

August 4, 2017

Dear Members of the Executive Committee of the Academic Senate:

Based upon recent communication with Senate President Dr. Margaret Clayton (July 26, 2017), it is our understanding that the Executive Committee of the Senate will discuss the pending provisional Marriner S. Eccles Institute for Economics and Quantitative Analysis at your next meeting on August 14<sup>th</sup>, 2017. As part of your review process, we also understand that the Executive Committee has the ability to provide input regarding the governance of this potential new institute at the University of Utah and the role that the Charles Koch Foundation may or may not play in the administration of this institute.

We write to express our concerns regarding the grant agreement between the University of Utah and the Charles Koch Foundation for the benefit of the Marriner S. Eccles Institute for Economics and Quantitative Analysis (made effective July 19, 2017). The purpose of this letter is to explain why a funding agreement between the Charles Koch Foundation and the University of Utah raises serious concerns about the principles and practice of intellectual independence and academic freedom at the University of Utah. This letter is motivated by our shared belief that the long-term viability and institutional integrity of the University of Utah will remain secure so long as students, faculty, staff, and administrators are committed to protecting the vital principles of intellectual independence and academic freedom on our campus.

Why does the agreement between the Charles Koch Foundation and the University of Utah raise concerns about intellectual independence and academic freedom? There are several reasons:

1. Based on transcripts from a Charles Koch Foundation Donor Summit Meeting (June 15, 2014), leaders of the Koch Foundation – including current Foundation President, Brian Hooks – have made it clear that the aim of the Koch Foundation’s widespread investments in higher education is to “leverage science and universities” for their specific public policy agenda (see Attachment A). This document and the track record of the Koch Foundation’s funding in higher education provides clear evidence that the Foundation’s explicit, strategic purpose is to build a “network” of professors who will produce research that serves the ideological and policy aims of the Koch Foundation and to build a “talent pipeline” of students supported by Koch-funded professors, institutes, and research centers who will help advance the Foundation’s public policy and electoral goals (see page 32, Attachment A.)<sup>1</sup>

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<sup>1</sup> It is worth noting that when this document was discovered by university faculty with a long-standing relationship with the Koch Foundation – Wake Forest University – it prompted the members of the Academic Senate Ad Hoc committee to move to prohibit all Charles Koch Foundation funding at their institution. See, “Faculty Senate at Wake Forest Explains Opposition to Koch-Funded Institute,” *Chronicle of Higher Education*, May 12, 2017. The full Academic Senate later approved a motion to prohibit all Koch network funding from Wake Forest University (March 15, 2017).

For additional evidence of the Koch Foundation's integrated strategy to utilize universities to achieve their vision of "social transformation" see: "The Structure of Social Change," by Rich Fink, former president of the Charles Koch Foundation (Attachment B); and remarks by Charlie Ruger of the Charles Koch Foundation at the Annual Meeting of the Association of Private Enterprise Education (2016) (Attachment C).

In further support of this claim: The Center for Public Integrity reviewed hundreds of private documents, emails and audio recordings that, along with interviews with more than 75 college officials, professors, students and others "indicate the Koch brothers' spending on higher education is now a critical part of their broader campaign to infuse politics and government" with their specific and controversial vision of a "free market society."<sup>2</sup> We note that one part of this vision is to end public support for scientific investigations that Koch-funded organizations deem "frivolous handouts," including sponsored research conducted by scholars at the University of Utah.<sup>3</sup>

Why does this matter? It would be a violation of the principle of academic freedom to oppose a grant agreement simply because of the ideological or political views of a donor and our statement of concern does not refer to the political or philosophical positions of the Charles Koch Foundation. Rather, we are deeply concerned about an agreement with a donor whose *own stated purpose is to promote a specific political agenda* for this stands in direct violation of the University's self-definition as "a place where the broadest possible latitude is accorded to innovative ideas and experiments, where independence of thought and expression are not merely tolerated but actively encouraged" (Policy 6-316).

According to the President of the American Association of University Professors (AAUP): "Foundations have a long history of donating money to support research or programs in a particular discipline. What is new about the donations by the Koch brothers . . . is that donors are playing a key role in appointing or screening faculty members in order to promote a particular political agenda."<sup>4</sup> In our judgment the University of Utah must simultaneously vouchsafe the vital academic freedom of its researchers to obtain external funding for new scholarship while also ensuring that the University's policies and procedures in faculty hiring (and related matters) are strictly adhered to. What we have learned in recent days by interviewing faculty members and academic leaders from peer institutions who have direct experience with the Koch Foundation is that while grant agreements with this Foundation often stipulate that standard university procedures must be followed in relation to faculty hiring, fellowship selection,

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<sup>2</sup> The Center for Public Integrity, "Koch Brothers' Higher-Ed Investments Advance Political Goals," October 30<sup>th</sup>, 2015.

<sup>3</sup> See "The Utah Waste Book," produced by Americans for Prosperity, Utah – funded by Koch family foundations: <https://americansforprosperity.org/utah-wastebook-comprehensive-list-wasteful-spending-utah/>.

<sup>4</sup> Rudy Fichtenbaum, "From the President: Universities for Sale," *Academe* (May-June 2013): <https://www.aaup.org/article/president-universities-sale#.WYIa7PkrIgs>.

etc., the pressure (both direct and indirect) to satisfy the known preferences of the Koch Foundation as a means of sustaining ongoing and future funding has had a significant and corrosive effect on the meaningful exercise of independent faculty governance in relation to Koch-funded centers, institutes, and affiliated programs.

