UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

Office of the Chancellor

Swanlund Administration Building
601 East John Street
Champaign, IL 61820

Date: September 24, 2007

To: Members of the Senate

From: Chancellor Richard Herman

Re: ACLG Fund

In July of 2006, a fund was created within the University of Illinois Foundation titled the Academy on Capitalism and Limited Government Fund to support scholarly activities of faculty and students on our campus who are interested in issues of free market capitalism, individual freedom, individual responsibility, and limited government. Potential uses of the Fund include, but are not limited to, sponsorship of lectures and symposia, curricular development, research support and publication and support for faculty chairs and or professorships, scholarships and fellowships. By the Fund agreement, any activity or purpose supported by this Fund must be approved by my office. To that end I have worked with the Senate to create an independent faculty/staff/student committee to provide me with advice on any and all proposals to be funded by this endowment. That committee is now in place and will be chaired by Professor Tom Ulen.

Recent statements in the press have left the impression that some associated with the Fund want, in effect, to create an autonomous entity within the Foundation with the power, for example, to hire adjunct faculty members or conduct other activities on their own. I want to state in very strong and clear terms that all uses of the Fund's resources will be operated within our public campus structure and under the oversight of my office and appropriate Senate bodies. When it comes to issues of curriculum, I want to emphasize specifically that these matters are the province of the faculty and the Senate and will remain so under any agreement entered into on behalf of the campus or University.

Speaking on behalf of the University of Illinois Foundation, its President Sidney Micek says, "The Fund is just one of literally thousands of endowments held by the Foundation which generate support for activities which are approved and sanctioned by the University of Illinois at Urbana-Champaign and the other campuses. The sole function of the Foundation is to create and steward private gifts in support of the University. The Foundation meticulously avoids the running of programs or the setting of academic priorities, which is the purview of the University."

Transparency has been, and will always be, our guide and it is an important principle of this campus as noted in the University statutes that "no new line of work involving questions of general educational policy shall be established on any campus except upon approval of the Senate concerned"; and that "As the responsible body in the teaching, research, and scholarly activities of the University, the faculty has the inherent interests and rights in academic policy and governance." My office and that of the Provost are dedicated to that principle of shared governance.

We are one campus that celebrates many voices. We embrace the idea of free thought and expression. We welcome any endowment that helps to enrich and diversify the teaching and scholarship carried out here.

In closing, I note that efforts similar to this undertaking exist and thrive alongside other great universities across the country, including the James Madison Program in American Ideals and Institutions at Princeton University and the Hoover Institution at Stanford University. If such an entity were to come under discussion, we have our own systems of shared governance for determining if and how it should be formed. But I wish to be clear that no proposal to establish such an entity has been agreed to or proffered at this time. In that sense, any references to a freestanding "Academy" are inaccurate.

The present Fund has the real possibility of making a positive contribution to teaching and scholarship at Illinois and we appreciate the generosity of the donors who have made it possible.