

## **Report of the Ad Hoc Committee of the Senate of Wake Forest University on the Eudaimonia Institute (March 15, 2017)—EXECUTIVE SUMMARY**

In accordance with the minutes of the WFU Faculty Senate meeting from January 18, 2017, the Senate passed unanimously a motion to “ratify the President’s creation of an Ad Hoc committee to review the Eudaimonia Institute (EI) and report recommendations for the future directions to the Faculty Senate in the March 2017 meeting.” As reported in this same meeting by Ad Hoc Committee Chair Jay Ford, areas of the review were to include:

1. The Charles Koch foundation, its history, agenda, and Wake Forest connection.
2. The timeline of the Eudemonia Institute, history, and approval process.
3. University Institutes in general. What is the review process and proposal guidelines? Is this something the Faculty Senate can make new policy recommendations for?
4. AAUP guidelines for Academic-Industry engagement. That is how Academic Institutions engage with Foundations like the Koch Foundation. There are some AAUP recommendations that WFU is not following.

Ad Hoc committee members are: Jay Ford (Committee Chair), Doug Beets, Simone Caron, Claudia Kairoff, and Kathy Smith.

### **Charles Koch Foundation: Background and Aims**

A thorough review of the broader aims of the Charles Koch Foundation (CKF)—along with its network of partners—in its higher education funding efforts raised serious concerns. Put succinctly, CKF’s stated aims in “leveraging” higher education are to convert students to their free market ideology, feed a “talent pipeline” to their think tanks and institutes, and, through their “network” of scholars, impact state and local policy. This massively funded and nationally orchestrated strategic effort represents an unprecedented attempt to co-opt higher education for ideological, political, and financial ends. The way in which this agenda benefits the private interests of the donors as much or more as the public weal is disturbing. For any WFU institute or center to be associated with this publicly documented strategy damages the integrity and academic reputation of the university. While these may come across as exaggerated characterizations of CKF’s ambitions in higher education, a careful reading of this section in the report will fully corroborate this assessment.

Based on these findings alone, the Committee offers this motion: *Due to the Charles Koch Foundation’s unprecedented effort and documented strategy to co-opt higher education for its ideological, political and financial ends, the Committee moves that Wake Forest University prohibit all Koch network funding for any of its centers or institutes.*

### **Eudaimonia Institute**

The Eudaimonia Institute (EI) fits well within the CKF “well-being” initiative launched by Charles Koch in January, 2014. The involvement of Professor Otteson (EI Executive Director) in two notable events in the launching of that initiative certainly suggests a close connection between EI and the CKF well-being efforts.

A review of the formation and mission of the Eudaimonia Institute suggests a laudable evolution over time. The original Eudaimonia initiative apparently began as a “project” within the BB&T Center and the School of Business, narrowly designed to explore the relationship between human flourishing and capitalist systems, commercial society, and market institutions. As the model of a university *institute* emerged, the mission broadened to a more interdisciplinary examination of *eudaimonia* and economic, political, moral, and cultural institutions. Regardless of how interdisciplinary the institute’s stated mission may be or how many protections may have been put in place, it is the Committee’s view that any institutional association with CKF’s higher education strategy damages the integrity and sullies the

academic reputation of the University.

Despite repeated requests, the Committee was not granted access to the CKF-WFU institutional donor agreement. This lack of transparency is deeply concerning. Given the detail seen in other such agreements, there is much we do not know regarding the Institute's stated mission in the agreement, terms of cancellation, positions to be funded, allocation of resources, course development, and other curricular goals that may or may not conflict with university policies. It is highly likely that the agreement conditionally designates Professor Otteson as Executive Director for the term of the agreement, which raises questions about institutional independence and academic freedom. These unanswered questions raise serious concerns about possible hidden intentions in the funding of this institute. If, for example, the vast majority of the funding is going toward new tenure-track lines within the School of Business, then how would this square with the more inclusive mission statement of EI? And where does that leave the University if CKF decides that its "investment" is not yielding the desired results, or if Professor Otteson should decide to step down as Executive Director or leave the University? The fact that University officials and CKF are unwilling to allow authorized representatives of the Faculty Senate to see the institutional agreement is added reason why faculty should insist that the University sever all *institutional* connections to CKF.

## WFU Institutes

Given the short window of time for this review, the Committee could only preliminarily examine policies related to the creation, review, and governance of University institutes. There are few guidelines governing the proposal, review, and approval of institutes. In addition, the variations found among the three standing institutes calls for a Faculty Senate Ad Hoc committee devoted exclusively to this issue. This report includes tentative recommendations for that committee to include in its review.

