



## Minutes of the Regular Meeting of the Academic Council

Thursday December 1, 2011

Susan Lozier (Chair of Academic Council/Nicholas School of Environment): Welcome to the December Academic Council meeting, our last of the fall semester. I trust you all had a nice Thanksgiving holiday and are rested up for our sprint to the end of the semester.

As some of you may recall, I kicked off the first meeting of this semester by reading a poem and, since I received some small (laughter) positive feedback on that gesture, I thought I would kick off our last meeting of the semester with a song (laughter). I am actually totally kidding on that! I am clearly not that brave and really not that foolish – I was mostly just interested in your reaction (laughter). And it seems that some of you are relieved that I am not embarrassing myself but probably others of you are disappointed that I am not (laughter).

Moving on to the real and more serious business of the meeting, I would first like to call for your approval of the November meeting's minutes.

[Minutes approved by voice vote with no dissent.]

### *Duke-Kunshan Masters in Management Studies - Vote*

Our second item of business is to vote on the Fuqua School's proposed Duke-Kunshan Masters in Management Studies or DK-MMS. The proposal was posted with this month's agenda along with the various supporting documents from the committees that have reviewed

it. I will remind the Council that this proposal was presented at our November meeting and, in accordance with our two-meeting rule, will be voted on today.

Before I open the floor to questions on this proposal, I want to inform the Council that the vote on this degree proposal will be taken via a written ballot. ECAC received a request from a Council member for a written ballot for this vote and, acknowledging that such a procedure would not infringe on anyone's voting privileges, we decided to accept this request.

Thus, at the conclusion of our discussion on this degree, ballots will be distributed to Council members, collected and then counted by two of our Council members, Julie Barroso, from the Nursing School and Don Frush, from Pediatrics-Radiology.

I will briefly note here that ECAC exercised its authority in this case because our bylaws lack any guidelines for how votes are to be cast in Council meetings. Professors Peter Burian and Phil Costanzo, members of ECAC, have agreed to draft changes to the bylaws that will clarify voting methods should such requests arise again. Those proposed changes will be brought to the Council next spring, so stay tuned.

Back to the proposal:

At our last meeting when this proposal was presented to the Council, I offered my thoughts on the broader context for this degree. I reminded the Council of the projected financial investment of the DKU initia-

tive and of the Duke Kunshan University Fundamental Principles of Academic Quality.

In the two weeks since that meeting, I have been asked several times as to whether today's vote is a vote on DKU: Today's vote is a vote on a Duke degree proposed by the faculty of the Fuqua School.

I ask you to consider the following:

In December of 2009 this Council passed the following resolution:

The Academic Council supports Phase 1 of the China Opportunity for Duke, which will allow the Fuqua School of Business to offer the existing degree of Masters of Management studies (MMS) in China. The Council also supports Fuqua's goal of using the facilities in Kunshan to enhance its Global Executive MBA and Cross-Continent Programs and to provide incubator space to other Duke schools for faculty to explore complementary research and educational programs.

The Academic Council is not prepared to endorse future plans of the program until the faculty have had more time to understand fully what it means in terms of cost and other commitments to establish high-quality educational programs in China beyond those already proposed by Fuqua.

Now, in December of 2011, we have that proposed MMS in front of us. This proposal has been approved by the Fuqua faculty, endorsed by GPC and CFC, reviewed by UPC and unanimously approved by APC.

Normally, a degree with such backing would draw yawns from this Council, there would be a voice vote, more than likely unanimous, and we would all move on to our next agenda item and possibly holiday parties.

But this degree is embedded in a larger context called DKU.

I understand the desire to make this vote a referendum on DKU in its entirety, but I also understand the faculty's responsibility in the shared governance structure of this university. If this Council passes a resolution supporting the creation of an MMS degree to be taught in China, and that resolution prompts the Fuqua faculty to craft such a degree, and that degree subsequently receives strong unequivocal support from university faculty committees, and then the vote on that degree proposal two years down the line is on something other than the quality of the proposal, I do not believe we are living up to our part of the bargain in the shared governance structure of this university.

Does a positive vote on the DK-MMS proposal today give an endorsement for all of DKU? *No.*

The resolution passed two years ago made it clear that "The Academic Council is not prepared to endorse future plans of the program until the faculty have had more time to understand fully what it means in terms of cost and other commitments to establish high-quality educational programs in China beyond those already proposed by Fuqua."

Thus, before we move further with other programming associated with DKU, ECAC is asking the administration to provide more information on the strategy, programmatic development and finances of DKU so that the Council can make informed decisions about programs for which it will be asked to approve. I understand the anxiety about Duke's global initiatives, particularly the one named DKU. Believe me, at times I feel as though I am the walking, talking accumulated sum of faculty anxieties about DKU (laughter). I can almost hear everyone surreptitiously scratching my name off their holiday party list now (laughter).

However, as I continue to listen to the faculty voices at CFC, GPC, UPC, APC, I am also accumulating an understanding of the opportunities that the global initiatives bring.

Yes, there is concern, but there is also opportunity. Just as it is folly to acknowledge only the opportunities, it is folly to acknowledge only the concerns. It is our responsibility to allow for opportunities if concerns can be satisfactorily allayed. Each of us will have a different opinion as to the degree to which the opportunities do or do not outweigh the concerns about DKU and we will have an opportunity in the months ahead to share those opinions in these Council meetings. For now though we have a degree proposal in front of us that ECAC believes falls under the umbrella of the resolution passed by this Council two years ago and, as such, asks that your vote today reflect whether Fuqua can adequately deliver a quality MMS education in China.

### *Questions*

And now, I will open the meeting to questions and comments from the floor.

As usual, the originators of the proposal are on hand to answer any questions that were left unanswered at the November 17th meeting. As I mentioned earlier, Dean **Bill Boulding** from Fuqua is on the phone, calling in from India. **Jennifer Francis**, Senior Associate Dean from the Fuqua School, is here to answer questions. Dean Boulding, however, is standing by in case there are questions that he is uniquely positioned to answer.

Additionally, for all of the reasons that I discussed above, I understand that Council members may have questions that are best answered by individuals other than Jennifer or Bill. Please feel free to direct questions to me, to ECAC in general, and undoubtedly, I am sure there may be some questions that the President and/or Provost may be uniquely suited to address.

Finally, I will also inform you that the chairs of APC, GPC and UPC, **John York**, **Jeff Vincent**, and **John Payne**, are present today in case there are questions about their committees' review of this proposal. Jennifer is here, so now I open the floor to questions about the proposal.

Kerry Haynie (Political Science): My question for you is: the decoupling of this degree program from DKU, is it that clean cut? Are there not finances tied up

between the two? Does the tuition for the MMS go towards supporting the DKU initiative?

Lozier: Certainly, there are going to be costs borne by offering this program in China, and so you are saying that it's not separate then from DKU in its entirety?

Haynie: I think the proposal we got about DKU had a financial model that relied some on tuition...

Lozier: As far as I know, we've never had a proposal on DKU...

