Minutes of the Regular Meeting of the Arts & Sciences Council

Thursday, December 6, 2012

Call to Order

Council Chair, Professor Thomas Robisheaux (History Department): I would like to welcome you all to the final meeting of the fall semester of the Arts and Sciences Council. I am Tom Robisheaux, the chair of the council, if you don’t know who I am.

Motion to Approve Minutes

Our first order of business today is to review and approve the minutes and approve them. They were circulated in advance, with the announcements, and are also posted on website. You can find on the website archives of all the past meeting minutes. Are there any corrections to the minutes or amendments to them? Do I hear a motion to approve?

Professor Margaret Humphreys (History Department): I move that we approve the minutes.

Professor Tolly Boatwright (Classics): Seconded

Professor Tom Robisheaux (History Department): All in favor? They are approved. Thank you very much.

Announcements and Updates

First we have a few routine announcements, and then some other kinds of announcements on activities of the council recently. First, in a matter of routine business,[I am glad Frances Hasso is here] the action the council took regarding the approval of International and Comparative Studies for program status will be going to the Academic Council for final approval. That is in the works right now, and should be there with the Executive Committee of the Academic Council very soon.

There are some other announcements that I would like to cluster, if I can, in terms of some of the priorities that the Executive Committee of the council has set for us as council this year. Back in our first meeting, I called your attention to some of the priorities that we have for this year. One of the most important priorities that we set for ourselves, a rather ambitious one, is a review and overhaul of some of our governance structures. One of the things that the Executive Committee discovered in August was that we needed to go back to our bylaws and review some of our governance structures to make them more effective and bring them up to date so they can meet the needs of the council and the faculty of Arts and Sciences right now. This is going on very quietly so there is nothing to report to you in any concrete way, except that we are in conversation with Laurie Patton about this. I have also had conversations with Susan Lozier, who is chair of the Academic Council, and Steve Nowicki, the Vice Provost for Undergraduate Education. You will be hearing more about this in the spring, probably with some proposals for amendments to the bylaws, so please stay tuned for that. That is quiet and tedious, but very important work, because it structures everything that we do as members of Arts and Sciences within the council.

Our second priority has been to improve communication in a very general way. That is a very complex and time-consuming task, and we are making a lot of progress on that and we still have more to do. There is, if you are a committee chair of the council you will probably confirm this, more communication between the Executive Committee and its committees. There is more communication with department chairs, and hopefully also with faculty, some of that is trickling out as well. One example of this by the way is to provide support for our committees in their own efforts to improve communication. Those of you who are DUSs may recall that last month you were asked to take part in a poll, a survey organized by the Course Committee. I just met with the Course Committee last week, when they were discussing the results of this poll, and it is actually fascinating. Some of the results are so important, in fact, that we are, in January, going to make them part of the council session. Cary Moskovitz and Susan Wynn will be leading that discussion, in coordination with Inge Walther, of course. If you are a DUS, I think you, in particular, want to know the results of that survey because it suggests to us that there is still room for improvement in communication between faculty and the DUSs, and DUSs and the Course Committee.
Another aspect of our effort regarding communication is again in a very quiet phase right now, that you have not yet seen any tangible results for, but this involves the creation of a new website for Arts and Sciences Council and all of its committees. I have been meeting, and will be meeting shortly every two weeks with the Associate Dean for Communications, Deborah Hill, who is personally taking over this very important project. Our plans are for a website that the Arts and Sciences faculty find essential to go to for current issues involving you and all of the different dimensions of governance issues. That is probably going to be rolled out in phases in the spring. I especially want to thank Laurie Patton for all of her encouragement and support through this effort. She is also by the way a model or an exemplar for me about how to improve communication any and every way one can.

A third priority for us on the Executive Committee for the council, and its committees, has been to provide support and visibility for our teaching initiatives. Next month, for example, the council is very likely to be entertaining a proposal that has come up from the Curriculum Committee, and has already been discussed by the Executive Committee, that involves a proposal for new certificate programs. I am very excited about this plan. It has been a year or longer in the works, and it has involved a lot of productive, robust discussions, involving Lee Baker and his office, as well as members of the Curriculum Committee. I am particularly excited about it, and I think the Executive Committee is excited about it, because it can provide a structured way to begin to bring together service learning and academic learning in an integrated, thoughtful intentional manner. We are hoping that this will come to council next month, if not next month, then February for sure.

I suppose our most important priority in this area, we are only beginning, and this will continue throughout next year, 2013-2014, and that involves providing support, visibility, and help for faculty in the new Duke Ideas program. Just this last week, the Executive Committee had a meeting with Andrew Janiak. I know Andrew has been providing solid, exciting leadership on this initiative; he has met with chairs about the initiative. This has all of the potential to become as much a signature of a Duke education as the Focus program has become. There are details that are yet to be worked out. The Executive Committee figures right now, the most constructive way that we can help in this regard is to have a few sessions in the spring that will help faculty, and especially officers of departments directly supporting the first cluster of thematic groups in Duke Ideas to help them show us how they are actually incorporating them. One of the things that I find so interesting is when a clarifying moment came for us in the Executive Committee when this was being discussed. We realized that Duke Ideas is not an add-on initiative. It brings together, simplifies, and makes more cohesive things that we are already doing. This is very exciting, because the last thing we want to do is add on something else to people’s calendars. You can expect a spotlight on Duke Ideas in the spring Arts and Sciences Council sessions, with some sessions involving DUSs and chairs of departments, too, who are going to help show us how they are thinking about making it work, and integrating it into their own programs.

Finally, a very important priority for us has been coordinating all of these efforts as closely as we possibly can with the Dean of Arts and Sciences, and Laurie Patton has been very supportive of that. I think I can communicate even better with her on some occasions, I will make every effort to do so, but this has not possible without working closely with her on a weekly basis.

Before we turn to our first item of business for today, I just want to make a recognition. I think there are very few people who recognize how intense the activity has been on the Executive Committee, and involving council officers and their committees this fall. I have to say, none of this would be possible without the work of Shawna Kaufman. I would like to recognize Shawna and thank her on behalf of the council. I cannot tell you how many late nights an email has gone off from my study, and at 7 am the next morning, not only has it been received and read, but the task actually done, which is way beyond what she should be doing. This job has been impossible without Shawna’s support. She now anticipates things that I am thinking before I even know that I am thinking them. She is superb, and I just wanted to make sure we all appreciate her work.

