

**Memo to the Faculty from Provost Sally Kornbluth**  
**Duke and the Development of Duke Kunshan University**

**March 16, 2016**

**Revised August 31, 2016**

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## **Memo to the Faculty from Provost Sally Kornbluth**

### **Duke and the Development of Duke Kunshan University**

Among the many challenges and opportunities of serving as your Provost, one of the most important at this juncture is to offer a frank assessment of Duke's relationship to Duke Kunshan University (DKU), the joint-venture university in China whose founding documents go back to 2011. When the opportunity to establish a campus in China first arose, DKU was embraced by Duke's senior leadership, trustees and many faculty as a potentially path-breaking experiment in global engagement, intended simultaneously to offer new opportunities to our students and faculty, to project and enhance Duke's international reputation, and to provide significant educational services to a rapidly developing society and its citizens. Duke's intentional approach combined boldness in undertaking the venture with prudence in insisting that DKU start small, both in scope and student and faculty population, to enable us to assess both our partners and our prospects before committing to next steps.

Now we have run the experiment through several years of preparation and two years of operations of the first phase of DKU. As in any new venture, we have had challenges and successes, and we have improvised and adapted along the way. As I stepped into the role of Provost, I also stepped into important roles at DKU, first as an *ex officio* member of the DKU Board and now as chair of that Board. I have now made several trips to DKU, have met Kunshan government leaders and Board members, and have had the opportunity to work with two talented Executive Vice Chancellors at DKU (the Provost equivalent there), first Mary Brown Bullock and now Denis Simon.

We are approaching an important decision point in the evolution of DKU—a decision point that was anticipated as part of the joint venture's planned evolution. The decision regarding whether Duke will proceed in the development and offering of a four-year undergraduate degree program at DKU is dependent upon certain terms being met. If the necessary financial and other commitments can be secured from our Chinese partners, this decision will be made by Duke faculty through our established governance processes and, ultimately, by the Board of Trustees.

What I have seen and learned about DKU has increased my conviction that this is an experiment well worth doing—under the right conditions. Our partners are serious and credible, and our mutual goals are well-aligned. We have excellent leadership: Denis Simon, appointed in 2015, brings a lifetime of experience and expertise in China, leading initiatives both in American universities and in the private sector. Chancellor Liu Jingnan is the former president of Wuhan University and a prominent member of the Chinese Academy of Engineering. Duke's own Haiyan Gao, Henry Newson Professor of Physics and former chair of that department in Arts and Sciences, serves as the Vice Chancellor for Academic Affairs and brings Duke standards and values as well as a deep understanding of China to her role. Finally, we have several years of invaluable experience behind us. Certainly, not all of

that experience has been positive, but we have learned from the mistakes as well as the successes.

This document will give a brief history of Duke's motivations for embarking on the DKU project, lessons learned from Phase I, an articulation of the decision point ahead for Duke, and the plans in place and actions underway to strengthen future prospects for DKU, in part by strictly limiting our financial commitments while continuing to draw extensively on our leadership, management and academic capacities.

I personally have high confidence that we can create an exciting undergraduate program of lasting value, and while there can be no guarantees of our ultimate success, if we proceed, we must do so in the original spirit of bold but thoughtfully considered experimentation.

## **Duke and the Development of Duke Kunshan University: Executive Summary**

This document aims to provide a brief history of Duke Kunshan University, offer a candid catalogue of its early successes and challenges, summarize the decision point at which Duke has now arrived, and describe the aspirations of the next phase and the potential strategic benefits to Duke. A final section addresses some of the more common concerns that have been expressed by the faculty.

The occasion for this memo is the decision point regarding Phase II of DKU. From our earliest discussions, we have understood that while our Chinese partners valued the master's degree programs DKU offered in Phase I, their primary focus was a four-year undergraduate degree program to be launched in Phase II. Duke has now arrived at the moment in which we come up against this longstanding expectation.

Despite the challenges of the first years, Duke's initial assessment of the promise of DKU has been largely realized. DKU is a means by which Duke can become not only a more global university but a leader in global education; it is a test site for curricular and pedagogical innovation; it affords unprecedented access to research opportunities and data in China; and it supports the many faculty and students with scholarly interest in China. A four-year undergraduate college, eventually anticipated to enroll 500 students per year, seems likely to amplify these effects and yield even greater benefits to Duke. However, substantive agreements with the city of Kunshan—mainly provisions covering ongoing funding—must be reached before Duke can contemplate moving forward. Discussions are in process; the final decision will be made by Duke's Academic Council and Board of Trustees.

The challenges of Phase I have not been insignificant. Adherence to Duke standards of quality in the construction of the campus resulted in unforeseen costs and delays; enrollment in the master's programs did not reach targets, creating a budget shortfall. In the meantime, a piecemeal approach to communication with faculty resulted in misperceptions and doubts about the value of the endeavor.

Duke has confidence that lessons learned from Phase I will reduce obstacles and strengthen DKU's chances for success in the future. Improvements are being put into place on the construction management process; to address the student enrollment issue, market surveys have been conducted, and a new recruitment approach has been adopted. An innovative integrated curriculum has been developed that blends a liberal arts emphasis with research experiences and signature Duke themes such as interdisciplinary studies, all within a global context. Importantly, we have reached an agreement with the Kunshan government that will limit Duke's financial investment in the second phase of DKU, transferring the majority of the financial burden to Kunshan. It is hoped that this document will serve to answer questions for the faculty about the strategic value of DKU going forward and begin a new chapter of faculty engagement and open discussion.