## AAUP Guidelines

The Committee reviewed AAUP principles and guidelines for academy-industry engagement, academic freedom, and conflict of interest. Many elements of these guidelines are not in place within the College. They are in place, however, at the WFU School of Medicine, which raises the question: why aren't there uniform policies in place across the University as AAUP principle 23 recommends? As the Medical School policy states, a conflict of interest (COI) policy, in particular, is to "maintain the integrity" of the Medical School's educational mission, and to "protect the reputation and credibility" of the Medical School and its faculty and staff. It is the Committee's conclusion that the Reynolda Campus's association with the Charles Koch Foundation conflicts with established COI policies such as those within the Medical School. The University should implement, as soon as reasonably possible, university-wide policies governing academy-industry engagement, academic freedom, and conflict of interest that are in concert with AAUP guidelines. The Faculty Senate should play an instrumental role in this process.

# **Full Report of the Ad Hoc Committee of the Senate of Wake Forest University on the Eudaimonia Institute—March 15, 2017**

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Ad Hoc committee members are: Jay Ford (Committee Chair), Doug Beets, Simone Caron, Claudia Kairoff, and Kathy Smith.

## **Introduction**

In September, 2016, the University announced that the Charles Koch Foundation committed \$3.69 million to support the newly created Eudaimonia Institute over the next five years. In addition, Liz and Chris Wright, CEO of Liberty Resources and Liberty Oilfield Services, committed an additional \$500,000. According to the [press release](#), Wake Forest anticipates additional contributions to the institute. Questions were raised by a group of concerned faculty, prompting the Provost to host a forum October 4, 2016. This was followed by a Faculty Petition, signed by 189 University faculty, calling for the Faculty Senate to create an Ad Hoc committee to review the formation of the Eudaimonia Institute, its funding, governance, and mission.

Any review of the Eudaimonia Institute at Wake Forest must begin with its primary source of funding and the underlying intent of that funding.

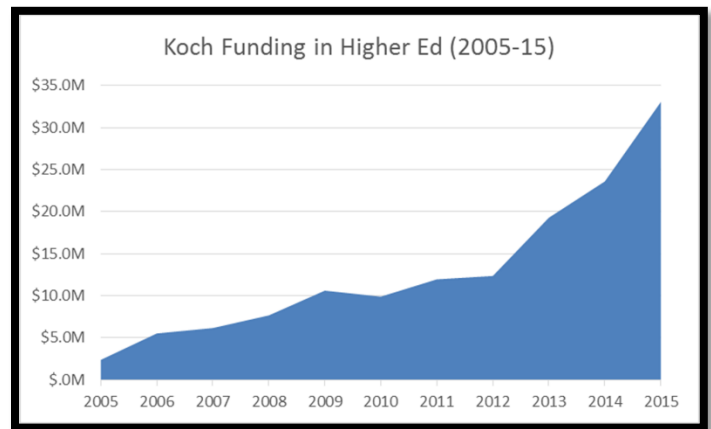
## **Charles Koch Foundation: Background and Aims**

The Charles Koch Foundation (CKF) supports education and research that advances an understanding of the benefits of free societies. It, along with the Charles Koch Institute, the Charles Koch Charitable Foundation, and several other Koch family foundations, also serves as the leader of a much broader network of foundations and wealthy individuals who share libertarian ideals of free-market capitalism and reduced government. Charles and David Koch are best known, through their “Freedom Partners” network, for their significant political contributions. In 2016, that network is reported to have pledged \$889 million, comparable to the \$1 billion expected to have been spent by each of the two major political parties. In addition, the Koch brothers have been instrumental in fighting legislation related to climate change and, according to Greenpeace, has sent “at least \$88,810,770 directly to 80 groups denying climate change science since 1997.”<sup>1</sup>

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<sup>1</sup> <http://www.greenpeace.org/usa/global-warming/climate-deniers/koch-industries/> (accessed 1/13/2017)