Course Transfer Credit Proposal

The first item of business we have today involves a proposal that has come up from the Curriculum Committee, and also been recommended to the council for adoption, involving course transfer credit. I want to frame this in a very general way by saying that this proposal is best understood as part of Duke’s effort to engage universities, not just in this country, but around the globe, on more equal terms. Duke wishes to recognize their contributions to higher education, and to solidify some of the links that we have with those institutions, but also especially for our undergraduate students. We now have a larger portion of our undergraduate student body who come from other countries. They are citizens of other countries, and the proposal before you, to change the transfer credit, would recognize and make open to our international students opportunities that are already available to Duke students from the United States. Let me ask Steffen Bass from the Curriculum Committee if he would come forward and introduce this proposal. Then we’ll have a report and recommendation from the executive committee.

Professor Steffen Bass (Physics Department): I am standing in for Suzanne Shanahan, the chair of the Curriculum Committee, who could not be here today, and I will try to keep this as short and simple as possible. We are talking about a change in transfer credit rules, and the purpose is really to equalize the rules for receiving credit for courses taken at US and international institutions. The old rule specifies that the student is allowed to transfer credit for two courses at another approved US four year college or university to their transcript at Duke. The new rule would state; students are allowed to transfer credit for
two courses at another approved four year college or university stays the same in or outside the United States.

To give you an example of why this is relevant, let’s take Student A who lives in Pennsylvania, goes home over the summer, and enrolls in a summer course at Beaver College for introductory physics. He or she takes that course, comes back to Duke, and then tries to talk to the DUS get this as approved credit for intro physics. This may work or not, depending how rigorous our DUS goes through the course syllabus of Beaver College.

Now another Duke student who lives in the UK may go home over the summer and take a physics course from Stephen Hawking. We would love to give credit for that, but under the current ruling, we are not allowed to, because it is not a US institution, despite the fact that Cambridge University in the UK is so much better than Beaver College. This will change this, and equalize the opportunities for all Duke students, no matter whether they call Pennsylvania or the UK their home.

There are some unintended ramifications in there. This credit transfer would sort of apply to study abroad programs, which are governed by a different set of rules in terms of, you study through Duke for a semester or year, and there are a whole lot more credits you then bring back to Duke and to your college transcript. However, of course, this means that now there is a second venue, namely, [a student] goes to their home country, takes a course or two there, and gets the credit back, which you could think of as being a different kind of study abroad. I think we can live with that small infringement of what the standard study abroad program at Duke is, because it is still really two different animals. One is for the entire semester or academic year, and this one is essentially aimed at summer courses.

The Curriculum Committee was very supportive of this change. I think within five minutes of the discussion in the curriculum committee, and that is all that the Curriculum Committee has to say about this.

**ECASC Recommendation**

**Professor Tom Robisheaux (History Department):** Thank you Steffen, the proposals that come up from the Curriculum Committee first go to the Executive Committee, and Dalene Stangl is going to be representing the Executive Committee’s recommendation on this.

**Professor Dalene Stangl (Statistics Department):** This was a relatively short discussion in ECASC; it was relatively un-contentious. We asked questions about the implications, how many students would it actually affect, and how much DUS time would it take. We got answers to those questions, and they did not think it would be very many students, and that it would not be a large amount of DUS time.

The Executive Committee came to a very quick resolution that this was something we wanted to put forward to the council and endorse. The only discussion that we had was a bigger concern in terms of the drip-drip-drip on the DUS time between the many different things that they do. While ultimately we want to do things that enable faculty to have stronger and deeper relationships with students, how do all of these drip-drip-drips add up to the point where those relationships no longer get to happen. With that said, we think this is a great proposal, and I would like to have a discussion, so open it up to questions.

**Professor Tom Robisheaux (History Department):** Let me just acknowledge that Dean Lee Baker and his assistant Academic Dean Baishakhi Taylor is also here to field questions and make comments and observations on it. I have also invited DUSs to come in a separate invitation, simply because DUSs need to understand that we may be asking them to review these proposals that are for transfer credit. The floor is now open for a discussion of this proposal.

**Discussion**

**Professor Mark Goodacre (Religion Department):** Quick question about the four year thing. The hypothetical example of the Stephen Hawking course would of course run aground on the fact that most British courses are three years that is the standard unit. Do we potentially exclude any British degree courses or credits on the grounds that the BA or BS is usually three years, not four?

**Professor Steffen Bass (Physics Department):** Lee, can you speak to that?

**Dean Lee Baker (Dean of Academic Affairs of Trinity College):** We actually would use the same mechanism we have in place; where it is really going to be interesting is the quarters or three credit courses opposed to our four course. We have a one course credit as opposed to three credit hours, and we’ve got mechanisms in place to sort of deal with those. We would handle the international courses as we would if it was the Beaver College course, that was three credit hours instead of four credit hours, and we would just use the same mechanism we have in place for domestic classes.

**Professor Inge Walther (Associate Dean of Trinity College):** I think your question was about the four-year college, does it have to be a four-year university? That can be answered very easily as well. We do have a book of approved accredited international universities. Whether they are three-year or four, I am sure the British universities would fall into that, so we might have to tweak the wording just a little bit. But we do have a book that tells us which ones we would accept and which ones we would not.

**Professor Owen Astrachan (Computer Science Department):** I was just going to propose a friendly amendment that, it doesn’t matter that it is four years, what matters is that it’s an institution that grants a bachelor’s degree. We are trying to differentiate this from community colleges and two year colleges is that not the case?

**Professor Inge Walther (Associate Dean of Trinity College):** Not all international universities offer bachelor’s degrees, some of them offer different types of degrees, but I think the catalog that we have is what study abroad uses to recognize universities that we accept as equivalent.

**Professor Steffen Bass (Physics Department):** Just as an add-on to what Inge said, the main purpose of this catalog is, of course, to maintain quality control, so that some community college credit would probably not be given no
matter whether they are a four year institution or not, whereas a place like Cambridge can receive credit.

**Associate Dean Linda Franzoni (Pratt School of Engineering):** I think Steffen’s example may not be the most useful example, because as I am looking at the course bulletin, it says in the current policy “international students who take courses in their home country for transfer will be subject to the same policies and limitations governing domestic credit.” So it is not really intended for the student whose home is in the UK or wherever, it is intended for the Duke US student who is, for whatever reason, in a foreign country. I think that example may not be the one that this policy is intended for.

**Professor Tom Robisheaux (History Department):** I believe Baishakhi would you like to address this?

**Assistant Dean Baishakhi Taylor (Academic Dean for Trinity College):** To add on to what Dr. Franzoni just said, the policy actually remains the same. In respect to work for the DUSs, if you have an international student who goes back to Korea over the summer and takes a class and brings it back, it is basically the same process, we are just doing away with the arbitrary difference of what is domestic versus what’s international. So you are absolutely right. If I am going back to India over the summer and Clark comes with me, we can both take a class at Delhi University and bring the credit back to Duke without me bringing it back as a transfer credit versus Clark having to go through the whole study abroad process.