## **Founding intentions**

The idea for DKU arose from the confluence of three interests.

First, one of China's long-term strategic goals is to build a knowledge economy. Opportunities for a Western-style, liberal arts education, particularly of the caliber of Duke University, do not currently exist in China, and there is an increasing recognition that students educated in China, while intellectually talented and well trained technically, may lack skills in critical thinking, creative problem-solving, English writing, oral communication, and other skills that come with the breadth of experience offered by an American-style liberal arts education. Through a process of self-diagnosis, China has identified world-class higher education as an element essential to its ability to train the next generation of innovative leaders and thinkers. Accordingly, China has authorized the establishment of a limited number of joint-venture universities to bring this model to fruition.

The city of Kunshan has emerged as a dynamic hub for technical innovation in China with the highest per-capita income among Chinese county-level cities. Having recognized the need for world-class higher education as essential to its continuing economic growth and technological progress, Kunshan eagerly offered itself as the site for an outstanding joint-venture university and committed to make the considerable financial and other investments necessary for this purpose.

Duke was invited to bring its intellectual resources to this partnership. In accepting, Duke saw the opportunity to deliver a form of education in China that would simultaneously meet many strategic objectives and confer substantial benefits at Duke in Durham. Duke saw the possibility that a campus in China would further Duke's international reach, impact and reputation. DKU had the potential to be a space of pedagogical innovation, where Duke students could gain an international dimension to their Duke education, and where faculty could test out innovative teaching methods that could be brought back to Durham.

Finally, DKU was attractive for its potential research possibilities. Many of the world's most important problems, while not unique to China, are particularly acute there. China was already a place with very active research engagement by Duke faculty, and DKU was envisioned as a platform for Duke faculty, students, and postdoctoral researchers to access China-based research sites, information, and documentation. This access would enhance our ability to work in key areas including the environment, energy, health, water quality, and social and economic development, and would position our graduates well for future jobs in China and elsewhere. Furthermore, despite some recent financial difficulties, China is a growing economy with substantial research funds to invest. Because Chinese research funding is typically available primarily to Chinese institutions, it was anticipated that the establishment of DKU would open the door to funding for both DKU investigators and their Duke collaborators.

## **Accomplishments to date**

From the confluence of these intentions, the DKU project began to take shape. It must be acknowledged that the first years of the project did not proceed entirely as planned. Winning approval from the Chinese Ministry of Education took far longer than initially anticipated. Mismatches between the construction standards of Duke and its Chinese hosts caused frustrating further delays. When DKU opened its doors in Fall 2014, enrollments for the first programs did not reach the levels we had anticipated. In one of the programs—the Global Learning Semester—a “coalition of the willing” approach for recruiting Duke faculty drew instructors who were keen to work in the pioneering conditions, but resulted in the creation of a curriculum somewhat lacking in coherence.

But even as we have continued to work on addressing the challenges, after two years of experience, DKU has begun to realize its academic potential. A beautiful and highly functional campus, with land provided and construction costs funded by the city of Kunshan, has been built as a visual signature for exciting educational opportunities. The educational programs offered at DKU have, by and large, been well received by the students, and many Duke faculty have remarked that their teaching experiences at DKU have been truly transformational.

Three master’s degree programs are currently offered, with concentrations in medical physics, global health, and management studies. DKU has done well in job placements for its graduates; for example, within 6 months of graduation, the first graduating class of Master of Management Studies (MMS) saw 88% of its graduates who were seeking employment receive offers from quality local and international employers. Additionally, the Global Learning Semester program has offered undergraduates from Duke and other universities the opportunity to expand their studies in a range of areas including global health, environmental studies, public policy, and China studies at DKU.

In the fall of 2015, a new master’s program in environmental policy (iMEP) was approved by the Academic Council and the Board of Trustees. The program will begin in the fall of 2017 and is designed to meet the growing global need for leaders who are versed in both Chinese and international environmental issues and policies. Student recruitment for the iMEP will begin this spring. The prominent environmental economist Junjie Zhang has been hired as the inaugural director of the degree program and its affiliated research center.

DKU has also built the beginnings of a dynamic research enterprise and has already won notable recognitions for research activities. Acknowledging the strength of the Global Health Research Center, the World Health Organization (WHO) named Duke Kunshan as a Health Policy and System Research Hub in the Asia Pacific region. DKU has also been awarded funding from the Chinese government and international entities interested in China and/or global issues having an impact on China. A prestigious grant was awarded to Duke Kunshan through a collaboration with Tsinghua University, under the mechanism of Key International Collaborative Research, by the Natural Science Foundation of China (NSFC). This project combines biomedical and engineering expertise to study effectiveness of clean air technologies in reducing the harmful effect of air pollution. A Research Center is also

being established at Duke Kunshan to study the formation mechanisms, health effects, and mitigation policies of ozone pollution in Jiangsu and the Yangtze River Delta. The government of Jiangsu Province will fund this Center on a 5-year renewable basis.