Haynie: So for the other documents we had...

Lozier: Yes – exactly, in September. And so that is what I tried to review at the November meeting when I said that the financial commitment that is projected over the initial six years of DKU is \$37 million in total. And so you're saying, "well, aren't part of those costs the cost of running this program?" And the answer would be yes.

Haynie: And that additional costs may result if the program is not successful as envisioned? Would there be additional costs?

Lozier: Actually, Peter, maybe you can answer this.

Peter Lange (Provost): No, in the former budget that was prepared and reflected in my presentation in September, there is an expected loss from this program and an expected subsidy, and as you know, that subsidy is split fifty-fifty between Kunshan and Duke. So it was built into the budget. In other words, we did not budget as if the program was going to make money and now we are going to lose money. We always expected that the budget would reflect a deficit which would be covered by the subsidy. In that context, if I may, I would remind you that every academic program at Duke has a subsidy. There is no academic program at Duke, well I should say none, there is no undergraduate program, I don't believe there is a PhD program or graduate program that is not covered by a subsidy. Our tuition does not cover the cost of any of our academic programs, with the possible exception of some of our masters programs, and of course, even there, those masters programs don't generally cover the costs directly of the faculty who are involved.

Haynie: It's not the subsidy that I'm questioning. I think the subsidy is a good idea. I'm glad it's subsidized. Whether or not DKU would incur expenses that rely on tuition dollars generated by the MMS and anything else that we plan for.

Lange: The budget for DKU has an expectation for the total amount of revenue from this program as well as other programs that we have, which is less than the total amount of expenses that are associated with those programs and that is what explains the subsidy to which Susan was alluding. That subsidy is divided fifty-fifty between Kunshan and Duke. That is all that has been discussed. What I want to stress is we never built into the budget that this program would break even and that we are now saying that it requires the subsidy.

Haynie: They're coupled then, it's not a decoupling in the way that you presented...

Lange: It's a total pro-forma budget – each program has its own budget that was built into the original budget.

Lozier: And Kerry, if I can just follow up. Why I am trying to de-couple it is our responsibility as faculty is to approve programs that are brought to us. And obvi-

ously those programs have context. And I'm just trying to say that what is brought before the Council and is requiring a faculty vote is this MMS degree. There is a larger context but we are not voting on the larger context right now and my remarks in September said in large part that larger contexts of part of that are already being put in place. They are buildings being constructed, etc. as part of the resolution that took place two years ago in front of this Council. I agree with you that they can't be completely split, but I do think that it is helpful to clarify what our responsibility is right now in terms of the proposal in front of us.

Haynie: A follow-up. So what if, if I understand the proposal for DKU, in six years, our partner says, "you know what, we don't want to do it anymore." We've approved a program. Or the Ministry of Education has not yet approved, by my understanding, any agreement, so is it not our responsibility to consider those larger contexts while we have a program to get started and yet the rug could be pulled out from the program?

Lozier: The program as I understand it – and Jennifer, maybe you can address this – the program is put together as a three-year pilot program. And so it's a program that is already in place at Fuqua, and because of that I don't think there is a huge investment for an entirely new program that needs to be made, and so it is presented as a pilot program.

Jennifer Francis (Senior Associate Dean, Fuqua School of Business): It is a Duke degree that we are proposing, and to respond to your previous question: cer-



tainly one of the factors that we want to evaluate in the success of this program, is not only the quality of the program, how well are we able to place our students? And certainly the financial viability of it. That is one of several reasons why we think that pilot status is only appropriate. We will learn from it, we will learn about the financial success, etc., but to your point, it is a Duke degree that is being put forward here in terms of that, not a DKU one.

Berndt Mueller (Physics): I would like to come to the more academic, ethical, and intellectual aspects of the program because, as Susan said, these are central to our discussion. So I would like to do two things. First, I would like to briefly read this statement that my colleague Karla Holloway has given me because she cannot be here today for medical reasons. And then I have a



question. So bear with me these remarks from her as she is more eloquent than I could be:

“I regret that I cannot attend this meeting and appreciate my colleague’s consideration in placing this page of remarks into the conversation. When Duke grows in this kind of dramatic way, I expect the interest to be an organic development that comes from the faculty and grows through a desire to stretch our intellectual and research interests to places beyond the Duke campus.

“But most important is that I expect the mission to be explicitly coordinate with the University’s and to have at its core an unimpeachable integrity in the institutional values and ethic that make Duke recognizable to each of us. I don’t expect that things like publishing, speech, or a free and unfettered exchange of ideas would be even imagined as negotiable. At a time when other Council agenda items affirm policies of open access how can we imagine a project that begins with the notion of how much speech will be accessible or where it might be permissible? What dimensions of our values does Duke imagine as so central to our mission and identity that we hold onto them, fiercely, so that when the Duke brand travels, they are not chipped away, bargained for, or otherwise attenuated?

“This relationship seems to allow for negotiation and evolution of principles others would reasonably see as core. Where is our line of demarcation? What can we anticipate if what comes first is the contract and what comes later is which Duke might show up to negotiate? But what finally makes this project untenable is that I don’t recognize the Duke that is willing to wait to see how democratic processes might evolve rather than a Duke that asserts itself a principled player with a core set of unimpeachable values. I would absolutely vote for Duke to extend its reach. I would not vote for a Duke whose interest in the relationship determines what those values might be.”

Mueller: Now as I said, these are not my words, these are Karla Holloway’s words who could not be here. But let me ask this specific question to the Fuqua School: what precautions or what processes do you anticipate putting into place in order to detect signs of concern among the students in the program of the lack of com-

plete intellectual freedom, freedom of expression, and so forth, before they become publicly visible or lead to an incident? In other words, how do you intend to make sure that the students understand that we are monitoring this and that if we detect anything, and want to take precautions against any small infringements on the complete academic freedom that we have here on campus?

Francis: I think that is a very reasonable question. One thing about our proposal which I think is a very nice feature is the students coming into this program will be inculcated, if you will, in the Duke University experience during their first three terms so they will feel and we will express to them, all of the academic freedoms and other aspects that we have here at Duke University. We have every intention of carrying those over into Kunshan. I think to your point in terms of monitoring that obviously we need to monitor that at a level which is discreet and personal at the same time because that is going to be the way these things will be communicated.

So we certainly plan and part of our logistics are to have not just faculty in residency during that time but also to have key administrators in residency during that time. Also to have people involved in student life during that time. I believe there have been, for example, challenges in dormitory space to make sure that there is somebody living in the dormitory. So to try to get that at a level that they really feel comfortable with whether that is people who are a little bit older than them and some who are even older than that. But we certainly want to make sure that they feel that there are people they can approach and talk to about those aspects of it. So those are certainly things we have talked about in terms of our discussions about what the student life aspect will be like as well as our own administration of that program there.

Lozier: Would you like to respond to Karla’s comment?

