

## **Report of University Priorities Committee Activities 2021-22**

The University Priorities Committee (UPC) is appointed by President Vincent Price, chaired by a member of the faculty, and convened by Provost Sally Kornbluth and Executive Vice President Daniel Ennis. The membership of the committee includes several faculty members, Senior Administrators, some of whom report to the Provost and others to the President, one undergraduate and one graduate student, and two Deans. The full list of members is at the end of this report.

The UPC is charged with “... assessing university and academic priorities, ensuring that the University’s annual and long-term budgets reflect these priorities, and making recommendations to the President. This committee replaces the President’s Advisory Committee on Resources and provides a stronger venue for faculty governance, and for collaboration between faculty leaders and the senior administration.”

UPC does not vote but provides an opportunity for providing guidance and feedback on important issues confronting the university, serves as an important faculty sounding board for administration proposals as they are being developed, and provides faculty review of key spending decisions by the University. UPC both participates in the discussion of key ongoing business of the University, as well as identifies areas of interest to the faculty that should be elevated for discussion within the charge of the UPC. During the academic year, we have ten scheduled meetings. While much of the agenda for the year is set ahead of time, e.g., current issues related to governance, university finances, etc., we leave slots open for topical issues as they arise, e.g., data management, supply chain initiative, etc.

Below are the highlights of our activities this year.

### **Highlights of 2021-22 activities:**

#### **1. Financial Performance**

A pleasant change for the committee this year was that the bulk of our time was not spent on dealing with the financial repercussions of Duke’s response to the COVID-19 pandemic. This allowed us to focus on the other initiatives with significant financial implications.

- University net assets increased substantially in FY21, driven primarily by the the extraordinary endowment return. While there remain challenges to Duke’s finances, the university has adjusted endowment distributions to increase income flows.
- The rise in inflation is concerning, particularly on our lower wage employees. While Duke will move to a minimum wage of \$17/hour, it is concerning that the local market for employees in the service industry is becoming more competitive. In addition, with remote working options becoming more popular and the opening

of local offices by major technology firms, such as Apple and Google, recruiting and retaining talent is becoming more difficult.

- The global pandemic has exposed vulnerabilities and risks associated with the supply chain. While these problems have been well-publicized in the corporate sector, these risks also affect Duke University. In response to these threats and to achieve cost savings, Duke has developed a supply chain transformation plan across the university and the health system. While this initiative is still in its early stages, it has already yielded significant cost savings.

## **2. Undergraduate Need-Based Financial Aid**

As has been highlighted for many years, funding undergraduate financial aid continues to be a challenge. Duke aims to be accessible, affordable, and life-changing and has committed to be need-blind in admissions. Over the last five years, the proportion of students that receive no aid and the proportion that receive need-based aid has remained constant. Moreover, while some of our peer institutions have a policy of meeting student needs without requiring them to take out loans, Duke does this for families that earn less than \$40K per year. However, when we look at the average debt at graduation, we see that Duke is not that different from peer institutions with the more liberal policy. More generally, for Duke to be competitive in recruiting the best students, it is imperative that we significantly increase our need-based aid endowments. Such an increase would free up resources for delivering a truly transformative undergraduate education.

## **3. Health Data Partnership**

Duke's expertise in clinical care is well-known throughout the world. Furthermore, this expertise in healthcare also means that Duke has a wealth of data that can be used to improve healthcare. Indeed, applying new analytical solutions to these data has the potential to transform healthcare delivery. While it is difficult to do this entirely in-house, Duke is exploring a partnership with an industry-leading company in biomedical data analytics. This potential partnership can develop novel data assets and allow open access to Duke researchers. While such an endeavor can potentially bring many benefits to researchers, the details of the partnership are still being worked out. These details are especially important for managing and protecting privacy and data rights.

## **4. Other Items**

- The School of Medicine has is a highly ranked institution (3<sup>rd</sup> in US News ranking and 10<sup>th</sup> in NIH awards) with \$1.5 billion in annual revenue. However, 67% of the budget is from sponsored funds. Although the balance sheet is strong, the control of funds is highly variable and only a small amount is controlled by the Dean. While this problem is not uncommon across other research schools, it is something that the administration is working hard to correct. We expect further analysis and discussion

of the School of Medicine and the Duke University Health System in the upcoming year.

- Kyle Cavanaugh, vice president for Administration, announced that he will retire on September 30, 2022, after more than 13 years at Duke. While his decision was not up for a discussion at this committee, it is important to acknowledge and thank him for his leadership, especially in how he helped manage Duke's response to the COVID-19 pandemic and how he kept the committee informed.

Finally, as we approach the end of this year, we are impressed by Duke's efforts in bringing all of us back to campus. We acknowledge the outstanding guidance and planning by the administration and the willingness of students, faculty, and staff to adapt to the situation.

Respectfully Submitted,

Debu Purohit  
Ford Motor Company Professor of Business Administration  
Fuqua School of Business  
17 April 2022

## **University Priorities Committee**

Term: 3 years

### **Faculty**

Debu Purohit, Chair, (Fuqua School of Business), 2022  
Elizabeth Albright (Nicholas School of the Environment), 2022  
John Aldrich (Political Science), 2022  
Ayana Arce (Physics), 2024  
Kenneth Brown (Pratt School of Engineering), 2024  
Thomas Ferraro (APC Chair) (English)  
Laura Lieber (ECAC Rep) (Religious Studies), 2022  
Betty Tong (School of Medicine), 2024  
Anne West (Neurobiology), 2022  
Lawrence Zelenak (Law School), 2024

### **Administrator**

Carol King, Vice Dean for Finance & Administration, Trinity College, 2024

### **Ex Officio Members (with voting rights)**

Vince Price, President  
Sally Kornbluth, Provost  
Gary Bennett, Vice Provost for Undergraduate Education  
Kyle Cavanaugh, Vice President, Administration  
Daniel Ennis, Executive Vice President  
Jennifer Francis, Executive Vice Provost  
Linda Franzoni, Associate Dean, Undergraduate Education  
Scott Gibson, Executive Vice Dean, Administration, School of Medicine  
Kerry Haynie, Academic Council Chair  
Rachel Satterfield, Vice President, Finance  
Gene Washington, Chancellor for Health Affairs  
Erika Weinthal, Academic Council Chair

### **Deans**

Bill Boulding (Fuqua School of Business), 2024  
Toddi Steelman (Nicholas School of the Environment), 2024

### **Students**

Aliesha O'Raw, Graduate & Professional Student Government, 2022  
Christina Wang, Duke Student Government, 2022