DKU's conference center has already hosted several international conferences, convening scholars and experts from around the world for deep discussions on topics ranging from the humanities to non-communicable diseases to cross-border mergers and acquisitions. Through this convening power, DKU has amplified the expertise and intellectual provocation available to the campus community while making Duke and the DKU educational venture visible to influential audiences across China and Asia.

Finally, DKU has hosted a number of very successful short-term educational programs, including a machine learning workshop in partnership with Tsinghua University that attracted 80 students from 12 countries this past summer and a TIP program that grew from 40 students last summer to 80 students this summer.

### **A decision point: A four-year undergraduate degree at DKU**

Even as we continue to solidify the teaching and research infrastructure already in place, given the extensive planning time required for future expansion, Duke will soon arrive at a decision point for the proposed next phase of engagement—the development of a four-year undergraduate program at DKU.

It was clear from our earliest discussions that the primary interest of our partners in China is in the development of a four-year undergraduate degree. This point was reinforced during President Brodhead's January 2016 trip to China in meetings with a number of senior Chinese minister-level officials responsible for higher education and science and technology development. World-class quality undergraduate education is one of China's principal goals for its higher education landscape. All the other joint-venture universities in China began with the undergraduate component; Duke was granted an exception only after we insisted on the need for a step-by-step approach.

As a leader in higher education, Duke is strategically positioned to establish a program of such quality. In addition, as the highest-ranking university China is partnering with, and as an academic institution with significant intellectual capital and practical know-how to launch such a program, Duke's presence in this joint venture is highly coveted.

The benefits to our partners in China are clear—but what is in it for Duke? Why would we want to launch an undergraduate degree in China? If the conditions for proceeding are met by our Chinese partners, Duke faculty, students and staff stand to gain a robust China-based platform for research and innovation, a broadened reputation for academic excellence on the international stage, and a pipeline of enormously talented students. This is a significant step in Duke's longstanding goal to become a truly global university, embedded in another culture, allowing true exchange of knowledge and insights across a wide range of experiences and backgrounds.

### *Duke as an international leader in education*

Duke proposes to create for DKU a model of undergraduate education that is founded in the Western liberal arts tradition, infused with Duke's signature strengths, and uniquely adapted for a 21<sup>st</sup> century global campus. With the successful launch of the DKU undergraduate program, Duke would be known as the leader in extending this model of education globally and shaping it to a globalized world.

Liberal arts education relies not on a formula for choosing and combining courses but on a culture of pedagogy that is immersive and dynamic, in which teachers and students work closely together to approach open questions, articulate hypotheses, test out ideas, and challenge one another. Such education, which is not available in even the finest Chinese universities, is a source of envy and admiration to many in China, and the Chinese students who have studied at DKU have testified eloquently to its power. It is possible only in an immersive, relationship-rich residential environment that we enjoy on our Durham campus and that we would strive to replicate in Kunshan.

The DKU curriculum begins from liberal arts principles and is imbued with the hallmarks of a Duke education: interdisciplinary approaches, engagement with research questions, problem-based and team-based learning, and opportunities for students to craft individual pathways and deepen their intellectual engagement over time. It is a kind of education that builds critical and problem-solving skills, simultaneously conferring a broad base of knowledge and fostering the ability to interrogate that knowledge and apply it flexibly. Finally, it will be deeply cross-cultural in its orientation: since students from China will be studying side by side with peers and faculty from other countries in this living-learning environment, DKU will give all participants the continual experience of learning to see from multiple points of view and to work together across cultural boundaries—a crucial skill for the future.

In this new academic landscape, DKU provides an opportunity to combine and concentrate best practice innovations found throughout the current Duke curriculum and bring them into coherent focus. In addition, as Duke faculty teaching at Kunshan have already experienced, teaching a student body with significantly different backgrounds from those of Duke students will prompt a revisiting of familiar preconceptions and can spark pedagogical innovations that can be brought back to enrich the Durham campus. This was one of the unforeseen by-products of Duke's other major international venture, the Duke-NUS Medical School in Singapore. At DKU, the potential for the new curriculum to yield insights that may be valuable for Duke in Durham has been built into the curricular design from the beginning. Of course, it will be up to Duke faculty to determine whether and how innovations derived from DKU might complement their teaching at Duke.

### *Research opportunities*

DKU is already becoming a site of outstanding research in areas of worldwide importance in which Duke has special strength. However, the scholarly impact of the faculty is constrained by the fact that the master's degree programs are necessarily limited in size and therefore don't require a critical mass of faculty in any given area. Establishing a four-year



undergraduate program will enable us to build a critical mass of faculty at DKU, a significant portion of whom will be active in research. These research platforms, in turn, will enable DKU to evolve into a magnet for attracting high caliber research and teaching faculty over the coming years. In addition, given its importance of an undergraduate program to the Chinese government, Duke's failure to create such a program will likely limit Chinese research investment in DKU partnerships.

#### *Societal impact*

The real impact of a university lies in the contributions its research makes to the expansion of knowledge and the trained talent, energy and creativity its graduates bring to their world. Over time, we expect that DKU will produce graduates who have a sophisticated global worldview, who are well grounded in the great challenges of our time and adept at seeing an issue from many perspectives, and who have the potential to become a leadership cadre for China and the world. And DKU will continue to offer an extraordinary opportunity for Duke undergraduates who wish to spend a portion of their college experience in China.