Richard Brodhead (President): I’ll say just a word and it addresses a question that Karla poses, that you pose, and indeed [there are] many people in this room who have posed [it], and everyone who favors this proposal has also asked. The values of free speech and open inquiry are not marginal values of Western education. They are central values of Western education and when we go to China, we don’t intend to leave our principles at home. Nor do we expect that the climate or the environment in which they operate will be identical to the one here. Let me just go backward and say the main reason for undertaking this venture is not to run into the rapids or shoals of free expression. It is partly because we feel that there is something to be taught and something to be learned by means of a direct presence in China that can’t be experienced in other ways.

We will understand that Kunshan is not the only international venture of this university. We will understand that it is not the only venture that is active in China at this time nor do we wish it to be nor do we wish this monopolize our efforts. But the thought has been to find a way that we can be present in such a way that we can teach students from China and hopefully, students in a mix from China, from the rest of Asia and the United States, in areas in which we have core abilities and in

such a way that our students and our faculty can learn about a part of the world firsthand that they can then bring back here for the benefit of students and the enrichment of their studies.

I have said over and over again and I think there is probably general agreement about this which is Duke has only one motive in going to Kunshan and that motive is educational. It is for the motive of teaching in a place where there is hunger for things we could teach and for learning things that we could then bring back for the benefit of the rest of our ventures. If you didn't have that motive, we would have no discussion of this at all. If you do have that motive, then the question is what kinds of risks might there be in different kinds of presences?

That brings us to Karla's eloquent statement and it brings it to your, I think, very intelligent and thoughtful way of putting the question. You know that in our negotiations in China we have had statements of principles and we have actually laid out our statements about these matters about as explicitly as one could and more explicitly than we probably ever have on these shores, for obvious reasons. We also, as you know, spoke to people engaged with every American academic enterprise in China and asked about their experience of free inquiry and intrusions on it and whether they would do their venture again.

So we have done a fair bit of due diligence, but now there is a further bit which is to take a step, start up something. Again, over and over again, I would wish to reiterate this point. What we are starting there may be the beginning of a big thing but it is in the first instance not so big a thing and in fact our very thought about it is let's put enough weight on the foot to see if it will bear weight but let's not put so much on it that you might go toppling forward.

I regard our programs in the first few years as an experiment. I expect that we will learn from the experiment. We will learn things financially. We will certainly learn things in terms of ethics and the politics of ethics as well. I can only say we go into this with an understanding that there will not be the total experience of freedom of inquiry throughout the country that we would take for granted here, but that we will also insist on this as a right for our students and for our academic enterprise.

You ask a great question – I can paraphrase your question and you can nod if I had it more or less right – “How could we know early enough that people were beginning to have the kind of experiences that would trouble us?” One of the benefits of asking the question that way is it might be early enough that we could work out a solution before there were an international incident. I'm not interested in international incidents, but if the day came when Duke's principles required it, you know we have said that we would actually pull out of the Kunshan venture.

Herbert Kitschelt (Political Science): While I fully sympathize with the broader issues just made I still would like to come back one more time to the operational/financial side of this, I also have in mind the following: As decision theory has taught us, there is a tyranny

of small decisions. You make a decision, you make another small decision, you make a third decision and all of a sudden you find yourself in an irreversible situation. So I think I would warn against treating decisions as independent and separate. And if you make this step this is taking a very giant move in the direction of approving



the entire package. I would warn against small decisions and treating this as small decisions.

Now, I have in front of me the Duke-Kunshan Planning Guide from March 15, 2011 and I want to understand how the cost picture is affected by the Fuqua program as submitted now. Indeed, the projected net lost for Duke University is \$37 million over six years but then you look at the picture here, this is under the assumption that there is very substantial revenue income. So for the academic year 2012-2013, the revenue income is \$5.6 million. For the year 2016-2017, it's in the order of over \$30 million. When you read the document you see that the tuition income is of course part of this component. Now let me read to you from page 13 of this document which must have been the quantitative base for this assessment for the program of the Fuqua School Board that enter these financial calculations:

“The MMS program will have a maximum efficient enrollment level of 90 students which is considered the section. We expect to enroll a full section within two years and to fill out a second section within four years.” So four years down the road, by 2016, this assumes the tuition of something on the order of 180 MMS students. On top of that, and I quote “any further expansion will be considered based on experience.”

But there was a second program originally planned which has now disappeared: “for the executive MBA program, the efficient enrollment level is 70 students which defines a section. We expect to begin the MBA program in year two of campus operations and to reach the optimal section size within the fourth enrolling quarter.” These plans are all gone. That means the parameters of the cost calculations are now very different ones. The money that is not income from here – and I did not mention that on page 20 there is talk of a Fuqua School of Business subsidy of \$10.4 million for the \$37 million dollars that the university has to give as a subsidy. I would also like to know whether this still stands?

So we are dealing with completely different parameters. Even if we assume that within three years the en-

rollments are going through the sky for the first three years it's only going to be up to 40 students. Then given that the program is in part going to be delivered to the students here on this campus, the question is whether, probably not the entire tuition will go to this amount as it was budgeted here, so I think you can a back-of-the-envelope calculation that a very large amount of money is missing that was originally budgeted as of March 15th.

We are dealing with a program that is like a moving target. It started out as something completely different than what it is now, and I think before we vote on anything, I would like to see an update of these calculations, a very clean accounting of our expenses. Sure our expenses might go down if there are not 190 students on campus, only 180 for the first two sections and then the MBA students who will probably never arrive, but there are fixed costs running physical facilities there. I would like to see some accounting of this before we make any decision. Thank you.

Lozier: Thank you, Herbert. Peter, would you like to respond?

Lange: Professor Kitschelt has suggested that the program has changed in a way and that we are required therefore to submit a revised budget. We in fact submitted a revised budget, reflecting all of the current parameters of the program including the substantial postponement of the EMBA program, projected enrollments for the MMS program and we did that both for the individual programs and for those programs within the context of the entire DKU budget to the UPC for thorough discussion, I believe it was two weeks ago. John (Payne), is that correct? And as you know, UPC is the actual governing body of the Academic Council charged with examining and scrubbing these numbers on behalf of the faculty. It is my understanding the UPC was satisfied. Now do you want me to go through what UPC is?

Kitschelt: No, I would like to know if this has been distributed to the members of the Academic Council and if the members of the Academic Council had the opportunity to review this? This is exactly the sort of transparency that I think in a university like this should prevail. Everyone can consider judgment and have this document in front of her or him.

Lozier: If I could just interrupt for just one moment – thank you for your comments. But this Council was presented with the financial information in September and it is my understanding from the Provost and from Jim Roberts that the changes have not effectively changed the broad outlines of the expense and so that the numbers that I gave last November, and John Payne could perhaps reinforce this, that the \$37 million over the six years as being Duke's commitment has not significantly changed or even slightly changed.

Lange: That is correct. I was about to say, before Professor Kitschelt asked for further clarification, that in fact in addition to submitting these numbers we show why the numbers do not significantly change despite what you might superficially believe among other things.