**Dean Lee Baker (Dean of Academic Affairs of Trinity College):** I would like to clarify that. One benefit and outcome of this subtle but important change is that we will now get out of the very surreal and even strange business of identifying who is a domestic student, and who is an international student. We had this kind of crazy matrix that said if you went to junior high school in a foreign country, but high school here, then you would be a domestic student, but if your language and you went back over the summers, you would be international, and it was just a little silly. This actually drops those distinctions and just calls it transfer credit, whether you are taking it at home or you are going with your friend abroad and it really makes things a little bit more straightforward.

**Professor Scott Yakola (Health, Phys. Ed., & Rec):** This is more along the lines of an advising question. For the international student who comes in who is older and who might have taken some courses, so how would this apply? Can they transfer or not? Can they still take a course, even though they’ve taken other ones?

**Assistant Dean Baishakhi Taylor (Academic Dean for Trinity College):** If the students take these classes before they started at Duke, they cannot transfer. For any pre-matriculation credit there is a whole different mechanism. But they can take classes in their home country or another country once they are a Duke student and then transfer up to two credits back.

**Professor Frances Hasso (International Comparative Studies Program):** I’m just wondering about, so would a DUS look at a syllabus in Korean or Arabic. How is that part going to be dealt with beyond the accreditation question?

**Dean Lee Baker (Dean of Academic Affairs of Trinity College):** Yes, we have thought about this, and we don’t know how much this will proliferate, but yes we will ask the DUS. We will work with you to identify one of our faculty members who can work through the syllabus with you. We are assuming, being a global institution, we will try to work with particular students in this way. It will take some time, we’ll just see how it comes, but yes, that is the expectation.

**Professor David Paletz (Political Science Department):** Just some questions for clarification. This is not limited to summer courses, right? We have criteria determining the acceptability of the university in question, so it’s not just any place?

**Dean Lee Baker:** We have the criteria, we just call it the “big book”, but it is the same book we use for study abroad. The second is, it will be primarily summer we believe, but for the courses that the student wants to take during the semester, they are only limited to two. If you wanted to take two or three you have to go through the extent study broad petition process. Everyone has only two credits, so if you took one at Madison and wanted to take more than one someplace else, you would have to go through Study Abroad. We are still limiting it to two transfer credits and that doesn’t change.

**Professor David Paletz (Political Science Department):** Will it be up to the Director of Undergraduate Studies to approve the course?

**Dean Lee Baker:** As it is with Beaver College right now. Or San Diego Christian College.

**Professor David Paletz (Political Science Department):** Will the course have to be the equivalent of the Duke course?

**Dean Lee Baker:** That is up to the DUS to make that determination.

**Professor David Paletz (Political Science Department):** Thank you.

**Professor Inge Walther (Associate Dean of Trinity College):** I just wanted to add another clarification. Currently, the only way students can get credit for courses they take at international institutions is through a Duke approved study abroad program. We often have US students who, during the semester, want to study abroad if they are taking a full course load through a full immersion study abroad program. However currently, we have no mechanism for a student who happens to be on a personal leave of absence during the semester. Normally we allow those students to take a course at a domestic institution for transfer credit, up to two courses, if they want to. But currently, we have no mechanism for that student who might be on a personal leave of absence somewhere in China, and who wants to take a course at a Chinese institution that is not part of a full immersion study abroad program. They cannot do that and get credit. This would allow that student during a semester, for example, who was on leave and not a full-time student at the time to take a transfer course at an institution anywhere in world. I think it is a good idea to allow that, and it is still up to the DUS to approve the course.

**Professor David Malone (Program in Education):** I noticed that transfer credit is not going to be awarded for
courses taken online even if they are offered by accredited universities.

Professor Inge Walther (Associate Dean of Trinity College): That is about to change. The online committee is looking at that.

Professor David Malone (Program in Education): I just wondered in terms of transfers, are we getting more requests for that?

Professor Inge Walther (Associate Dean of Trinity College): We haven’t had any yet but…

Dean Laurie Patton: We are expecting more.

Professor Inge Walther (Associate Dean of Trinity College): I should say that currently we do not allow online or distance learning courses to count for transfer credit. However, the Arts and Sciences Online Committee that has been appointed to look into changing and creating some new policies around online courses is looking at perhaps lifting this restriction. That might be happening in the future.

Dean Lee Baker: The proposal on the floor is not addressing that.

Professor Tom Robisheaux (History Department): I know a number of council members are also DUSs but I also would like to recognize any DUSs because this is also going to expand your responsibilities a little bit if council is to approve it.

Professor Ron Grunwald (Biology Department): Students can either transfer domestic credit, if they’re international students taking a course in their home institution then it’s essentially domestic credit, or they can transfer a credit through a study abroad program, that’s status quo. In each of those cases, the DUSs are asked to review and approve those courses. Really, what this is doing is shifting a subcategory of courses that currently would be considered study abroad courses to being just a transfer credit. Therefore, to a first approximation, I would not anticipate a significant expansion in workload; just to put everybody’s mind at ease.

Professor Owen Astrachan (DUS, Computer Science Department): I support this wholeheartedly even if increases my workload by 100 percent.

Professor Carol Apollonio (Slavic and Eurasian Studies): Would it be better to remove the reference to the four-year college, meaning remove “four-year” because “approved” would cover that anyway, wouldn’t it? It seems like that would resolve the problem with the three-year university.

Dean Lee Baker: Yes, we can do that.

Professor David Malone (Program in Education): This is an observation. I think as a DUS I still get an awful lot of students coming back and kind of retroactively wanting approval of courses they have taken, and I do not know where in the process we might be able to intervene. I do not know if other DUSs find that as well, but students have a better understanding that getting pre-approval is very helpful before they spend all of the money.

Dean Lee Baker: We try hard for them to get pre-approval, and a lot of times they will take it a summer experience, and then only discover they actually need it to graduate, or graduate early. This will not solve that problem. That is a different problem that is with both domestic transfer and international, but that is a known issue, and that is something that I think as we ramp up advising… and more DUSs just say no. But you do not want to do that either. I think that is something we can definitely work on, but I do not think this will impact that one way or the other.

Professor Tom Robisheaux (History Department): I want to comment here. Lee’s office is superbly qualified to provide support for DUSs when they have questions about whether to award credit from this institution or that institution. In addition to the “big book”, there is also Margaret Riley’s office of Global Education for Undergraduates. There are staff members who have, and Margaret too, a lot of first-hand experience of many institutions if you do not know about a university in Italy or in Paraguay.