#### *Strategic importance*

As China becomes more of a leader in global affairs, the strategic importance of being truly embedded in the Chinese experience will increase. Viewed from this perspective, DKU will be important to Duke not simply over the course of the next 3-5 years, but in terms of how Duke will look and operate as a global university over the next 25-50 years and beyond. Having a Duke presence in China via the DKU initiative will open up possibilities for collaboration and will secure for us and our successors a leadership role in helping to define the next frontiers of higher education. DKU's success will make Duke better known in the region, increasing awareness of our university among top Chinese universities, think tanks, and related organizations. A four-year undergraduate program has the potential to be a key attractant for major donors in China and Southeast Asia. Moreover, our DKU venture may serve as a valuable testing ground for Duke's future involvement in other international sites, even if none are at the scale and scope of DKU. Duke will certainly continue its involvement in a variety of international collaborations around the world, but the DKU initiative provides a unique type of global engagement made possible by a fully developed physical campus presence and a range of educational and research programs.

#### *Drawing top student talent to Duke*

With more than 9.75 million students taking the "gaokao"—the Chinese college entrance exam—in 2015, there is certainly a large pool of available talent. Market research has shown strong evidence that DKU will be able to attract top students as we recruit and select students for an undergraduate degree program. An additional benefit to Duke will materialize as eventual DKU graduates will be drawn to Duke in Durham for postgraduate study. Duke undergraduates who have been to DKU for the Global Learning Semester have noted the large number of Chinese students already coming through DKU who want to go to graduate school in the US, particularly at Duke. With the extensive and ongoing interactions that DKU and Duke faculty will have with Chinese students over the course of a four-year program, we will be able to attract the very best and brightest to Duke's graduate programs and professional schools. And with a four-year "Duke-style" education under their belts, DKU graduates will be well suited to the Duke graduate school environment.

## **Phase I: Lessons learned**

The first phase of DKU engagement has been a valuable learning proposition. Our main focus was on developing the infrastructure needed to administer academic programs and sponsored research, and on establishing key master's degree programs. Lessons from Phase I will be instructive for the next phase of development of DKU.

### *Construction:*

It was agreed at the outset that the municipality of Kunshan would build the DKU campus—at its own cost—to Duke's design and building expectations. Ensuring that the Kunshan campus was constructed to Duke standards, including safety and environmental quality, resulted in significant construction delays and required a level of Duke oversight and involvement far more extensive than initially planned. The result of these efforts is an attractive and functional campus, but at a greater cost in time, money and friction than should have been necessary.

Improvements have been made to the construction management processes, resulting in a new approach to handling the build-out for Phase II of our master construction plan. We expect that this approach, which has been discussed with the Kunshan leadership and our construction counterparts, will provide us with more upfront involvement over specifications and requirements as well as the choice of contractors. We also have a more holistic view of how major construction projects are accomplished in China and a better approach to coordinated decision-making.

### *Enrollment:*

Duke has also learned lessons from the challenges of meeting early enrollment expectations in the master's programs. In the first two years of operations, enrollment has not met targets. One reason for the shortfall is that the master's programs were specialized "niche" degree programs; prospective students in China were unfamiliar with the degrees and unsure of the professional opportunities that might proceed from them. We have already begun to see a rise in enrollments as the first cohorts of master's students graduate and secure employment. For example, the MMS program, which delivered excellent placement opportunities for its first graduates, has 51 matriculants this year and the Global Health program has seen a 60% increase each year in the last two years in size from 5 students in fall 2014 to 13 in fall 2016. Unlike the original group of master's programs, the new iMEP program moved forward to approvals only after we completed an in-depth market analysis that indicated a likely significant group of interested students.

As we began to contemplate a four-year undergraduate degree, we commissioned a second extensive professional market survey to assess whether there would be a market, both within and outside of China, for a liberal arts degree at DKU. The market survey report has provided sufficient comfort to propose a liberal arts program that would, at maximum capacity, serve 2000 students (500 per class). This number would be achieved over a 7-year

implementation period, beginning with 150-175 students in the first DKU undergraduate class.

In addition, Duke now has a greater understanding of the recruitment efforts needed to attract the required number of students. DKU has adopted a much more proactive recruitment strategy, and we have enhanced publicity efforts in China and Southeast Asia to increase overall awareness of the Duke brand and at Duke to enhance awareness of DKU. Additional efforts, including Duke's Talent Identification Program (TIP) China program, topical summer undergraduate programs, and international research conferences will add to the stature and name recognition of DKU. We plan to establish solid working relations with a variety of top-tier feeder high schools and tap into the network of international schools in major Asian cities.

We are confident that Phase I activities can be significantly augmented and that these reputational enhancements will help attract students to Phase II (the undergraduate degree program). While recruitment to a new undergraduate degree program will present its own challenges, we believe that the value of the experience and the degree will be recognized and understood by prospective students and their families.