Overhead costs are reduced as the program goes down and the marginal costs per student in the first years

are negative. So if you have fewer students, you incur your negative costs to balance against your overall tuition. Now, with that said, I do not believe necessarily that the numbers projected for the MMS program are wrong. But we will make adjustments as we have said in September and again in October, we have mitigating control over the expense side of the budget as we move forward in learning how the revenue side of the program develops.

But we did share all of this with UPC and it is my understanding that in the faculty governance procedures of the Academic Council, that UPC is the body that has the expertise to scrub these figures substantially and thoroughly.

Lozier: I also want to note that really there is no effort that I am aware of at all to hide any information from this Council. I can assure you that ECAC, members of UPC, etc. are gathering the information that we feel is necessary and toward that end, Jim Roberts and Peter Lange have agreed to sit down with John Payne and me and some other faculty members to discuss further how we can better communicate the financial aspects of the DKU initiative and we plan to do that in the coming weeks. Are there further questions now?

Peter Burian (Classical Studies/ECAC): I realize that we are here for a very specific purpose but since we all know this involves much larger questions, and since some of them have been raised, I want to make a brief comment on the subject of academic freedom.

First of all I want to thank Karla, Berndt and the President for opening a more substantive discussion of this than we have had. When the question was raised earlier in the year, it was said that we really can't talk so much about hypotheticals and I realize that a lot of issues here will inevitably, until we make our experience, remain hypothetical. But it does seem to me that we can go further than, on the one hand stating our principles, and on the other hand suggesting that we're entering a world in which the culture in this is different.

Mr. President, you were quoted in a recent Bloomberg article which I found very interesting, some of you may have seen this, about the case of a young man who started a campus magazine and tried to bring it off campus and discovered that that was not permissible. I believe, I hope that I am not misquoting or misunderstanding, that you said you had talked to folks at Hopkins, you understood the situation and you recognized that there really were differences here that one would have to deal with. What I am suggesting, I think, is that there are probably ways in which this Council could have a more granular kind of information about what the situation is likely to be and what sorts of thoughts that both you and the administration and others like the China Faculty Council may have about this and open a discussion in here about what this faculty feels is reasonable and plausible for us in the application of our principles in this new situation.

Brodhead: I'm not positive that was a question but I'll give an answer anyways (laughter). This is not the first time we have discussed questions of academic freedom at this Council. We discussed them at length last

February and also last spring and we also have on other occasions this fall and I am under no illusions that this will be the last time that we will discuss them. We will always continue to have these at heart and therefore always be willing to fix the issues.

The excerpt from me did appear in an article by Bloomberg and it might have made it seem that I was speaking in response about the student journal at Hopkins. In fact, I was interviewed in the month of May this year for an article that we gathered was going to be coming up very quickly but had to do with the reasons and the risks and the advantages of doing projects for American universities in China. That interview actually went underground. Part of it was some quotes that had had surfaced in a different story a couple of months ago and this quote surfaced now as if in response to that information. I in fact had no knowledge of that information before I read the story and my quote was not apropos of it.

The main thing that my quote there said was to talk about the importance to us of the basic expectations of academic freedom, freedom of inquiry, freedom of expression but also to inform against the danger of hypotheticals. Anyone can put a hypothetical to you that soon enough will face the actualities. We have talked to our colleagues at other schools. Indeed there have been people in this room who have taught in China. There are people on the China Council who have taught in China and who have talked about their experiences in some detail. I completely agree with you that having a kind of good, open working dialogue whereby we can understand the nature of possible dangers and the nature of proactive positive responses to them in this particular situation I think would be an excellent idea.

Lange: Maybe I can just add that I actually committed to the Academic Programs Committee – and I believe it is in the resolution of the Academic Programs Committee – that they would be fully involved in discussions about these issues as the campus evolved.

Phil Costanzo (Psychology and Neuroscience/ECAC): I just wanted to say that I understand entirely all of the positions and the reservations and also the enthusiasm for these efforts and for these initiatives. I've sat on ECAC. I've heard all pieces of this from all perspectives and I respect all of those perspectives. They're all reasonable.

There are a couple of things that strike me at the outset. One thing is that there is an indeterminacy here that comes with the territory. That is there is no way to project without an effort. The question is can you proceed to give the best effort you can? I think that the transparency needs to unfold when the knowledge becomes empirical. What we are dealing with here is knowledge that is not empirical but is predictive, both in terms of the social values that might confound the interaction between cultures and with regards to the financial costs which are not going to be known until we are on the ground.

I think there are two stances with regard to this. One can say the whole thing is bankrupt and I don't want to be a part of it and I don't think Duke should be. Or in

effect, one would say that this is a worthwhile beginning, let's see if we can take these steps and we can know whether or not horror is in front of us or not in front of us by these easy steps. From that perspective what we have to evaluate on this Council – and regardless of where I stand on whether this is wise in the larger scheme of things – I think that we have the responsibility of evaluating whether or not the proposed MMS is a good first step prior to the establishment of a full effort in considering whether or not this is a plausible and feasible effort and whether Fuqua has put forward a proposal that in fact is worthy of standing in that sort of exploratory place. I think that is what we are deciding.

I think all of the other questions are real. If we were to go there and Fuqua was to find that it was constrained in how it could present what it had to present, Fuqua would not be there. I think that we would have to get transparent feedback on this committee about that and on all the committees that work on these issues and that would lead us to perhaps really have a change of heart at the level of the entire university.

On the other hand I don't know what we know and what's always baffled me is, depending upon where my ideology is on any given day, I could believe this is a disaster because of political/ideological issues or I could believe this is a wonderful opportunity because it involves the collection of values between countries. I thought about it in a hundred different ways on ECAC. One thing was if there are sicknesses or illnesses in countries run by dictators, do we not bring medical science to bear on them because of those dictators? I think that pertains to education as well. And so the question has to be asked as to how we make these connections and are we going to be bankrupt in doing this? We need experience. I'm an empiricist. I can only go so far with prediction and I understand all that my colleagues are saying.

But if there is a default proposition in advance, that should be voted upon. If individuals believe that this is not an effort that they would approve under any circumstances, then people should not approve pieces of the effort. If on the other hand, one believes that this is an experiment that needs data, and I do believe in data, then somebody has to take a step and what is being put before us right now is a program that represents that step which is congruent with a policy decision this Council made with full information in 2009. It's congruent with that – where we accepted the MMS as a first step. I struggled with this – and I don't mean to make a speech, but I do that a lot...

Lozier: It's actually too late. (laughter)

Costanzo: I struggled with this on ECAC and I have gone back and forth and I'm sure you all have but what I have come to the conclusion of is transparency is emerging. It's an evolutionary prospect and I think due diligence has been done, but due diligence doesn't answer all our questions.

