

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

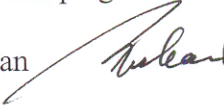
Office of the Chancellor

Swanlund Administration Building
601 East John Street
Champaign, IL 61820



Date: October 10, 2007

To: Members of the Urbana-Champaign Senate

From: Chancellor Richard Herman 

Re: ACLGF

I write today to clarify the substance of the Memorandum of Agreement (MOA) between the University of Illinois Foundation and the Academy on Capitalism and Limited Government Fund. When I was asked at this month's Senate meeting about the MOA, my first inclination was to share the entire agreement. After discussing the issue with representatives from the Foundation as well as our own Legal Counsel, they clarified that University policy and practice has been not to disclose details of gift agreements between donors and the Foundation. However, since the gift in this instance has implications for the campus and faculty roles in hiring and curriculum decisions, I want to provide information about those aspects.

Additionally, the Senate Advisory Committee has met and is already suggesting potential modifications to the original agreement. Any amendment would, of course, involve negotiation and agreement of the donors, the Foundation and the campus administration.

With that said, I still want to share excerpts from the document that spell out the areas and types of activities it suggests.

- "The Fund is to promote scholarly research, teaching and public outreach in subject areas pertaining to free market capitalism, individual freedom, individual responsibility, limited government and the role of these concepts in ensuring a productive and successful society."
- "The principal and/or net income from the Fund may be used but is not limited in use to the following purposes: sponsorship of lectures and symposia including as appropriate the publication of proceedings, curricular development, research support including as appropriate the publication of findings, support for faculty Chairs and/or Professorships, scholarships for undergraduate students who are involved in activities (e.g., research) pertaining to the Academy's mission, fellowships for graduate students who are involved in activities (e.g., teaching and research) pertaining to the Academy's mission, operational needs of the Advisory Board of the Academy on Capitalism and Limited Government including but not limited to such things as attendance at professional meetings, promotional materials and payment for professional services."

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The MOA also describes the ultimate decision-making process for the Fund, as follows, "...the grants shall be directed through the Chancellor's office, or as directed by the Chancellor or designee(s), and it is understood that the Chancellor, or designee(s), shall have approval as to the funding of any grant request as it applies to the campus."

I think that what has happened here is that some public comments have suggested a more expansive role for some associated with the fund, which overlooks the explicit authority of the Chancellor to approve all funding recommendations, and also overlooks the fundamental role of the faculty, departments and colleges concerning curriculum and hiring.

My own public comments have made clear that this will not be allowed to happen, and the formation of the Senate Advisory Committee provides an additional safeguard in this respect.

I thank each of you for the thoughtful and passionate debate at last week's Senate meeting, and I thank you for your continued commitment to the core values of our institution.

c: ACLGF Advisory Committee