Dean Lee Baker: We will work with you.

Professor Tom Robisheaux (History Department): They will work with you, too, to provide some support and guidance.

Professor Frances Hasso (International Comparative Studies Program): If you approve a class for content in the field of the DUS, does that automatically mean the course counts toward the major requirements?

Dean Lee Baker: That is up to the discretion of the DUS. You used your numbers, so you can say if it is below this it is a service course and it does not count towards the major. We have that more in the sciences; I think that is completely up to the discretion of the DUS.

Professor Frances Hasso (International Comparative Studies Program): So the DUS is really doing something that is about the overall credits of the student to graduate?

Dean Lee Baker: That is an interesting question. When I was DUS in Cultural Anthropology, I actually made decisions based on who were majors and who were not. Did this advance the student towards their major? Then it would be a set of discussions. Did it not? Then it would be a set of discussions. But it was just the random student and I was kind of eyeballing it. Even you know it is 999, which is just the generic kind of fits…helps them get towards their 34, but it does not necessarily count towards their major. That is up to the discretion of the DUS.

Dean Lee Baker: Seconded.

Professor Dalene Stangl (Statistical Science) Seconded Tom Robisheaux: All those in favor? All those opposed? It seems to be unanimous. I think we just made Lee Baker’s holiday.
Introduction of Ad Hoc Budget Committee

Professor Tom Robisheaux (History Department): One of the responsibilities of the Arts and Sciences council, it is within the first paragraph of the bylaws, is our responsibility to advise our dean of Arts and Sciences on matters pertaining to the budget. This fall, the Executive Committee entertained a request from Laurie Patton to form an ad hoc advisory committee to her on the budget. The Executive Committee welcomed this opportunity, and supported it wholeheartedly. I am going to ask Laurie, as part of this session of the council that I would like to introduce, to come up here in a moment and talk about the advisory committee and her thinking in general about it.

This was the thinking from the Executive Committee in setting up a session for council members to provide you with information and a big picture about university finances in general. I would in particular like to welcome our Provost Peter Lange, who is here for this session, and Jim Roberts, his right-hand man for finances and budgets. All of you know Jim and Peter very well. In just a minute, I will welcome our other guest who will be making a presentation on the big financial picture. First, let me ask Laurie Patton if she would come up and talk about her new budget committee.

Dean Laurie Patton: I am not going to be very long. Essentially the Budget Committee was formed as an ad hoc committee during the financial downturn [of 2008], and it met a couple of times with Dean McClendon and Sandy Connolly. It was really a good set of exercises then. It was understood to be more of an emergency kind of conversation at that point. It seemed to me that, as you recall that the title of my Arts and Sciences address was about “economic volatility,” this would be a really good standing conversation that folks should be having in general. Sandy Connolly and I discussed this idea. We both felt that it would be good to talk to the new chair of Arts and Sciences Council about establishing something on a regular basis. Sandy very much welcomed the idea, as did Tom, so we decided to go ahead and move forward. You will see the folks on that committee when we go over our new committees a little bit later in the meeting.

I had two main concerns. One, the Duke faculty has struck me since my arrival as a group of faculty who are very engaged with creating new and alternative solutions, thinking beyond budgetary structures, and moving in creative ways. I really wanted to tap that skill and set of practices in the faculty in order to think together about some of the financial challenges that we have.

Secondly as you know, collaborative decision making is a big priority for me, and I thought that, even though the buck stops with me, establishing this committee would still be important for faculty to have engagement around some of the decisions that we have to make on a daily basis about finances.

Third, we had such a good response last year when Sandy and I did the budget poll. Remember that all of you filled out a poll that had a series of questions about what priorities you would have in financial decision-making, and the responses were almost exactly matched to the priorities that we ourselves had in the Arts and Sciences dean’s office. We would like to do that poll, and our goal is to do it every two years; because it creates a common sense of where we are going financially, and that does make a big difference. We will not be doing it this year, but we will do it again next year because some of the financial challenges that we have had, and the priorities making the kinds of decisions that we have in front of us are going to look different next year than they did two years ago.

The final reason for the committee, which is very important to everybody, is establishing frequent ongoing communication, not only from me, but also from members of the faculty and the dean staff who are engaged in financial conversations around what our challenges and decisions are. I know there was a dean of the medical school during the financial downturn that gave a weekly financial update and with a usually incredibly controversy oriented faculty no controversy happened because the communication was so regular and so constant. We also thought that the ad hoc budget committee could help with the very real challenge of getting communication about very complex information out there as much as possible. For those four reasons, we decided that we would establish this.

Introduction of Tim Walsh

Professor Tom Robisheaux (History Department): Without further ado, let me introduce Tim Walsh, who is the University Vice President for Finance. He is going to make a presentation for us, and then we will throw open the floor for questions. We have Peter Lange here and Jim Roberts, but also Laurie. This is not about the nuts and bolts of the Arts and Sciences budget, but our budget is affected by a huge financial picture that few of us really understand. Tim is brilliant with this work, and it gives me great pleasure to welcome him to the Arts and Sciences Council.

Financial Big Picture

Tim Walsh (Vice President for Finance): Lest I come across as just one of the thousands of administrators who might come in front of you and frustrate you at times with my work, I thought it would be good if I actually explain what I do here for just a minute. I have three primary responsibilities at Duke.

The first is that I oversee a number of units that maintain the business infrastructure of this place. We collect all of the money, we spend all of the money, we manage the bank accounts, we run things like sponsored programs—which can be frustrating to many of you—we run the stores operations that sell Duke items. We do a lot of different things in the background of Duke, but we do it in support of you as our faculty and our students, too, of course. We run the baseline business infrastructure of this place.

The second thing I do is I work with the management centers, which are responsible for the allocation of resources across this institution. The management centers, as I will show, include the Provost, which of course include Peter [Lange] and Jim [Roberts] as the leaders, our Medical Center Management Center, which is the School of Medicine and the School of Nursing, and then the Health System. The health system is
within our domain too. The Central Administration looks at Duke as “Big Duke”, and that includes the health system. We are responsible for working with all of these management centers to responsibly allocate funds across this institution.

The third thing I do that seems pretty important at times, is I serve as the university’s primary liaison to the Board of Trustees, and particularly the Business and Finance Committee of the board on financial matters. We get together with them on a quarterly basis, and we try to help them make sense of the university’s financial status as well. This presentation, where we are covering at the highest level the institution’s financial health and financial progress, is what we do on a quarterly basis with our board, too. This is very similar to their coverage, so hopefully it is helpful to you in understanding at the highest level how the institution is doing, and some of the challenges that we are facing. That is really the two-tiered structure of what I am going to talk about.