Lozier: I'm going to try to make up for my smart-aleck remark there. Thank you, Phil, for those remarks. Before I call on Professor Pfau I did just want to acknowledge what I had meant to do at the beginning is

that the handout that you all have received was distributed by Professor Pfau and Professor Kitschelt and I do want to reiterate what Phil said that in my communication with Professor Pfau and Kitschelt, I've reiterated that I would much rather have faculty be passionate about this issue than apathetic, so I am delighted to see everyone here. I'm delighted that it's here in the Academic Council where we can voice these opposing opinions about this initiative because it is important for our future development with the global initiatives.

Thomas Pfau (English): I would like first of all to begin by reiterating a point that Herbert Kitschelt just made. I think it would be a great error to yield to what I think has been something of a divide-and-conquer strategy of completely disaggregating a series of discrete decisions, and pretending, or simply believing that they are not very richly embedded in all kinds of institutional commitments and that they come at considerable financial expense which obviously constrains us here at Duke in some ways. I gather that infrastructure funds from Duke's funds are in part being used for shoring up some of the buildings that were found wanting in quality. It's



just one instance of how these matters are connected.

Let me make just a couple of points. I by no means will try and raise all of the questions on the handout, that would be impossible, but I do certainly wish to go on the record and state that it is in my view imperative that these questions be answered before we continue to slide into a further commitment towards DKU. To date, we do not have any degree-granting programs at DKU. We have, as Susan just reminded us at the beginning, a proposal here for a Fuqua program. So, DKU is not really a university, at least not by my understanding, because universities by definition are degree-granting institutions. It is perhaps the world's most expensive study abroad program.

So the question that arises is first of all "why do we commit to the extraordinary and as it had been admitted to some extent, these incalculable expenditures?" Maintaining the facility, built for a number of students that are at least for the foreseeable future not expected to show up and according to the current proposal will only be there for four months.

I point out with regard to the question of academic freedom that there are other presidents, notably those of Stanford and Columbia, who certainly explored the pos-

sibility, as has just been reported in Bloomberg, of creating campuses and in their case for ostensibly over concerns of academic freedom – though I trust that more complex considerations were an issue – decided against it. So, one of the questions I still think, I acknowledge the fact that at this point there cannot be empirical evidence of the kind that one would really find compelling to choose one way or the other --- but we are taking a risk and a risk is not simply a random choice either. So these people made informed decisions and they pointed apparently the other way.

One of the things I would like to know is whether consultation between our institution and those particular institutions in this context had been ongoing and why our own president and provost have reached such different conclusions on the question of academic freedom, or at least are so much more sanguine that there will be no serious problems. To which I would add this, once you commit yourself, as the presidents of Columbia and Stanford in my estimation wisely chose not to do, to maintaining a campus with all the complex financial entanglements that that represents you obviously will find it much harder to suddenly withdraw.

It is not as though Stanford and Columbia had no representation in China. They are very well known institutions and have ample study abroad programs there. They just didn't choose to tie themselves down to the ground by building brick and mortar structures, which are very hard to unload, especially ones that have become fine-tuned for university instructional purposes.

So my question here is, is it not a fact that once in the event at some future point, as I think is entirely reasonable to suppose, academic freedom becomes a major issue, that the administration will have a much harder time to withdraw from this venture because we are committed, not just to the intellectual and educational objective, which could be realized in other ways as other institutions continue to prove, but because we are committed to an extraordinarily complex, costly infrastructure, which even to set up has already put us in a very substantial financial hole?

Lozier: Thank you, Thomas. So as I understand it, there are two questions. The first one was about the operating costs for DKU and why are those operating costs borne by Duke if it's a Duke degree being offered in DKU? So, Provost Lange, would you like to answer that first question?

Lange: That's not the way I understood the question.

Lozier: I'll let you answer the question the way you understood it and we will see if that matches (laughter).

Lange: I actually heard four questions. So, the first one has to do with students. Professor Pfau is correct that the program being put before us is the first program and that program has a projected number of students that you have all seen. It is not correct to assume, nor is it correct from an operational standpoint to expect, that this would be the only program during our first four years. In some of these questions that you read, or may have read, it is suggested that this may be the only program at DKU in the first four years. But in fact there is a program under



consideration by the various faculty committees and faculty governance right now – a Master’s of Science in Global Health which has also, by the way, been in the planning for a number of years – that will add students. There is an undergraduate program in Global Health which has also been proposed and approved by the faculty in the Global Health Institute which will in fact be brought forward to the Arts and Sciences Council committees when appropriate.

There are other undergraduate programs under consideration now which will evolve over the next few years. So, in fact our anticipation that we will be substantially populating the campus within two to three years is not therefore correct that this program will sit there in isolation.

With respect to the issue of Stanford and Columbia, there is an interesting issue there, which is that Stanford and Columbia have committed to substantial research centers – and I have to say that if you commit to a substantial research center in a foreign country in which you are concerned about academics, in fact as concerned about academic freedom, as they suggest they are. Since we would expect that research outside of campus might be even more constrained on certain issues than teaching on a campus, which is in fact what we have generally learned from all the due diligence that we did. I think it is not accurate to say that Stanford and Columbia are not bearing some of this risk. They are not doing it as we have, because we have felt that an educational program was at the center of everything we do here at Duke, and that if we were going to extend the campus and extend Duke University in a global direction that we had a responsibility, as well as much to gain, from running an educational program in China, which would be a benefit both to our students and to Chinese students. And particularly a benefit because of the interaction between the two populations and any other populations which might filter in.

And if you look at the MMS proposal here, and in my presentation I make later today, in the other programs, there is in fact that the desired population is a mix of Duke students and US students with Chinese students in order to get the kinds of synergies which we cannot get when we have a relatively small number of foreign students on our campus.

Now there is the issue that once you commit it is hard to withdraw. I think that was the third question. I would say that there is some, though not nearly the amount that was suggested in the question, there is some, obviously, momentum that builds as you build programs. But let me remind you that we have no long-term financial commitment in the buildings. There is no amortization which is mentioned here. We are renters of these buildings without being charged rent for twelve years. So if we withdraw from these buildings, we bear no responsibility of any financial sort with respect to the future uses or costs of these buildings.

Pfau: Just another question, I understand it, but of course we have by then already sunk a very substantial amount of money into these.

Lange: We have sunk in what you are aware of – some of that money has been spent to date, some more of it will be spent in the next eighteen months or so or whatever the period is until that campus is completed.

Pfau: Is that at most, could you comment on question 11 [from Pfau’s handout]?

Lange: Question 11...no, the additional \$2.5 million has not yet been committed because we are not yet into that period in which that \$2.5 million is necessary. That \$2.5 million is associated with the lengthened period of construction of the campus which is due to changes which we requested. In one of the buildings, the sixth building, the one which is going to come online later, previously called the incubator building and now called the innovation center, we requested changes in that building, that extended construction time, and the additional costs are associated with the extended construction time, associated with the changes that we asked for in that building.

Lozier: By my count, that was all. I have another question on the floor. Prasad, you have a question?