*Enrollment of Duke students in the Global Learning Semester.*

The Global Learning Semester is an opportunity for undergraduates—from Duke as well as from other universities around the world—to spend a semester at DKU. The program has had success in attracting students from China and other countries but has faced challenges in attracting Duke undergraduates. Interviews with the GLS students indicate that most had an excellent experience, and a communications strategy is being put into place to counter any lingering misperceptions in the Duke student body. In addition, in the past half year or so, the Global Learning Semester has added and rebranded course clusters such as China studies, environment and energy, and public policy (in addition to the already successful global health cluster) so that students will be able to have a more substantive deep-seated experience in these areas at DKU. The establishment of a full-time DKU faculty as part of the four-year degree program will improve DKU's ability to ensure consistent staffing and maintain a coherent slate of course offerings in the GLS. As we enter the third year of operation, it is striking to note that among the cohort of GLS participants who have now graduated from their home institutions, one third have elected to enroll as Master's students at DKU. Even as we contemplate evolving the role of the GLS as the Phase II full undergraduate program begins, it clearly has provided us valuable experience in understanding the best methods for delivering a liberal arts style education in China.

*Financial arrangements:*

The original agreement between Duke and the Kunshan government addressed both construction and operating costs. With respect to construction, Duke agreed to fund and manage master planning, building design, consultants in areas such as IT and AV, and construction oversight. Kunshan agreed to provide the land and fund the actual construction of roadways, buildings and landscape—the lion's share of the costs. With respect to operations, both partners recognized that high quality education cannot be financed by student fees alone and that an ongoing subsidy would be necessary. Duke and Kunshan

agreed to share this necessary subsidy on a 50/50 basis for the first five years of campus operations, with arrangements for any follow-on period to be subject to renewed negotiation. This was deemed to be a reasonable arrangement at the time, based on revenue and expense projections.

However, the somewhat open-ended nature of this agreement, with no upper limit on Duke's financial contributions, has proven problematic. The projected expenses for Phase I have been on target, but the revenue has been lower than projected due to the low enrollment and recruitment challenges described above.

A new financial model was developed at Duke with faculty guidance to estimate the subsidy necessary to support the addition of the undergraduate degree program to DKU's current infrastructure and programs. Based on this model, Duke, Kunshan and DKU have agreed on a subsidy level of up to \$45M annually in current dollars to supplement DKU's self-generated income from tuition, conference fees and other sources. This subsidy must come from partner contributions or other forms of external support.

In December, Duke informed the Kunshan government that the Phase II financial agreements must place a cap on the total funding to be contributed by Duke. Specifically, Duke will invest \$5M per year (adjusted annually for inflation) in the core budget; Kunshan will cover the remaining subsidy necessary up to \$40M annually, guaranteeing DKU supplemental operating support of \$45M in addition to the tuition fees and research support it generates. In the past several months, Duke and Kunshan have reached a clear agreement on these financial commitments. In addition, Duke has also indicated that it expects Kunshan to fund the additional facilities needed to support expanding programming at DKU, including a library, student community center, recreation facility, office building, research institute and housing for students and faculty. In turn, Duke will provide some services in kind, including access to our IT infrastructure and library assets (subscriptions, etc.). Duke has also agreed to invest up to \$1M additional funds annually in research or educational projects for Duke faculty who wish to collaborate with DKU. These funds will be awarded competitively to Duke faculty. Finally, Kunshan has agreed to provide 20 international and domestic scholarships each year for the first three years of the undergraduate program and Duke has agreed to make an effort to raise external dollars for 15 full international tuition scholarships on the same terms.

*Faculty consultation:*

DKU began as an idea in the Fuqua School of Business and only gradually expanded into a university-wide effort. Construction and other delays meant that there was a long interval between initial faculty consideration and the opening of the actual campus. While each new program development was fully vetted through faculty committees, discussions in Academic Council focused mostly on specific programs rather than the overall vision for DKU. For these reasons, understandably but regrettably, some faculty felt they were not kept fully apprised of the big picture and our overarching objectives for DKU. The decision of whether and how to proceed with a four-year undergraduate degree at DKU will require greater faculty buy-in. We are committed to full transparency and communication with faculty as we consider these important decisions. As part of that commitment, we have held a number

of faculty consultation meetings this past academic year to lay the groundwork for consideration of Phase II.

## **Implementing Phase II: The challenges ahead**

Phase I of the DKU project has established an academic and research infrastructure that reflects Duke's high academic standards for programs in China. Upon this foundation, plus strong leadership, excellent staff, established relationships, important lessons learned, and reputation, we seek to build a new four-year undergraduate program with a distinctive research-inflected liberal arts curriculum.

This ambitious but attainable goal will no doubt face challenges during the next stages of development, and we are having ongoing conversations with many faculty and administrators on how to best meet these challenges. Many of the questions and concerns we have heard from faculty to date are discussed below:

### *What are the costs to Duke?*

By far, the biggest concern heard from Duke faculty regarding the establishment of a four-year undergraduate degree program at DKU is the cost to Duke—including the indirect administrative costs of building and supporting an academic program in China as well as the opportunity costs of investing at DKU rather than our home campus in Durham.

As noted above, we anticipate that a fully developed undergraduate program at DKU will require an ongoing annual operating subsidy in the range of \$45M in current dollars. This amount is necessary to close the gap between total operating costs and projected income from student tuition. At Duke, the gap between what students pay in tuition and the cost of educating them is borne largely by philanthropy, either historic in the form of endowment income or current in the form of annual gifts. Because DKU does not yet have an endowment or established annual giving program to cover the funding differential, the funding gap must be covered by subsidies from Chinese governmental sources (mostly municipal and provincial) and an upper limit on Duke's commitment of financial support, with gradual, albeit as yet unknown, development of philanthropic support.

Although we are partners with Kunshan in this endeavor, we have made it clear in all of our ongoing discussions with local officials that because Kunshan is a large municipality and Duke is a single educational institution, we are not equivalent in our financial capacity. Duke's primary contribution is to supply the intellectual capital to make into a first rate university. While we continue to work with our Chinese academic partner, Wuhan University, as well as other Chinese higher education experts, Duke is doing the bulk of the heavy lifting to support and advance the academic side of the equation, as per our initial discussions with Chinese officials.

Thus, as stated above, Duke's financial commitment will be capped at \$5M per year (adjusted for inflation) to assist DKU in covering its costs. While not insignificant, this amount is comparable to current funding for certain key interdisciplinary initiatives at Duke.

Duke also needs to ensure that it can deliver a quality educational program within these budget parameters.

*What is the legal framework for DKU?*

Phase I and by extension Phase II are underpinned by a solid, well-articulated legal document that covers issues with respect to the stability and sustainability of the agreement and core issues such as academic freedom. All financial and faculty/staff arrangements to date are backed by written, explicit MOUs and formal agreements between Duke and Kunshan. These are supported with formal legislation and a regulatory framework by both the Ministry of Education and the Jiangsu Education Bureau. The same will be true for all programs that are included in Phase II of DKU. We also have the benefit of legal advice from the Shanghai office of an international law firm with extensive experience in launching joint ventures in China, particularly in the educational realm. To be clear, nothing will be signed committing Duke to sponsoring an undergraduate degree program at DKU before the program has been approved by the relevant Duke faculty governance bodies. The principal founding document, the Cooperative Education Agreement, outlines broad criteria and a clear process for dissolving the partnership, in the event that that should ever become necessary from Duke's perspective. Duke can also terminate the licensed use of its name and rescind its approval for Duke University degrees to be awarded for completion of DKU programs.

*Are we jeopardizing our academic freedom by operating in China?*

Since the founding of the joint venture, Duke has insisted that its commitment to academic freedom apply fully to DKU. All of our academic, research and outreach activities continue to be safeguarded by explicit language in the overall legal agreement that commits our Chinese hosts to non-interference in the education affairs of Duke Kunshan University, and it is expressly indicated in the existing MOU that any major impingement on the academic freedom of DKU or Duke faculty, students, or researchers by Chinese authorities will result in the discontinuation of Duke's involvement with and support of DKU. The six other American, British, and Hong Kong universities that have joint-venture institutions in China meet regularly to make certain that no one is experiencing any academic limitations or censorship. To date, none of these joint-venture institutions have experienced any interference concerning topics discussed, including, for example, open discussions at DKU on the recent Hong Kong protest movement. In 2015, DKU served as the site for one of the China Town Hall gatherings sponsored by the well-respected National Committee for US China Relations. The gathering serves as a vehicle for open discussion of some of the most sensitive issues in the bilateral relationship. Not only was the gathering a major success, but the National Committee once again has invited DKU to serve as a host site.

We must also recognize that China has different and still evolving legal rules and professional norms regarding academic freedom and societal debate. The issues surrounding the parameters of academic freedom in China for foreign joint venture universities will continue to require extreme vigilance and attention. It also is the case that when we operate in China, we must respect the laws and regulations of China. The essence of the DKU academic program is to educate global citizens capable of operating effectively and ethically across borders and cultures. We will encourage students and faculty, while being respectful of existing laws and cultural norms, to remain actively intellectually curious and not be

deterred from tackling highly complex issues, many of which often have no easy answers. We also believe that it is worthwhile to carry the idea of open liberal arts education to a new place, even as we acknowledge that this endeavor is not devoid of risk.

The IT network environment at DKU is free of Internet censorship. Faculty, students and staff at DKU are automatically on the Duke network when they are on campus and connecting to Duke resources. This path, combined with a robust VPN, enables secure access to websites and other internet resources that are otherwise banned in China. OIT at Duke constantly monitors the security of the DKU network and its connectivity to the Duke campus and has not detected any incursions into the network.

*How do we ensure the quality of the DKU faculty?*

To provide academic and research programs that are on par with those at Duke, we must ensure that the faculty hired at DKU match Duke's high standards. In today's tight academic job market, there are many more qualified individuals available than can find academic positions, making the recruitment of Duke-quality faculty quite feasible. However, to ensure this quality and to ensure that faculty hired will bear the imprint of Duke's intellectual culture, Duke faculty will need to participate in the DKU faculty hiring process—a commitment that will be initially time-consuming but should decrease after three years. It is envisioned that multidisciplinary and disciplinary hiring committees will be convened. At the same time, to ensure that faculty hired are a good match for DKU's specialized academic environment, the hiring committees will need to be fully briefed and well versed regarding DKU's curriculum and aspirations. The DKU Board has agreed to compensate Duke faculty for their participation in DKU faculty search committees.