We do not believe that it is in the long-term best interest of our University to allow its talented professors and students to be strategically “leveraged” by any outside entity, irrespective of its philosophical or political views. Indeed, we believe that even the appearance that the University of Utah is willing to serve as a vehicle for the strategic political aims of any organization or donor will do serious damage to the academic reputation and scholarly integrity of our institution – as it arguably has with other academic institutions around the country.<sup>5</sup> While we do not believe that it is any part of the University’s intention to align itself with the Koch Foundation’s ideological network and its specific public policy goals, by virtue of accepting funding from the Koch Foundation the University of Utah may become another vehicle of the Foundation’s broader political ambitions. The fact that these ambitions include the evisceration of public support for academic research – especially related to climate change<sup>6</sup> – creates an institutional affiliation that is at cross-purposes with the mission and values of our university and the important evidence-based scholarship that it seeks to advance for the wider public good.

2. The structure and administration of the grant agreement between the Charles Koch Foundation and the University of Utah does not provide sufficient guarantees for the intellectual independence and academic freedom for the faculty and students associated with the proposed Marriner S. Eccles Institute for Economics and Quantitative Analysis. The grant agreement stipulates that the dispersal of funds (up to \$1,250,000 per year over eight years) is subject to the prior, annual approval of the Koch Foundation. Additionally, as a “contingent grant,” the contribution of funds from the partnering Eccles Foundations is contingent upon the contribution of funds by the Koch Foundation (and vice versa). In our judgment, the structure and administration of the grant agreement gives the Koch Foundation significant, material, and annual leverage power over the governance of this proposed new institute: they hold in their hands the ability to not only control the financial obligations of the Koch Foundation (up to \$10,000,000) but the financial contributions of the Eccles Foundations as well (an additional \$10,000,000).

A grant agreement that is serious about preserving intellectual independence, academic freedom, and sustaining the principle of autonomous faculty governance would insist that a general grant be allocated as the Institute director and an independent and diverse faculty advisory board see fit, with the total amount of

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<sup>5</sup> See for example the report from Inside Higher Ed, “Not Just Florida State,” June 28, 2011: <https://www.insidehighered.com/news/2011/06/8/not-just-florida-state>.

<sup>6</sup> See, *The Doubt Machine: Inside the Koch Brothers’ War on Climate Science*, by the Real News Network: [http://therealnews.com/t2/index.php?option=com\\_content&task=view&id=2930](http://therealnews.com/t2/index.php?option=com_content&task=view&id=2930).

the grant funds paid up front. As business reporter Michal Hiltzik has argued: “Anything short of that merely invites the donating foundation to try throwing its weight around.”<sup>7</sup>

3. The pending provisional “Institute for Economics and Quantitative Analysis” constitutes a threat to the long-term viability of the Economics Department at the University of Utah, particularly in light of the similar name of the Institute and the \$800,000 set aside for scholarships and fellowships in this grant agreement (\$1,600,000 in total). A pluralistic and dynamic Economics department – located within the College of Social and Behavioral Science and fully supported and protected by Central Administration – provides the students at the University of Utah with an important opportunity to approach economic thinking and analysis within the wider context of national and international history and in reference to the complex factors shaping human behavior. “The Department of Economics is committed to a pluralistic approach to economics as a social science. Its research and teaching activities incorporate investigations of the evolution of economic thought, the comparison and critical analysis of a variety of theoretical approaches, and the generation of applied, policy-relevant research that is informed by this broader inquiry.”<sup>8</sup>

To help sustain the vital place of the Department of Economics at the University of Utah, we encourage the University to more completely and transparently differentiate this new Institute from the mission and aims of the Economics department. Based on the experiences of peer institutions in the PAC-12 (notably Arizona State University), it may be advisable for the University of Utah to consider establishing additional safeguards to prevent initial private investments in centers and institutes from being leveraged in the future to establish even more extensive institutional and curricular rivals for core academic programs.<sup>9</sup>

Finally, given the limited amount of time that faculty, students, and academic leaders at the University were given to consider this provisional new institute, we urge the University to incorporate meaningful forms of independent and diverse faculty governance in this new institute, especially as this relates to future faculty hiring and the distribution of student scholarships and fellowships. We also recommend vigilant, independent oversight by senior University leadership to ensure the preservation of intellectual independence and academic freedom for everyone affiliated with this institute.

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<sup>7</sup> Michael Hiltzik, “Did the Koch Family Buy a Piece of the University of Utah to ‘Balance’ a Marxist Faculty?” *Los Angeles Times*, July 25, 2017.

<sup>8</sup> Department of Economics Website.

<sup>9</sup> For example, what initially started as the Center for Political Thought and Leadership (CPTL) within the School of Historical, Philosophical, and Religious Studies at Arizona State University (established by the Charles Koch Foundation in 2014) has now become (as of 2016) the new School of Civic and Economic Thought and Leadership – supported by the Koch Foundation and appropriated funds from the State of Arizona. This School also incorporates the Koch-funded Center for Study of Economic Liberty.

Thank you for your invitation to submit this statement of concern. We appreciate your consideration of this letter and we look forward to receiving your reply.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Button". The signature is fluid and cursive, with a prominent "M" and "B".

Mark E. Button  
Professor and Chair, Department of Political Science

The following faculty, staff, students, and alumni of the University of Utah have asked to have their names included on this letter as an expression of their support for this statement of concern: