

## UPC Report 2014-2015

The University Priorities Committee is a faculty-chaired group convened by President Brodhead and populated by senior administrators and faculty across all units. The charge of UPC is broad: “To work with senior administrators to define University and academic priorities and ensure the University’s annual and long-term budget reflects these priorities.” UPC fulfills this through biweekly meetings characterized by (in the words of the official charge) “... discussion of University and academic priorities in context with budget and financial information...”

UPC traditionally has not voted on policies, but instead has wielded its influence by providing feedback to senior administrators on matters that have a significant financial component. UPC also uses its convening power to explore policies and practices across the units that affect the mission of the university.

The UPC agenda is comprised of three strands of activity. First is the university fiscal calendar, which directs that administrators make key fiscal decisions (tuition rates, size of budget, raise pool, endowment pay-outs, etc.) at prescribed times each year. This part of the UPC agenda tracks the agenda of the Business and Finance Committee of Duke’s Board of Trustees. The second strand comes from policy decisions pending at Duke that would have significant financial implications. The Administration brings such issues before UPC for discussion and debate to give faculty adequate voice in the process. The third strand comes from issues the faculty on UPC themselves raise, requesting briefings and reports from Duke Administrators (sometimes in response to news reports or other exogenous shocks).

The 2014-2015 UPC agenda reflected a mix of all three strands. This past year, in addition to the regular fiscal calendar items UPC discussed the following:

- The Provost’s strategic planning effort
- The larger “uber” strategic planning effort that balances academic priorities against other big-ticket needs (eg. renovation of the physical plant)
- Sources of funding for central strategic initiatives
- The “economics of research,” meaning the gap between the cost of conducting university research and the revenues received through grants
- Creation of a new “quasi-endowment” to provide long-term support for the School of Medicine
- The costs and proposed funding for renovations to undergraduate housing
- Post-Campaign investments in Alumni Affairs and Development
- The performance of DUMAC and the outlook for future returns
- The financial progress of the Duke-Kunshan project
- Enhancements to research computing
- The activities of the Advisory Committee on Investment Responsibility
- The performance of the Duke Forward Campaign and likely financial impact on the university

- The allocated cost trends affecting the schools of the university as part of the management center budget review
- The relationship between Duke's financial aid commitments and the problem of student debt
- The review of MA programs
- The report of the faculty task force on compensation equity
- The financial model for the Athletics budget
- Support for student affairs, graduate and undergraduate

The discussions within the UPC have reached an inflection point on the Duke-Kunshan project, which in recent years has consumed an outsized amount of Duke's scarcest resource: the attention and time of senior administration. Whereas in the past, UPC focused on stress-testing the plans and assumptions of a modest set of startup/pilot programs, going forward UPC will be involved in assessing proposals for the next phase, which envisions a full-blown university with a complete undergraduate component. Going forward, the scale will change dramatically and serious thought will have to be given to how best to ensure adequate faculty governance -- and what role UPC should have in that governance.

Discussions within the UPC have been especially rich concerning strategic planning. UPC has focused on identifying trade-offs within the strategic planning process and, more crucially, emphasizing the need for a faculty-informed process for deciding those trade-offs. After several years when the focus of UPC was on reviewing the efforts of the Administration to ride out the fiscal aftershocks of the 2008 financial crises, Duke is entering a period when there will be resources available for new strategic investments. However, even with the superior performance of DUMAC, the expected success of the Duke Forward Campaign, and the fruits of extensive cost-cutting measures, the newly available resources will fall far short of the perceived need for investments across the full range of Duke University. Duke will have to be as savvy and entrepreneurial in managing this next phase of investment opportunity as it was in managing the last phase of damage control. UPC is poised to play a key role in bringing faculty perspectives to bear on these decisions, hopefully early enough in the process to influence those decisions.