Another way to ensure faculty quality is to offer tenure. The early discussions of DKU did not contemplate offering tenure to DKU teachers and researchers. However, we now believe that attracting the very best faculty to DKU for the long term will require that we establish a formal tenure system. We are currently working out the criteria for tenure, which will likely be closer to the requirements typical of a top liberal arts college than those of Duke. While research will be highly valued at DKU, most tenure-track or tenured faculty will have a heavier teaching load than is typical for tenure-track or tenured faculty at Duke.

It is important to note that tenure at DKU will not confer tenure at Duke. Additionally, faculty governance boards, including the already active DKU faculty council, a body equivalent to our Academic Council, are currently in development. Draft faculty governance documents, based on similar documents at Duke but contextualized to the environment in China, are also in preparation. Finally DKU will adopt a policy, to guarantee a one-year payout to tenured faculty in the unlikely event that a program or the university closes for unexpected reasons that is consistent with the Chinese labor law.

Another factor in faculty and student recruitment concerns the location of Kunshan. The noted Chinese universities and many of the other joint venture institutions are located in major cities. Kunshan is close to two: the distance from Kunshan to downtown Shanghai is comparable to that between (say) Princeton and downtown Manhattan, and it is closer to Suzhou, which is considered one of the most beautiful cities in China. This degree of remove

may have advantages in avoiding the rigors of extreme urbanism in China, but students and faculty will want full access to the cultural attractions of metropolitan centers. Kunshan itself is an area rich in history, culture, and arts. The water town Zhou Zhuang located in Kunshan is among the most well preserved water townships in China with a thousand year history, and the famous Kun Opera, was originated in the Kunshan area during the early Ming Dynasty (14<sup>th</sup> century). Kunshan is also making significant investments to make the city a convenient and attractive location for education, business, transportation, and entertainment: bullet trains already connect the city center of Kunshan with Shanghai and Suzhou, and a new subway system will soon connect more of the city (including the DKU campus) with the fast train system, to Suzhou directly, and to Shanghai in the future. Kunshan government officials have conducted surveys at DKU to determine what facilities are most important to faculty and students. A European-style shopping district including a bar and restaurants is being built within walking distance to DKU, and it will be in operation in the coming months.

*How will we backfill Duke professors that teach at DKU?*

One concern voiced by faculty is that the departments at Duke that provide “fly-in faculty” at DKU have no easy means to backfill courses that must be taught at Duke. Although a negotiated course buy-out is an option for schools and departments whose faculty teach at DKU, this does not guarantee finding appropriate individuals to fill the vacancies. As the four-year undergraduate program is launched, the number of full-time liberal arts faculty at DKU will increase proportionally, with an expectation that about 75% to 80% of courses will be taught by these resident faculty, chosen with substantial Duke input. But there are real advantages to ongoing participation by Duke faculty, whom we hope will teach 10% to 15% of the courses at DKU, and the estimate is about 18-27 Duke regular rank faculty per semester based on the total number of academic programs at DKU we envision. So this represents a very small fraction of the Duke faculty on various leaves at any time. (The remaining teaching will be done by colleagues from Wuhan or other leading Chinese universities.)

We are considering two ways to make participation by Duke faculty more attractive: First, we will institute an exchange program to give DKU faculty an opportunity to teach at Duke, also facilitating their collaborations with Duke faculty. A similar program at NYU Shanghai proved successful in faculty recruitment. More directly, for schools and departments that provide a significant amount of teaching in the four-year curriculum, we propose to provide extra faculty lines. In exchange, we would ask for an equivalent formal commitment of teaching at DKU, not necessarily by the newly hired faculty members, but by the department in aggregate.

These visits and positions will be funded through DKU and will provide an alternative source of funding for A&S departments. DKU and the Duke Thompson Writing Program have recently initiated a program to recruit Global Writing Lecturing Fellows; selected fellows will have teaching opportunities both in Durham and Kunshan. Moreover, given the high interest among many Duke faculty to visit China and conduct research there, we also will look to develop more fluid, mobile faculty deployment models that can meet the fieldwork



needs of such faculty while providing them a supportive home base in Kunshan to facilitate their activities while on the ground in China.

*How will DKU attract the highest caliber students?*

Market research shows that the educational model on which DKU is structured is attractive to competitive students from China and Southeast Asia—including students who aspire to study abroad but who would be attracted by the opportunity to earn a U.S. degree closer to home. Liberal arts was seen as an attractive model to the degree that it provides students a broad education that will enhance competitiveness for jobs; students surveyed stated that its most important aspect was its ability to develop creativity and leadership. Appealing elements of the educational environment included teaching styles that were based more on discussion rather than rote learning, the freedom to take courses across disciplines, an international student body, and English-speaking classmates. Parents cited the success of graduates in getting jobs in China as a major emphasis. Duke’s alumni network is also seen as valuable.