Prasad Kasibhatla (NSOE): I have a question regarding the Duke degree that is being considered, not the larger implication. I like the idea that it is an experiment, we’re going to gather the data and I guess my question is, do we have control over the experiment? Do we have control over the data? Do we have control over analyzing the data? I’m assuming that since this is a Duke degree, we are not ceding any authority to anyone else regarding any aspect of a degree whether it is curriculum, admissions, tuition, just on this narrow Duke degree program?

Francis: We are not ceding anything at Fuqua in terms of any of those criteria. The only one is there is tuition going to the Ministry of Education, where there is an issue there with regard to the Ministry’s role in determining tuition. Regarding the operational aspects, Fuqua and Duke will have control over all aspects.

Kasibhatla: Curriculum? Duke faculty we hire?

Francis: Absolutely.

Lange: Let me just say that that will be true -- you all received a fact sheet which was distributed to every member of the Council and as it says in that fact sheet, that will be true during the entire Phase I. There will be no programs at DKU in Phase I which will not be Duke degrees. There may be some which are dual degrees. A dual degree is a recognized status within our accrediting body which would be Duke plus DKU once DKU is a recognized partnership entity, joint venture in China.

Every degree will be a Duke degree, which means that we have control over every parameter with the one exception, which is that we do have to meet the guidelines of the pricing bureau of China with respect to the tuition that we can charge. What we do know is that for business programs in China, they have been able to charge global rates. Other business programs by foreign universities teaching in China have been able to charge global rates. If there is an uncertainty about the tuition level, I would say it is about what tuition level we will be allowed to charge for undergraduate tuition, but not with regard to the graduate degree, where all of the experience

is that schools have been able to charge what is a global rate and recall that we are charging the global rate but in the budget which was presented to the Council and which has been presented to UPC, there are very substantial financial aid discounts for Chinese students to bring the net tuition, that is the tuition charge to the student, into alignment with expectations in the Chinese market for a degree being offered by a University like Duke.

Now, it is the case that that is going to be part of the discussion with the pricing bureau. Are they going to hold us to the sticker price tuition and say, "that's too high" or are they going to accept our pointing out that the sticker price is discounted as is the tuition at Duke by the amount of financial aid in the program such that the actual net tuition charge to a Chinese student will be very substantially lower than the sticker price tuition.

All of these tuitions and different tuitions to be charged to different students, Chinese, US, other Asian, have been part of the pro forma which was presented to the UPC and has been presented in other forums. Sorry to go on so long.

Lozier: That's fine. Thank you. Are there any other questions at this point?

Kitschelt: Well, since I was not privy to the revised budget, could you tell us how the operating net deficit is going to be finalized? So is there a line for Fuqua School \$10.4 million, Durham cost allocation \$7.5 million, and Philanthropic Support \$10 million, central funds \$9.1 million. What are these numbers? What are these numbers now?

Lange: The same.

Kitschelt: So the Fuqua School is paying \$10.4 million?

Lange: The Fuqua School will be responsible, but we are making arrangements with the Fuqua School so, net, these expenses are not expected to fall entirely on the business school. So we expect that to be built into the pro forma for the programs.

Kitschelt: On which unit are they going to fall?

Lange: They will fall on the costs of the enterprise as a whole.

Kitschelt: That means on Duke University general operation? Now how many students are there going to be? You always hear three programs, but I count 30 to 40 MMS students, I've heard the number 10 students for the global health degree, the undergraduate program, you talk about another 10-20? So we are talking about a maximum of 60 students?...

Lange: So are you asking a question or making a speech? The numbers that you just quoted are the numbers from the first year of the program. It is not anticipated that there will be only forty students in the MMS program going forward and the demand, as we know from Chinese students for our MMS program here in Durham, suggests that there is a very high demand for an MMS-like program in China.

Number two, the number that you quoted for the Global Health program is neither in the pro forma because we expect to have more students than that and it also is expected to grow. There, however, is a rate limit-

er on the growth of the program because the Masters of Science in Global Health requires a theses of all masters' students and the supervision of those theses is a central part of the development of the program. So we just had a discussion yesterday, and there is probably a cap on the size of the Masters of Science in Global Health at around 40 students because that is the maximum number of students that they would be able to oversee for the theses portion of the program.

I want to tell you, by the way, that one of the real merits of that program will be that because there is a Masters of Science in Global Health here on the Duke campus and one as well in Kunshan, we anticipate that some Chinese students will be coming here to do their thesis research with professors on our campus and some of our US students will be going to China to do work on theses on Chinese data with faculty members of ours or affiliated faculty members in Chinese programs.

Lozier: I realize that it may appear to Herbert and Thomas that since all of the questions about finances I keep fielding or sending to the Provost that we haven't had any faculty input on and I might ask John Payne, the Chair of the UPC, if you could, from a faculty perspective chairing that committee, give some input on the degree to which the faculty have been able to look at these numbers.

John Payne (Fuqua, ECAC and Chair of University Priorities Committee): Here is some information about what has happened. I want to do something, probably a dangerous thing to do in an open meeting, but you promised this to me. Well, we have a copy, and we had a fairly sensitive discussion of this, and quite honestly somewhat unique for academic programs at the UPC about the pro forma and the various budget forecasts, you get some sense of the amount that might be being committed and



some sense of the risk at various levels of enrollment, at various levels of tuition, etc.

I think we feel fairly comfortable about the risks and understanding the budget issues in terms of the MMS degree for the next three years, recognizing that the period that is being proposed, if you will, in terms of pilot project. We have had discussions in much detail about the material, the pro forma that you have seen from last year, and the carryover to this year. What Susan and I have talked about, and she's the one that alluded to this, and this is the commitment is that Jim Roberts, Peter Lange, Susan, and I have committed to getting together and really digging deeply into the budget numbers for the

broad program that we are talking about in terms of Kunshan. And if the ECAC and Susan wish, I will commit to come back to this Council sometime in the spring and make a full report as your chairman of the UPC on those budget numbers.

Lozier: Thank you, John. Thomas, do you have a further question?

Pfau: I just want to follow up on the answer that Peter gave to Herbert's question regarding the business school portion of \$10.4 million for this initiative. You seem to indicate that not all of it in fact would be covered by the business school. That's correct?

Lange: That is correct.

Pfau: And that part that would not be, would be covered by what entity?

Lange: That part will be covered in part by the additional fundraising that we anticipate beyond the very limited fundraising that is in the program. Hopefully all of it will be covered by that. If that is not the case, it is the case that I would have to come back and request a small additional subsidy or we would cut the expenses which we can do.

As an example, this year we are going to be under the budget for the entire effort, the pro-forma numbers, because in fact this year we have no programs. And we are trying to staff as much of the program out of existing Duke functions until such time is appropriate, as the enrollments rise to a level where we have to staff them there and that is a much less expensive proposition than hiring a FTE in Kunshan. Does that answer your question?

