enroll large numbers of students eligible for financial aid. Moreover, the precedent of the federal government taxing colleges and universities as a means to fund federal programs opens the door to similar efforts in the future -- for instance, taxing research conducted by our faculty with the support of the federal government on behalf of the nation. We are hopeful that this misguided idea will be eliminated during the reconciliation process, either on the Senate floor or during the House and Senate conference.

I am scheduled to be back in Washington for a full day of congressional meetings next month. We will continue to monitor these and other issues very closely in the weeks ahead, and we will call on you again for help at appropriate times as this remarkable year of congressional budget reductions moves toward final resolution in November or December.

HONORS

The excellence of our faculty continues to receive national and international recognition. This morning John Hope Franklin, James B. Duke professor emeritus of history, received the Presidential Medal of Freedom, the nation's highest civilian honor, from President Clinton at a White House ceremony. John Hope Franklin has been a scholar of Southern and black American history for the past half century and has participated in, witnessed, and chronicled black Americans' hard-won progress toward equal rights and status. During his 13-year tenure at Duke, Professor Franklin's work as a teacher and scholar has often been cited. In January, he celebrated his 80th birthday and received national, university, and local accolades for his lifelong accomplishments as a scholar and civil rights activist. This morning's tribute is but the latest in a long line of recognition of the contributions of this extraordinary American.

Provost Strohbehn will be discussing with you shortly the recent rankings of graduate departments by the National Research Council. This study, by far the most authoritative study of faculty and departmental quality of all the so-called "rankings of universities," showed dramatic evidence of the progress Duke has made in recent years to enhance the excellence of our graduate programs. It reflects, as well, the wisdom of the investment the Trustees have made to strengthen our graduate programs, which has enabled eight of our departments to move into the top five in the country, and 18 departments to be ranked in the top 20. Those of us who are presently on the Duke faculty and administration are cognizant that this extraordinary performance reflects the hard work, creativity and deep commitment of our predecessors over the past decade; we pay tribute to their vision, and pledge to do our best to extend the trajectory of improvement they made possible.

RESEARCH

On the research front, members of our faculty have reported a number of achievements since our last meeting. Let me mention just a few. One widely publicized medical center development came in August when the Food and Drug Administration gave Dr. Jeffrey Platt, of the Department of Surgery, clearance to begin the first clinical trial of genetically altered pig livers to support humans with liver failure until they can receive a human liver transplant. This trial is the first step toward the ultimate goal of using genetically modified pig organs for transplantation in humans. Such so-called transgenic organs could save countless lives that might otherwise be lost because of the drastic shortage of human donor organs. The key to this effort is the use of human genes to produce pig organs that can resist the devastating effects of the body's foreign tissue rejection process.

In June, Primate Center scientific director Elwyn Simons reported that fossil skulls and jaws of an ancient tiny animal called *Catopithecus* confirm it is the earliest known ancestor of apes and humans. The fossils were found in Egypt and have been dated to the late Eocene period. That's roughly 36 million years ago, when anthropoids had just evolved from more primitive prosimians. This branching-off represented the beginning of an evolution that culminated in the emergence of humans.

And in July, *Science Magazine* reported that Professor Patricia Saling, of the Department of Reproductive Biology in the Medical Center, had discovered an enzyme that allows sperm to penetrate the protective envelope that surrounds a woman's egg. She and her associates demonstrated in test tube experiments fertilization can be stopped by blocking this trigger. The researchers say that their results represent the first stage in trying to develop a new contraceptive.

FUND RAISING

We also have good news to report on the fund-raising front. Total private gifts and grants received by the university for the fiscal year that ended on June 30 was \$155,164,009. That is a 4.6 percent increase over last year's total, which itself was a record. This is an extraordinary performance, and our thanks go to John Piva and his staff, the deans and their staffs, and many others across the university who worked so hard to achieve this favorable result. Of particular note were increases in giving from individuals (up 10.8 percent); from corporations (up 11.6 percent) and from foundations (up 27.8 percent). Corporate gifts in-kind were down substantially this year, but that reflects a one-time large gift of software last year. I might also note that the Annual Fund continued its remarkable success by collecting \$10.7 million, a gain of 3.3 percent over last year, from 35,000 donors. And the Trinity College Annual Fund surpassed its \$5.4 million goal.

No description of Duke's fund-raising year could be complete without expressing our appreciation for the generosity of The Duke Endowment, which each year provides crucial support for the operating budget of the university, as well as special grants for our highest priority initiatives. Last year in addition to a \$2.88 million grant to the Medical Center, the Endowment gave \$20.4 million to Duke of which \$17.3 million was for basic operating support across the university, and the rest for a variety of high priority initiatives.

RECREATION FACILITIES

A vital segment of student life on campus is recreation and fitness, and I'm pleased to note that we are making substantial progress in the project you authorized a year ago to upgrade recreational facilities on both East and West campuses -- subject to very specific fund-raising benchmarks. As you will recall, in keeping with our focus on residential life and the changes on East Campus, we decided last January to proceed with the East Campus project first, followed by West, and then the annex to Cameron. The renovation to Memorial Gym and construction of an addition will cost \$5 million, with fund-raising providing half and bonds the rest. We needed \$1,437,500 in pledges with \$1 million in cash to begin construction. I am pleased to report that gifts and

pledges total \$2,151,000, and cash in hand totals \$726,810, which, when combined with the Duke Athletic Association's \$500,000 commitment, brings us above the cash level needed to get underway. Construction began Sept. 11, and our dinner tonight in Memorial Gym will mark that milestone and allow us to thank several members of the Duke community whose generosity has made it possible to proceed with this important project.