We intend for the DKU student body to be comparable in academic quality to the Duke student body. Students destined for Chinese universities must take the "gaokao," the national college entrance examination; admission to Chinese universities is heavily predicated on their scores. DKU will require Chinese applicants to take the *gaokao*, and meet the score required for tier 1 universities, but it will retain the flexibility to adopt a holistic approach to the admissions process. In particular, DKU intends to conduct interviews, as do Yale-NUS College in Singapore and NYU-Shanghai. To succeed at DKU, both written and spoken English proficiency must be high, and all students will be required to complete the TOEFL or IELTS examination or equivalent. To prepare students for the rigors of study at DKU, summer pre-matriculation “boot camps” following what has been done for the GLS students, will be further developed. (These programs could also create a future revenue stream if these were made available to high school students destined for US colleges.) Also under consideration is a process modeled on NYU Shanghai and Yale-NUS wherein students applying to the home campuses can check a box indicating their interest in the international campus. Many of the 31,000 applicants to Duke who are not ultimately accepted here are extremely qualified students, some of whom may be interested in a novel educational opportunity at DKU. In addition, like our colleagues at Yale-NUS, DKU recruiters will concentrate some of their efforts at international English-language high schools all over the world; many of these students have never lived in their home countries (including the US) and will be less daunted by undertaking their four year degree at a Chinese campus.

*What will be the nature of the DKU curriculum? Will there be departments?*

The newly developed DKU curriculum was developed by a faculty body, the Liberal Arts in China Committee (LACC), over two years of extensive discussion and consultation. The LACC was charged with the task of imagining what a liberal arts education would look like if constructed from the ground up in the 21<sup>st</sup> century. Designed specifically for the immersive, global environment of DKU, the curriculum integrates social sciences, humanities, and natural sciences in novel ways distinct from the Duke curriculum. It also weaves in recognizable elements of the Duke experience: interdisciplinary studies, research opportunities, project-based learning, and a focus on global challenges.

It is anticipated that the DKU curriculum will have sufficient flexibility to enable students who intend to apply to graduate school or medical school to meet those specific requirements.

At this time, there is no plan to have individual departments as exist at Duke. It is likely that faculty will be organized into divisions and research centers.

*What will be the nature of the DKU undergraduate degree?*

Chinese law requires that the degrees offered by joint venture universities be the same as degrees from the home institution. This is intended to ensure that the quality between the home institution and their China operation is consistent. Our market research showed that some Chinese students actually prefer that the DKU degree be distinguishable from other Duke degrees to avoid misunderstandings and misrepresentations (such as false claims that the DKU was earned at Duke in Durham). The existing Duke diploma itself has not only “Duke University” indicated, but also the source of the degree: “Trinity College of Arts and Sciences” or “Pratt School of Engineering.” Pending approval by Duke faculty and the Chinese Ministry of Education, we are considering a diploma that would indicate that the degree is awarded by “Duke University as meeting the requirements of Duke Kunshan University.” We emphasize, however, that this designation does not place DKU on equal footing with Pratt and Trinity as colleges of Duke, since neither students nor faculty will be able to move freely between DKU and the Durham-based colleges. We are further considering the addition of a DKU degree to the Duke degree, thereby creating a dual-degree; a dual-degree provision was anticipated by the original founding documents when DKU was established, but we will need to go through the formal process to have an additional DKU degree approved by the Ministry of Education as well as the Boards of both Duke and DKU.

*Will there be opportunities for experience in the US for DKU students?*

Market research has indicated that many parents of Chinese students believe that an educational experience in the US is an important part of a student’s education. DKU students will have the option to apply to study at Duke during the summer and fall, when Duke has available dorm space. DKU students will also have study abroad opportunities at other high caliber US and European institutions. Such a study abroad component is also important to realize DKU’s vision to cultivate rooted global thinkers and leaders. We see the benefit of having some Duke students studying abroad at DKU, and reciprocally, DKU students studying at Duke, as a means of building a globally interconnected network of students.

*What are the costs if Duke does not proceed with Phase II?*

Our Chinese partners have high expectations of Duke and what it can deliver via DKU. This also gives us considerable leverage to negotiate a four-year undergraduate program that meets Duke’s high academic standards. Duke agreed early on that we would move in the direction of a four-year undergraduate degree, and a failure to proceed at this point in time absent any meaningful reason is likely to jeopardize Duke’s continued relationships with and presence in Kunshan. Such an outcome would be disruptive to Duke’s reputation and long-term aspirations in China and could have an impact on the potential relationships of those

faculty who have a deep interest in teaching and research in the China and Asian studies fields, and other fields such as health and the environment.

These concerns notwithstanding, we will not hesitate to withdraw from Phase II if our essential preconditions of academic freedom and financial support from our Chinese partners are not met. We are engaged in candid and detailed negotiations on these issues with our partners in China, and there can be no mistaking our commitment to these positions.

### **Conclusion: Duke as a global leader in higher education and research innovation**

Globalization affects every aspect of our lives. For Duke to excel in this environment, we must develop global academic leadership that matches the prominence we have already achieved nationally. The establishment of DKU marks a significant stage on our way to achieving that goal. The development of joint-venture, degree-granting international institutions like Duke-NUS and DKU provide the opportunity to extend the reach of our educational standards, innovate in our teaching and research paradigms both at home and abroad, and cultivate important cultural experiences and connections for our faculty and students.

We seek meaningful global impact, not just global reach. Duke has a unique opportunity to become the leading institution in reforming higher education in China. No endeavor of this magnitude is without risk or challenge. Yet, we have the intellectual capital and creativity to meet these challenges successfully and to establish a world-class university of which Duke will be proud and that can serve Duke's interests in many ways.