Pfau: Yes, it does. And so I know that Susan is very anxious to move on with the agenda, so let me just observe one thing because that is the point that has weighed on the minds of lots of faculty, certainly in Arts and Sciences. While I cannot claim accurate knowledge as to the possible ways in which the expenditures associated with Duke-Kunshan might impinge on the expenditures of the funds available for Duke and the development and continued strengthening one would hope of its programs, I think there is a time, and I think it is fast approaching, when the focus of this administration needs to shift back to this campus to a greater degree than I think has been the case of late.

This endeavor is extraordinary. Universities, I should maintain, are set up to produce graduates, not other universities. We lack the personnel structure to simply run out of one provost and one president's office an endeavor of such complexity for any length of time.

I am not a business person myself, but I am a child of business people and I do know something about how that works. There are only so many hours in a week or in a day and I am sure Peter has pushed the limit as I am sure has President Brodhead. I find that the extraordinary budget, the persistent budget shortfall in Arts and Sciences becomes to me a much more galling and vexing fact whenever I hear how much money is being raised and I know that we are extraordinarily creative about fundraising) how much more money is being raised on behalf on this highly speculative venture when the Arts and Science departments are being nicked and dimed to

death in some cases and certainly are kept at best in a holding pattern. I would urge the President and the Provost to really think about what the long-term vision for Duke in Kunshan will require in order to maintain it both fiscally, administratively, and in terms of cultivating our intellectual riches here...

Lange: So let's talk about the markup for this: \$9.2 million over six years in SIP, the Strategic Investment Pool. The funds that could be applied to the Durham campus – I would actually prefer not to talk about the Durham campus and then that other entity, because in fact Duke-Kunshan is to be part of our overall educational effort and the way we strengthen our own campus, not only the short run but in the long term; setting that aside, \$1.6 million a year.

The SIP funds are spread over all the schools under my office, so everyone but Medicine and Nursing. If you take the \$1.6 million and you allocate it, you work to allocate it, you do not operate this way with strategic funds but just for the purpose of this argument, you work to allocate to Arts and Sciences the same portion as we allocate costs. Then the portion of that 1.6 million that would be available for Arts and Sciences is about \$800,000. Actually it's a little less, it's around \$750,000. And \$750,000 would be on a budget for Arts and Sciences of approximately \$340 million. The amount of money coming from the strategic funds that we are in your sense, diverting from purposes of Arts and Sciences for this larger effort are relatively small.

And it is true that we could hire a few more secretaries, or a few more faculty, probably four or five additional faculty with that amount of money on a regular basis if you had it over this whole period of time. That might be the case. However, that is a tradeoff that you need to evaluate in the context that the faculty of Arts and Sciences grew by approximately 50 in the four years preceding the downturn and has still only declined by I believe 10 in the period since the downturn. I am doing that number by head, you can look at it. So the larger point is that in the context of the financial health of any of our schools, and I do feel that you are very conscious of our time, but since I see you walking your dog while I am driving to work on several days, you know about how much time I am spending on my work in the morning at least. I don't think that the amount of money involved here given the strategic opportunity that we believe this represents is integral.

Lozier: I would also like to thank you Thomas for your concern about my anxiety about the meeting, but actually what I am most eager, though is that the Council members are fully informed, and sensing that we are having diminishing marginal returns though in the conversation, I am hoping we can draw this to a close soon and ask for your vote. However, I will make an exception because the President has indicated that he wants to say something (laughter).

President Brodhead: I will say two things. One is this: we began by talking about freedom of expression, free exchange of ideas. This room has been a perfect example of free exchange of ideas and I think in our country we believe that that does not just need to be tolerated

but that the pursuit of truth is advanced through the exchange of contrary views. "Without contraries, there is no progression," says a poet you and I have both studied and so even in a session like this, where we seem to be pushing in different directions, we are exemplifying the very freedom that we celebrate and are very committed to preserving.

The second thing I would say to you, Thomas, is this, which is no one with the well-being of this University at heart wants to trade between projects in China and projects on the Durham campus. The campus at Durham is Duke, its well-being is at the heart of every success that this University will have.

I will only make one other point, which is that this University has advanced itself partly by being willing to try new things, to engage in those. The history of those experiments and engagements has actually redounded to the strength of all the units in the University. I would not favor this if it did not seem there was an argument for taking a cautious step toward engagement if the other choice is isolation from engagement. We will learn the lesson from that step before we take a second step and certainly before we take a third step, but it seems to me that we have to think of all the parts of Duke as supporting each other and working towards each other's strength. And if that weren't part of the concept for this, I personally would not favor this and I don't suppose Peter would either.

Lozier: Thank you, President Brodhead. What I would like to do at this point then is call for the vote. I will ask Julie and Don to distribute the ballots. They will collect the ballots shortly to tabulate the results since we must have a quorum for voting procedures. So please be reminded that only Council members are allowed to vote, so please raise your hand if you are a Council member and those ballots will be distributed to you. Even if you are here for your school or division as an alternate, our bylaws do not permit you to vote, so I thank you for your understanding there. Once you get a ballot, please mark the ballot and return it to either Julie or Don.

Haynie: Is this a three year pilot that we are voting on?

Lozier: It is a three year pilot program that is being proposed. In the proposal, you read that APC, under John York's guidance, has set into place the metrics that they expect to review after the third cohort of students has been admitted. Thank you for clarifying that.

Given that our time is short, but I am very glad we had that thorough discussion, I want to reiterate the President's remarks about how important it is to have this forum where all ideas can be exchanged. What I would like to do, because we have a few moments while the votes are going to be tabulated. If Peter, if you don't mind, I will ask you to give a very abbreviated presentation of what you were planning and then we can always ask you back in January, which I am sure you are eagerly looking forward to talk to us further about this. Perhaps ten minutes? Thank you.

## *Other Programs*

Lange: Basically, what Susan asked me to do, and as I alluded to earlier, there are many other things going on with respect to the programs and plans for DKU and I wanted to just briefly review them as we go forward. These are things that are in process or that we are expecting to do in the next six months or so. This is a reiteration of principles which you have seen before – they are the basic principles that are driving the overall effort. I would normally dwell on these at normal length but I think I would rather just go to the actual updates.

So the status of the application is that the Jiangsu Educational Bureau, which is the one which thoroughly reviews the proposal has completed its review, has passed a proposal to the Governor's office and it is in that office that the proposal now sits. We are anticipating that that office will rapidly pass that proposal onto the Ministry of Education where it will be reviewed by the National Ministry of Education. It is still our anticipation, and we are still within the envelope of time that was originally promised for how soon the CEA, the Co-operative Education Agreement would be approved and so we are anticipating that could still happen by within that time frame, which would be by the end of January. I am not making a guarantee about that, but this is our anticipation still.

As I mentioned earlier, the Master's of Science in Global Health proposal has been submitted. Two committees have reviewed it: the Global Priorities Committee, which passed a resolution approving the program and supporting the program with some extremely useful suggestions. It is under consideration by APC where there was a thorough discussion yesterday. It has also been discussed by the Executive Committee of the Graduate Faculty, both of those committees are working on resolutions which will be available before it is brought to the Council, or actually to ECAC. And it is still to be considered by the China Faculty Council, ECAC and the Academic Council.