I want to summarize two major points. First, for those of you who have been here for a few years, you remember fiscal 2009 and just how ugly it was around here and across the country at the time. We have made a remarkable recovery since then, but we are still not quite back to where we were before. Things are certainly better than they were, but we are not back to the high water marks that we were before the financial downturn. Those were heady days, when we felt like we could spend money on just about anything. We cannot do that anymore. We are trying to be a little bit more prudent and careful with our financial resources, but this was a good lesson learned during the financial downturn. So this is one piece of context.

The second piece of context is during 2009, it felt like the entire world was collapsing. Our entire financial ecosystem here at Duke was on the brink of falling apart right under our feet. Now the challenges are much more specific and minor in terms of the number of them, but they are still important issues and there are still things that have to be dealt with. I will highlight a few of those, as you will see they are very profound in terms of their importance, but again they are not nearly as pervasive as the pressures of 2009. That is the important context for everybody to have as you walk out of this conversation.

First, in terms of defining the scope of what I am going to talk about today. As I said, when we talk about Duke, we talk about “Big Duke” and that includes the health system. For the purposes of this conversation, I am going to narrow it to mean just the “university,” and the “university” includes everything but the health system. In terms of financial scale, Duke is roughly a 4.4 billion dollar organization; that means we spend that much money per year. 4.4 billion dollars a year goes through Duke, and about half of that is in the health system. So when I talk about the university, I am talking about half of this amount], so about 2.2 billion dollars a year in spending. In terms of total net assets, that means how much value the university is worth in a financial sense. It is somewhere around 11 billion dollars. That is the big number, and the health system is maybe two or three of that, so an eight or nine billion dollar organization is Duke financially. You can see [from the graph] that Arts and Sciences obviously falls under here under the Provost area. This [part of the graph] is Medicine and Nursing for the Medical Center, and then Central Administration serves all of it. So that is the scope, today is a little bit narrower.

I just mention that financial scale, again, the health system is about half of picture here. While the campus feels like the lifeblood of this place at times, financially medicine, if you include the School of Medicine, is actually seventy-five percent of the financial activity of Duke. So how are we doing? Again, this excludes DUHS. These are the two more important macroeconomic data points on the university’s overall financial health and resources. The top line [on the graph], the blue line, is what we call net assets, so that is the total value of the university and the total value of our assets; less things that we owe people for. For example, the university has bonds outstanding so we owe our bondholders money. This is the net of those two numbers, and what this graph shows is the tremendous growth in our wealth in the early part of the last decade, reaching a peak of 8.6 billion dollars, that was the high water mark in June of 2008. Then you see the big drop off, and this is the financial collapse of 2009 where we lost twenty-five percent on our investments. That [loss] takes a huge bite out of our net asset base. Since then, we have had good recovery. We have recovered about seventy percent of the value that we lost during the economic downturn of 2008-2009.

Below it [i.e. net assets line on the graph], the green line is the market value of our endowment. That is a key industry-wide indicator of our financial wealth and security. That, too, fell about twenty-five to thirty percent during the downturn, and has come back to about seventy percent since then. We are actually very well positioned industry wide in terms of wealth. Although we trail the big players, Harvard, Yale, Princeton, and Stanford—we are not even in their ballpark in terms of wealth—but this [current situation] is actually representative of a very well positioned school nationally.

Going back to that initial take away when I said we are doing far better than we were after the financial downturn. This compares six key financial indicators at the end of June of 2012, relative to where we were in 2009 after the downturn. You can see on a number of fronts [on the graph that] we are doing far better. Total net assets we recovered reasonably well, and the market value of the endowment has gotten significantly better. Our GAP operating deficit—that is, GAP is “generally accepted accounting principles”—which is how the external world looks at financial results. That number has gotten a little bit better since then, but there are still a number of challenges.

This is a big challenge; the balance in central unrestricted reserves. These are our rainy day reserves of the entire institution. They are also rainy day reserves in the schools, they are rainy day reserves in the management centers, but this is the president’s pot of money that he can use to dedicate to the most important priorities of this institution. As you can see, those have actually gone down, even since June 2009. That is a problem that I will come back to.
The operating budget of this university is still not in a fantastic place. This represents the planned use of reserves of over 100 million dollars this year. That was the budget approved by the board, and that number has continued to go in that direction in terms of drawing more and more every year. A big driver of that is aid; financial aid is a major challenge for Duke. The need-blind program and position of this institution continues to get more and more expensive and has systematically since the downturn. So you can see three key areas of risk here. As I go to the next slide, you can see where we are relative to our high water mark, and this is where the numbers look really challenging. While there is overall a somewhat positive tone to this discussion, if you look back to where we were, you can see just how challenging this can be.

Total net assets remains down almost ten percent [compared to before the downturn] as does the market value of the endowment. Here is the real problem: central unrestricted reserves are actually down over fifty percent now. The university’s backstop reserve, the ultimate pot of money for Duke, has been reduced significantly. Some of that was deliberate; some of it was the market. The operating deficit is a problem. The budget is a challenge, and, as I mentioned, financial aid is an issue that is of high importance for us to continue to evaluate.

Dean Laurie Patton: Just to clarify: this is undergraduate [financial aid]?

Tim Walsh (Vice President for Finance): This is undergraduate financial aid, and the [figure] is total demand for our undergraduate financial aid. One look at the ecosystem of this institution—and this [new slide] can be a challenging graph—but leads me to have two takeaways from it.

One, in terms of scale, the School of Medicine is as big as every other school across Duke combined, in terms of its financial structures. Arts and Sciences is as big as every other school to the right of it on this slide as well. You have two massive organizations, Medicine, which is especially large, and then Arts and Sciences next to it among the other schools.

The other takeaway from this chart is the revenue streams of this place and how different they are, which means that every school in this institution has a different ecosystem that they manage. These green sections [on the graph] are related to sponsored research; the School of Medicine is heavily dependent on extramural research. When the macroeconomic environment is a struggle and sponsored research funding is constrained, Medicine is going to feel it. That is coming; I am going to come back to that central theme as a challenge.

Arts and Sciences is a bit more balanced, certainly more balanced than medicine. You can see the tuition-driven schools, Law, Nursing, Fuqua; those tend to be a little bit more recession-proof than others because the demand for these [particular] programs is extraordinarily high. Arts and Sciences is a little bit more balanced, there is significant tuition, and a good amount of research [income] as well within this ecosystem. You can imagine different financial scenarios that bring different pressures to this system. Here is the real takeaway [from the graph]; every school is impacted differently, by a different set of environmental factors around it. Does that make sense to everyone?