We still have a way to go, however, before we can start the West Campus construction. We have a \$12.5 million fund-raising goal for the main West Campus facility and need \$10 million in pledges with \$7 million paid before we can start construction. The \$5 million Cameron Annex will be funded totally with gifts, and we need \$3.5 million in pledges and \$2 million in hand to begin construction. We now have pledges totaling \$8,115,000 for both West Campus projects with \$857,000 in hand. We're hopeful that the highly successful Legends Weekend the athletics department hosted earlier this month will result in a substantial number of gifts and those, along with others, will allow us to begin construction of the new West Campus recreation center and the Cameron Annex next year.

Legends Weekend, for those of you who missed it, was a glorious celebration of Duke basketball history. All nine of the players whose numbers were retired at Duke, from Dick Groat to Grant Hill, returned to celebrate, play basketball together, and pose for pictures under their retired numbers hung high in Cameron. Christian Laettner and Grant Hill repeated their legendary game-winning play from the Kentucky game, and Cameron went wild. The stormiest ovation of all was reserved, of course, for Mike Krzyzewski, a legend in his own right, but still fortunately a very active one for Duke as he prepares for the new season.

KENAN PROGRAM FOR ETHICS

Finally, I am most pleased to report that we are announcing today a planning grant of \$250,000 from the Kenan Charitable Trust to develop a creative new program in ethics. You will recall that in *Shaping Our Future*, the university's 1994 strategic plan, our mission statement included the commitment to attend not only to students' intellectual growth, but also to their development "as adults committed to high ethical standards and full participation as leaders of their communities" and "to prepare future members of the learned professions for lives of skilled and ethical service." In our discussions with the board of the Kenan Trust, we have agreed that we will attempt to establish here a program that can permeate the life of the university, so that ethics will not only be something we teach in schools across the campus, but also a more prominent part of our lived experience. In our conception, ethical theory and practice are inseparably connected. The challenge to make ethics a matter of discussion and practice throughout the university is formidable but one that Provost Strohbehn and the deans and I feel must be an integral part of Duke. We are very grateful to the Kenan family and the Kenan trust for sharing this vision, and for stimulating and supporting our efforts to bring it to reality.

Provost Emeritus Thomas Langford has agreed to join me as co-convenor of the steering committee for this exciting initiative. In the coming year, we will seek to define the character of the Kenan Program in Ethics and to identify its leadership. We also will institute this year a university-wide seminar, drawing on extensive faculty resources at Duke, UNC-Chapel Hill, in the Triangle and elsewhere, to discuss the most recent developments in ethical theory and practice and their relationship to what we might do at Duke. We are excited about another component of this initiative -- the development of courses in departments and schools across the campus that can involve an active dimension extending beyond the classroom to include community service, internships, open seminars, or case studies of ethical issues.

You can tell, no doubt, how excited I am personally about the potential this generous planning gift from the Kenan Trust presents for Duke. We see the development of wisdom about the meaning and application of ethics in contemporary culture as a major responsibility for Duke, with our historical commitment to education of the spirit as well as the mind and body. The opportunity to provide leadership in this arena has implications not only on campus, but also in the broader community to which the university is ultimately responsible. And that is

an obligation we accept proudly, convinced that it will make a profound difference in the lives of our students and the society that looks to Duke for leadership.

And that, Mr. Chairman, concludes my report.

###

**EXCERPT ON THE KENAN PROGRAM FOR ETHICS
FROM PRESIDENT NANNERL O. KEOHANE'S
REPORT TO THE DUKE UNIVERSITY BOARD OF TRUSTEES**

SEPTEMBER 29, 1995

Finally, I am most pleased to report that we are announcing today a planning grant of \$250,000 from the Kenan Charitable Trust to develop a creative new program in ethics. You will recall that in *Shaping Our Future*, the university's 1994 strategic plan, our mission statement included the commitment to attend not only to students' intellectual growth, but also to their development "as adults committed to high ethical standards and full participation as leaders of their communities" and "to prepare future members of the learned professions for lives of skilled and ethical service." In our discussions with the board of the Kenan Trust, we have agreed that we will attempt to establish here a program that can permeate the life of the university, so that ethics will not only be something we teach in schools across the campus, but also a more prominent part of our lived experience. In our conception, ethical theory and practice are inseparably connected. The challenge to make ethics a matter of discussion and practice throughout the university is formidable but one that Provost Strohbehn and the deans and I feel must be an integral part of Duke. We are very grateful to the Kenan family and the Kenan trust for sharing this vision, and for stimulating and supporting our efforts to bring it to reality.

Provost Emeritus Thomas Langford has agreed to join me as co-convenor of the steering committee for this exciting initiative. In the coming year, we will seek to define the character of the Kenan Program in Ethics and to identify its leadership. We also will institute this year a university-wide seminar, drawing on extensive faculty resources at Duke, UNC-Chapel Hill, in the Triangle and elsewhere, to discuss the most recent developments in ethical theory and practice and their relationship to what we might do at Duke. We are excited about another component of this initiative -- the development of courses in departments and schools across the campus that can involve an active dimension extending beyond the classroom to include community service, internships, open seminars, or case studies of ethical issues.

You can tell, no doubt, how excited I am personally about the potential this generous planning gift from the Kenan Trust presents for Duke. We see the development of wisdom about the meaning and application of ethics in contemporary culture as a major responsibility for Duke, with our historical commitment to education of the spirit as well as the mind and body. The opportunity to provide leadership in this arena has implications not only on campus, but also in the broader community to which the university is ultimately responsible. And that is an obligation we accept proudly, convinced that it will make a profound difference in the lives of our students and the society that looks to Duke for leadership.

[Back to the DukeNews Home Page](#)