Warren Grill (Biomedical Engineering): Can I ask a question about that please? The resolution that we heard at the beginning specified approval of Phase I including programs of Fuqua – and this is a degree not being offered by Fuqua?

Lange: I believe it said Fuqua and other programs.

Grill: My question is whether we need to have an additional resolution for this body to consider additional degrees which are non-Fuqua degrees?

Lange: I don't believe so, but Susan can respond to that.

Lozier: That is something that ECAC needs to consider and that was what I was alluding to in my earlier remarks. After the vote today, ECAC will take that into consideration and come back to the Council and talk about how we want to proceed with this degree roll-out. But you are correct, Warren, in that what we approved had to do with Fuqua programs.

Lange: In addition, we are looking at undergraduate programs. Global Health has produced an undergraduate program of four courses which they are proposing for the

fall of 2013, so note the date, two years from now basically. That was approved by their faculty and we are working with the Arts and Sciences Council on the appropriate approval procedures within the Arts and Sciences for an undergraduate program of that sort.

Construction continues, five buildings are well underway. We get construction reports every week from our agents on the ground, the people for whom we are paying the money that we discussed earlier. The sixth building is going to start early next year. That is the incubator building.

We have had a number of faculty traveling to China over the last few months. The Dean for Humanities [Srinivas Aravamudan] and Ian Baucom, director of the Franklin Institute traveled both to Hong Kong for a meeting of the Consortium of Global Humanities Centers of which he is the president and of which we are the home site. They had a meeting in Hong Kong. He then went to Fu Dong, then Kunshan and they had a meeting in Fu Dong in which a number of programmatic initiatives that would involve Fu Dong and would also involve DKU were discussed.

There is a student exchange program which Dean [Robert] Calderbank has had extensive discussion with Shandong University, where the third year physics students from Shandong, the highest level of those physics students would come here on an exchange program.

There is a global health partnership and it is described here on this slide. I won't go into it. Note also that Wuhan is involved there. We have a new MRU in Wuhan about global health. We have preliminary discussions for additional undergraduate programs going on and there will be another meeting with the China Faculty Council which will be issuing a request for proposals in the next couple of weeks with respect to one program and we are also anticipating a broader meeting with faculty interested in China or in teaching programs in China to discuss the opportunities there and to encourage them to develop proposals for programs which would then go through the China Faculty Council, and then would then go through the appropriate processes.

We have had sight visits from multiple faculty. Wuhan leaders were here last week and we discussed a number of initiatives with them. You can see the areas of priority: collaboration, global health, business and economics, environment, law and engineering are areas where they would like to focus their collaborative activity with us in the context of the general MOU which is discussed there.

The Global Priorities Committee is meeting on a regular basis, is reviewing proposals, and it will be undertaking an agenda to review the global strategy documents and expects also to develop a conference speaker series.

The China Faculty Council is doing its job and as I mentioned already, is developing this RFP and it has also had a review of all of the facilities planning from the architects and the China Operations Group, which is an administrative group which meets to discuss all the administrative details, from health insurance, to how we run and manage admissions, to how we hire people on

payroll, and so-forth -- that's an administrative committee that meets every two weeks. It brings all of the relevant administrators together to assure that we are most efficiently using our services here on campus where we can and where we cannot and how we would generate those services under the overall budget in Kunshan. And this is relevant I think a little bit to the discussion.

We will be undertaking a search and seeking to hire a dean and vice chancellor for our academic efforts in Kunshan. Thomas, you will be relieved, that will ease some of the burden on me so I may drive to work a little later (laughter).

The China Faculty Council is expected to publish its first RFP which I mentioned. We expect at least one more program for DKU and Phase I. Hopefully, I would hope, more undergraduate programs. The Global Health Institute expects to launch its global health research center. We will be pressing on the government approval process. Obviously construction needs to continue at pace and we have the operating working groups going. And that concludes my discussion within one minute of the conclusion of the meeting. I don't know if there are any questions.

Haynie: I just have a comment much like the first comment I made that in your presentation there are a series of programs in progress under review by the appropriate faculty committee. My distinguished colleague Herbert's comment seems to be appropriate, there is a piecemeal approval of programs before the whole operation is settled, and I think this Council should be wary of proceeding down this path.

Lozier: And so what I was hoping to convey in my opening remarks is something that has been discussed in ECAC -- we felt as though the Fuqua programs that were brought forward were part of the deal and part of the bargain that the Council made with their administration two years ago. What we would like to do, is, in January, have a more thorough discussion about the DKU initiative and perhaps bring the Council at that point then another resolution that would endorse the layout of the DKU initiative based on the following information. There wasn't two years ago a pool of information about all of these programs and so I really want to stress the point that my colleague Phil Costanzo made, that I think we should view this as something experimental that's evolving and even though many of us have wanted the administration to give us the whole picture, I think when you step back and think about it, it was impossible to find the whole picture two years ago, or even the whole picture now. But I do think that what I want to see is, you're correct, it is what ECAC has talked about, we do need to have the Council endorse the other programmatic development.

Lange: Let me just say, in the CEA and as we have discussed, there is a Phase I. Phase I has a specific terminus, which is five years from the initiation programs which we will do next year, and the Phase I is at a point at which Duke and Kunshan, assuming everything else went fine with the other issues that we talked about today, both would have to decide whether or not to proceed down any further development. So what we are talking

about now is all programs which would enrich the nature of the enterprise in the first phase and all of which would have effective terminal dates coincident with determination of Phase I if not sooner. The pilot you all just voted on has a review date after three years.

Lozier: Okay, thank you Peter. I am sure this is not the last we will have heard from DKU.

The votes on the DK-MMS degree have been tallied. A total of fifty-six ballots from council members have been received and so that constitutes a quorum of our council members. Forty-four council members have voted in favor of the proposal, eight council members have voted against the proposal, and four have abstained. Thus the DKU-MMS proposal has been approved by this Council and will be forwarded to the Board of Trustees for their approval.

Much like my withdrawal of a promised song, I understand that this result is a relief to some, and perhaps a disappointment to others. Those that are relieved surely include the faculty of Fuqua who worked long and hard for well over a year to pull this degree and bring it to fruition, and, as such, I offer my congratulations to the Fuqua faculty. I also want to offer my sincere thanks to the faculty members on UPC, APC, CFC, GPC, ABC, okay, not ABC, and ECAC, that have spent many hours pouring over and deliberating the issues that have been discussed in the Council today. To those that are disappointed, I offer my ear. It may be small consolation but I am in partnership with seven very thoughtful ECAC members committed to addressing your concerns about DKU. Please continue to actively participate in discussions about Duke's global initiatives so that we might collectively move forward. And with that I will call this meeting to a close. I would like to remind you that we will meet in the New Year for our next meeting on January 19th and until then I hope you have a lovely holiday season. Thank you all.

Respectfully submitted,

John Staddon

Faculty Secretary, December 28, 2011