Highly endowment dependent schools, for example, were feeling really exposed during the financial downturn, because those endowment values have gone down twenty-five percent. Universities like Harvard—that are forty percent endowment funded—had a very big operating problem to deal with because those balances that fund that had plummeted. Here, a challenge is going to emerge soon in Medicine around sponsored funding, but I will come back to this point in a minute. Every school is a little bit different.

Here are our key challenges as of today. Again, this has shifted over the past few years. I mention the central unrestricted reserves of the place. A major driver of the challenge in the central unrestricted reserves is strategic funding or SIP. Some of you may have heard the acronym SIP before which stands for the Strategic Initiatives Program for the president. It really represents the president and provost’s money that they can use to promote the highest priorities of the institution that are not housed within any one school. Important programs, important interdisciplinary activities, and faculty hires are the sorts of things that are either directed by the president and provost, or at least promoted and supported generally by them, and they come through SIP.

At the start of the downturn, we had a lot of money funding SIP priorities. When the downturn hit, the money funding those priorities went away, but the commitments against them were still there. Instead of reneging on all of those commitments the university used our central reserves to backstop them. That is why, when I talked about the decline in central unrestricted reserves, the rainy day reserves of this institution, [I meant that they were used precisely for this purpose:] to backstop the highest priorities of the university during the downturn. This makes perfect sense. This is what it [the central reserves] is there for. Today we are not in the position we were in four years ago when we started that program.

Second, I mention undergraduate financial aid. I will show a slide in a minute that reflects the escalation of demand around undergraduate financial aid. This is a very high priority for our board, [that is,] the commitment to need-blind financial aid so that all qualified students can afford to come to Duke. This remains a top priority.

[Regarding] federal [government] support for research, everyone is anticipating an inevitable reduction [in funding or] at least a flat lining if not a reduction of sponsored funding. The School of Medicine is particularly exposed regarding NIH funding. We are looking at a dire outlook for the NIH and other major agencies within the federal government.

Last, and I do not have a lot of material on this today, but . . . the undergraduate residences of Duke are in need of attention. This [renovation] costs a lot of money, and those resources [to fund renovations] are not identified yet.

[There are] a number of major challenges [so here are] just a couple of extra points about some of the key ones. First SIP, which, as I mentioned, is really for the central priorities of this place. As I mentioned, we
intentionally used SIP to backstop commitments that were made before the financial downturn. We used those central reserves to backstop SIP. Here [in these slides] you can see in 2010, 2011, and 2012, the last three years, [how] we have used significant SIP [funds]. This represents overspending in SIP in each of those years to backstop our commitments within these other programs.

So the provost’s area had very good years, the medical school had tremendous years these last three years, and central [administration] was about where it belongs, which is about flat. SIP was really backstopping the whole thing, so this was driving deficits in every year, absent really good progress within our programs. We still have that problem, and in FY 2013 the budget calls for another forty million dollars from the central unrestricted reserves to backstop SIP.

Where I said earlier that the pressure was pervasive across this institution, now you can see it is actually isolated to a couple of key issues, but SIP is a difficult one because there is really no backstop for it once those central unrestricted reserves are gone. SIP is [our] big challenge number one. We do not want to cut off our strategic priorities, but the resources to backstop them are limited.

Second, the central unrestricted reserves: this graph shows the market value of those backstop reserves. You can see the initial downturn in these balances due to the financial collapse of 2008-2009, so those are the investment values collapsing when our investments lost 25 percent. This is the same decline that impacted our endowment. This is what we called a strategic use of those reserves, that is, when we were backstopping the commitments using those central reserves for SIP. Some of this was market driven, but some of this was an intentional decision made by the administration and approved by the board to not throw this campus into chaos during the economic downturn. We used the rainy day reserves during a very rainy day.

Then Undergraduate Financial Aid: this is a great graph that Jim [Roberts] and his team put together to reflect the total demand for aid. I hope you can see the percentages [in the graph], but we had dramatic escalation and demand for undergraduate aid during the downturn and afterwards. This point of inflection is actually where we made a deliberate decision, as did most other major research universities at the time, to enhance our offerings, so we made our [financial aid] programs richer, more generous. That decision caused a part of that inflection, but after the downtown these increases—this twenty percent increase [pointing to graph]—illustrates that inflection where we made a decision. But this is the university’s mandate [to support financial aid], so you see some very dramatic increases probably caused by the economic environment. More families need [financial] aid, and then you can see a little bit of tapering in [financial aid in] FY 2013 down to a 5.5% increase. [This is] still a significant increase, but not nearly [as large as] it was in the years proceeding. There are a number strategies coming together around this issue and we expect to see more on this in the coming months.

Third, one of the final data points: sponsored research and the pressure that it is coming under. Why is this so important? Well, given the scale of the School of Medicine, and given the big green bars on that rainbow chart [indicating sponsored research revenue] that I showed you, this [sponsored research change] is what drives these percentages. This [pointing to graph] represents the entire revenue structure of the university, excluding DUHS [Duke University Health System]. Almost fifty percent [of our overall revenue] comes from our research activity, so if that comes under significant pressure, it is going to be felt across this organization. This [change] is almost inevitable at this point. The other key takeaway points from this: we have tuition and fees [as revenues], and while it seems like a very important part of our financial ecosystem, it is actually only seventeen percent of our [overall] revenue base. Then returns on investments that we use for operation represents less than twenty percent [of revenue]. It was about nineteen percent before the downturn, but when the [value of Duke’s] investments plummeted, so did the support for operations. That number is now down to sixteen percent of our operating support. We are not nearly as dependent on our investments to support our operations as schools like Harvard are—where it is about forty percent.

Dean Lee Baker: When you say “investment:” is that the endowment?

Tim Walsh (Vice President for Finance): The money coming out of the endowment that supports our operation, [yes], which is the revenue that we take out of the endowment.

This brings me to one other point; this is an absolutely critical but also complicated topic. This [pointing to graph] is the ten-year rolling annualized return on our long-term investment pool, which includes the endowment. A group called DUMAC, which you may have heard of, manages this; they are the Duke University Management Company, very professional Wall Street type guys. They sit right over at American Tobacco with us in downtown Durham, and they manage the university’s money. When we spend out of our endowment at a rate that is approximately 5.5 percent of the balance that I had given you, that equates to an 8.5 percent return on our invested balance. If this ten-year annualized metric stays above 8.5, we are doing pretty well. We are not spending more than we are earning on our investment pool. You want this gold line [pointing to graph] to always remain above this blue line.

When we had the downturn [in 2008] it actually took us below that that. If we get another downturn, and we go back below that, [then] that model is absolutely unsustainable. You cannot take as much out of your endowment as you are getting from the investment pool. It does not work. You start going into a death spiral [with the investment funds] at that point. We are actually on a very good path now. DUMAC has had a few very good years since the downturn. We are back up to a level that seems comfortable. But look at where we were [pointing to graph line of 2000-2007]: this is what we had gotten used to. With this ten-year annualized return, and the kind of money [i.e. high returns on investments], you can do a lot of exciting things. If we ever get back there [to these earlier high returns], that would be absolutely fantastic.
Being more pragmatic, we are planning on being right in the range where we are spending about what we are earning—which will not provide a lot of excess funds to invest in different things. This is a real challenge for us, because what it means is [that we] have to prioritize differently than we used to have to do. You can see the individual year returns here for the past few years: this [pointing to graph] is the negative twenty-four percent in 2009 that I mentioned earlier. We had a great couple of years coming out of that; thirteen percent and then 24.5 percent [returns]. Unfortunately, if you think about math, it takes higher percentages [of increases] to go up than it does to come down. You go down faster than you come up. This is the tough part of investment management.

That is it for me, but I think we left time for questions.

Professor Tom Robisheaux (History Department): We have time for questions. Thank you very much, Tim.

Discussion

Professor Tom Robisheaux (History Department): We also have [Provost] Peter Lange and [Executive Vice Provost for Finance and Administration] Jim Roberts present, and [Dean] Laurie Patton. This has been a presentation about the big financial picture, not Arts and Sciences specifically, but the environment that shapes the bigger world for us.

Professor Joshua Socolar (Physics Department): I am curious about how to get a sense of the scale of things, and about what was happening during the 2000-2005 period. How did the capital campaigns affect these numbers? How much of the rise was due to a capital campaign? What can we expect from the coming one [capital campaign]?

Tim Walsh (Vice President for Finance): The campaigns are great in terms of funding new things, but the campaigns take time to have impact, because typically a big chunk of the money that you are raising in a campaign comes in as pledges. Those take time to come in. For example, most of our pledges are on a five or ten-year schedule, which means you are not getting the cash to use for five to ten years, and then it only comes out in small increments. It is not as if you see immediately an impact of a 3.25 billion dollar campaign, which we are just starting now. In fact, it takes several years to play out.

The other important thing about campaigns is that donors like to tell [the university] where to spend the money, so it is not the same as SIP which involves the president and provost taking money and using it in a discretionary and strategic way. The campaigns have a huge impact, they do drive up the net asset base, and they do drive up the endowment, but they do not solve some of the problems that we are talking about right here.

Margaret Humphreys (History Department): I am curious about the sequestration [of federal government research funds] in medicine. Could you say a bit more about this. How would this overlap with the rest of the university if the crash comes?

Tim Walsh (Vice President for Finance): I think the odds of [a government] sequestration are extremely low. We are doing some contingency planning around it, mostly in the School of Medicine, but really institution wide. Dr. Siedow is obviously very heavily involved with this [planning] as the vice provost for research. We are preparing for it, but we are not overly alarmed about it, frankly, as a short-term risk. The bigger issue is what is going to happen when they [lawmakers] go to fix the budget one way or the other. Hopefully they will, as a taxpayer, they have to deal with this issue at some point. When they do, there will have to be a recalibration of the scale of our research enterprise, and the School of Medicine is preparing for that now. Our ability to support the same spectrum of research activities that we do today, whether they are internally funded or externally funded: it is hard to imagine [sustaining this level] over the long term. It is getting a ton of attention, and I think all of the schools, depending on their level of exposure, and thinking about that rainbow graph [illustrating dependence on sponsored research revenue], are preparing for it accordingly. It is a huge part of our [financial] model, and therefore an area of very careful focus.

Dean Lee Baker: The financial aid slide was compelling. It is kind of scary, actually, the number of [aid] grants. Can you explain, and maybe also Peter [Lange] or Jim [Roberts], that it is both the number of students on financial aid, and the size of each grant that is driving those numbers? Is it not just bigger grants or more students, it’s a combination of both?

Provost Peter Lange: Actually, a little context would be useful. Around 2000-2001 we did a pretty close analysis of our financial aid program, and it was not generous, to be honest with you. We trimmed at every edge. It was not that there was anything dramatic. It was just that at every point where we could make a choice, we were making the choice to save a little bit of money. We [then] started in 2001 to enrich the financial aid program and to make it more competitive with our peers, and that was working pretty well. Then some of you may remember someone named [Representative] Charles Grassley? You will remember in 2007 Grassley went after all of the wealthier cases a fairly significant, step up in the quality of our financial aid program. The biggest measure of that was that almost all of the schools in our peer group adjusted their loan policy. Some schools gave up loans entirely. Duke chose not to give up loans entirely. We chose to do a substantially reduced loan program, and to scale the loans to income. The lower your income, the smaller the loans that you were asked to take over the four years that you were an undergraduate. That was great, that was 2007. Senator Grassley gets what he wants, and we actually do better by it, and there is a competitive kind race to make sure that you are not the one who looks cheap [by comparison], when everybody else is . . . And then bang! The markets go down, the endowments collapse, and among other endowments that collapsed are all of the endowments that are paying for a portion of the financial aid program, around twenty-eight to thirty percent, for us a little bit higher than that. So, suddenly, what does this [change]
mean? It means your financial aid program is switched onto operating funds because the endowment income that is flowing into the financial aid program is reduced. You have to pay for it somehow, because remember [we have] need-blind full financial aid. We admit students judged best for the school, we figure out how much aid money they need, and then we pay it.

Now we have additional demand on operating funds, which is higher and two other things happen. One, we start getting more students on aid. The economy is not as good, so more students need aid, and the average amount of aid needed by any student who begins going up. It is a three-way vise [grip] on operating funds. The endowment stream feeding those financial aid commitments begins to go down, that is, the endowment income; the number of students needing aid begins to go up; and the amount of aid they need starts going up. That is what explains the graph, and the problem is that the endowment source does not recover sufficiently to make up for the other two [pressures on the budget], and has not yet, and probably will not. We have to find other mechanisms for closing the gap between the amount of money we need to pay for our financial aid program, which no one, and I can assure you, neither the board nor the senior leadership of the university, or the faculty or anyone, wants to abandon, and the amount that program costs.

Executive Vice Provost Jim Roberts: During the period of this surge, the surge effect was absorbed in reserves. That is, we tried to protect the schools from the surge and sort of wait and see to what degree this was a lasting effect or not. Obviously once you have gone up that curve [pointing to graph] it is unlikely we are going to go back down, but we do see some hope in the leveling off in that last year. [Today] we are dealing with how we can get an equilibrium budget put back together. Now that we must deal with the surge, that seems to be a fact of life. The other thing I would say is that we have very good comparative data on financial aid with the other COFHE schools—the Consortium on Financing Higher Education members—and the the Ivy [League] plus group of universities or eighteen universities and thirteen colleges. The curve looks exactly the same at almost every university, so we are not alone in dealing with these issues.

Professor Tom Robisheaux (History Department): Other questions, observations? I will make one observation. To me it seems that the central administration of the university has supported Arts and Sciences in a powerful way these last three years, and I, as a faculty member, was mostly unaware of how powerfully the central leadership of the university has supported Arts and Sciences, and buffered us from something that could have been rockier than it was. This is just a rough impression of one faculty member, [working] out in the trenches, but I find it is a very useful big picture reminder to faculty of how much our senior administration is really supporting us in Arts and Sciences. Let me give [Dean] Laurie Patton a chance [to speak]. Do you have an observation or comment, Laurie?

Dean Laurie Patton (Dean of Arts and Sciences): I just want to say one thing; I want to respond to the question about the Capital Campaign. I am going to be reporting regularly on how we are doing in the Capital Campaign. There is going to be some optimistic news [about the campaign], and you might have remembered from my last talk about pledges being up. This is always great, but pledges cannot lead directly into the question: “Well we have all of this new money, why aren’t we spending it?” Because it is not new money yet, and it usually takes five to ten years to pay out. As I am optimistic I just want to make sure just please to distinguish between pledges and cash.

Every single budget cycle—where I announce all of the different things we can and cannot do—will involve a lot more deliberations going in it, [including] chair deliberations and so on. Secondly, it really depends on the cash that comes in. Last year, for instance, we projected the Annual Fund to be about $250,000 more than it actually was at the end. The rate of giving just stopped in June for reasons that we can’t quite figure out, and we were stuck. These are the things I mean by volatility in these kinds of environments.

Provost Peter Lange: I am appreciative of what Tom said about how we supported Arts and Sciences. But it is always good for everybody to understand that [support] across the whole university. Remember the rainbow chart? One of the things that has happened is that the Central [Administration] funds we were spending went slightly more than proportionately to the undergraduate schools, not radically different [in proportion to other schools], but somewhat. The critical thing is that Arts and Sciences over the last four or five years was not able to use as many other mechanisms for raising revenue that most of the other schools did. To be frank, Arts and Sciences has been slower to create new masters programs that could generate revenue. Most of the other professional schools were able to do that.

We did expand undergraduate enrollment a little bit, and we did help Arts and Sciences with some of its hiring. But there is a downside to that upside, which is: you have to eventually absorb those [new] positions into your own budget. We [provide] bridge [funds] in year one—and that looks great, and everybody is happy because we could continue hiring. In year five when you have to pay for all of those [new positions], if we do not have the same flow of money coming in, you have fewer new positions you can fund because you have [taken over] some bridge positions. Now if you look at the data on the quality of the faculty we have hired over those five years, I think anybody would say that we hugely benefitted from being able to sustain about seventy-five or eighty percent of our hiring pace over that period, rather than just opting out of the market.

But there is a downside, which is what you are facing now, and there was a very large expansion of the Arts and Sciences faculty. In 1999, there were 520 Arts and Sciences faculty members in all, [including] regular rank, tenure-track [professors]. In 2012, there were 635. So that is a very large growth [in faculty positions], not in percentage terms, but in terms of actual budget-impacting faculty. I think Dean Patton has talked to you about this
problem as being one where some attrition may be necessary in order to bring everything back into alignment.

Dean Laurie Patton (Dean of Arts and Sciences): To underscore what Peter said: first of all, we were, I think, at 110,000 students in [his] Coursera [online course]? This is an exciting task force, and their charge is to think about academic advising with a focus on the life script throughout the college years, not just the pre-major and post-major [years], but what would it look like to have a holistic perspective [on an undergraduate’s education as a whole]. Secondly, based on Steve’s study, he has found that academic engagement is the number one predictor of student well-being, which is very different from academic performance. It is a very interesting, very Duke-based insight, and we are going to be building on that as we move forward. We have ten people [on the task force] and we still have some folks who are coming in to say “yes.” We are very excited about this committee.

Remember that I want to make sure that we get out in front of Liberal Arts at DKU (Duke Kunshan University). This is the group of folks who have accepted [to serve on the committee, pointing at slide] and have been part of our wonderful set of conversations. So far, we have met twice. We are going to be having a retreat in January, and possibly sending one or two folks to China to continue to deepen our [guiding] principles about liberal
arts, as well as establishing undergraduate modules at this point. No degrees [are being proposed] right now, simply modules, but we are going to be creating a pathway to have those modules approved which will use our current approval structures. We want to make sure we engage as many faculty as possible who may be teaching at DKU, probably [starting] in the spring of 2014.

As you remember, hires in Asia are a priority for me. I have created a Faculty Advisory Group on East Asia that has met once, and they will meet again in January. These are the folks that are involved [pointing to slide]. [For] South Asia, [the advisory group] has met twice, and it is developing some interesting thinking about how we develop this strategically, given that our hiring is going to be constrained compared to 2004 levels for the foreseeable future. Here are the folks that are on the committee [pointing to slide].

I wanted to end with this wonderful item. As you know, going green is a priority for the Dean’s OFFICE. Ben Deahl, Sandy Connolly, Randy Smith, and all of the folks here [pointing to the bottom of a slide] are the ones who have joined the Dean’s Green Team. We have our own website. Our office has taken the pledge, to remind you, we are now, meaning Arts and Sciences, my office, the “cool floor” is now completely carbon neutral, [an achievement] which we are very excited about. I travel a lot, so that means a commitment. We have also been certified as a green workplace. We would encourage each one of your offices to do the same. It was not that hard. It was really fun to do, actually.

If you want to see what is going on, we have a whole bunch of interesting blogs. I have a regular blog. My next blog [post] is going to be what does it mean to go green in a really old building. I would love to have faculty blogs on that, and feature faculty blogs if you have something to say.

**Professor Tom Robisheaux (History Department):** Any questions [for Dean Patton] from colleagues? I take this as a very successful meeting. As the meeting adjourns I would like to invite you, you have all been working very hard I know, and you are about to plunge into that intense last bit of work. Please take a little time to enjoy our reception, have a glass of wine, and some of Shawna’s famous holiday treats.

**Dean Lee Baker:** Before we adjourn, let us give Tom a hand for his first semester [as Arts and Sciences Council Chair].

**Meeting Adjourned**