CKF efforts in higher education have been widely reported in the media.<sup>2</sup> Between 2005 and 2015, CKF funding to institutions of higher education totaled close to \$142 million. As reflected in the graph to the right, these contributions have increased dramatically over time, such that the two principal Koch family foundations gave \$33 million to higher education in 2015. In a manner similar to its Freedom Partners network in the political sphere, CKF leverages its investments in higher education with its partners, a network of business leaders from across the country who share their agenda of advancing free market



ideals. According to Charlie Ruger, Director of University Investments, CKF contributes only about 40% of this total “Koch network” funding ([2016 APEE Conference](#)). In other words, CKF and its partners contributed an estimated \$80 million to institutions of higher education in 2015, a three-fold increase over 2012. CKF now funds more than fifty free-market academic centers, up from 24 in June of 2014. A few facts about this funding and where it is going are worth highlighting.<sup>3</sup>

- While [CKF promotes](#) the fact that it “supports” close to 400 colleges and universities across the country, almost 90% of all funding goes to 30 schools, 85% goes to 20 schools, and 79% goes to just 10 (see Appendix A for details).
- Of the 10 schools receiving the most CKF funding over the last 10 years (79%), ALL have at least one center or institute dedicated to a “free market” agenda.
- Among the top 50 national universities, only 4 have a center or institute funded by CKF—Chicago, MIT, Brown, and Notre Dame. MIT's center is for cancer research and Notre Dame's center, established in 2008 with Carnegie funds, is devoted to international security.
- Among these top 50 universities, only 7 have received more than \$300K (total) over the last 10 years
- Among WFU cross-admit schools, only UNC-Chapel Hill ranks among the top 50 in receiving CKF funding over the last ten years

In short, although CKF boasts of its support of higher education, the overwhelming majority of its contributions—leveraged, as noted above, by its partners—goes to centers and institutes dedicated to promoting research on free enterprise, humane studies, freedom, political economy, capitalism, and western civilization. With its \$3.7 million commitment from CKF, Wake Forest University will likely rank among the top 10 recipient institutions. It is also worth noting that CKF’s partner in funding the Eudaimonia Institute, Liz and Chris Wright, appear to be, if not part of the Koch network, certainly [sympathetic to it](#). Moreover, the Thomas W. Smith Foundation that funded Professor Otteson’s presidential chair in Business Ethics frequently partners with CKF.<sup>4</sup>

*So what are the specific aims and objectives of this Koch-lead network of funding in higher education?* There are numerous sources one might consult to answer this question. Richard Fink, a close advisor to Charles Koch, outlined key strategies and objectives in a paper entitled “The Structure of Social

<sup>2</sup> See, for example, [The Atlantic](#), [Time](#), [NY Times](#), [Washington Post](#) (2), [The New Yorker](#) (2), and many others.

<sup>3</sup> <http://www.prwatch.org/news/2017/01/13210/charles-koch-ramps-higher-ed-funding-talent-pipeline>

<sup>4</sup> The Thomas W. Smith Foundation has partnered with CKF at Brown University, the Alexander Hamilton Institute, University of Chicago, Ohio University, and University of Arizona, among others. Thomas W. Smith also attended the February, [2014 Koch Summit](#).

Change.”<sup>5</sup> And journalist Jane Mayer provides an in-depth analysis of Koch efforts in the political and academic spheres in her *New Yorker* articles and 2016 book *Dark Money*. But perhaps the most cogent and condensed presentation of Koch aims in higher education comes from two CKF vice presidents who led a panel, [recorded](#) and [transcribed](#), entitled “Leverage Science and the Universities” at the June, 2014 Koch Summit. These well-known but highly secretive “summits” are held twice a year (since 2003) and now, by special invitation only, attract five hundred or more very wealthy donors.<sup>6</sup> Officials from Koch Industries and the Koch foundation moderate most of the panels at these gatherings, and Koch's network of donors coordinate/fundraise for the next 6-12 months of spending on political campaigns, political front groups, think tanks, and universities. Representatives at Koch-funded centers, institutes, and think tanks may be invited to these summits to meet donors and make a pitch for their cause.<sup>7</sup>

The panel in question (“Leverage Science and the Universities”) is an ongoing seminar that presumably explores different ways to “leverage” donor investments in science or higher education for various shared goals of the coalition. This particular panel was devoted to efforts in higher education related to well-being and clearly pitched to wealthy donors in the audience. Kevin Gentry, VP of CKF and also VP for Special Projects for Koch Industries, opened the session by highlighting the “significant competitive advantage” of this seminar network and the success of its investments that can now be seen in 400 colleges and universities. He also notes that this effort in higher education “predates significantly our investment in the electoral process.” Ryan Stowers, Director of Higher Education at CKF, then expands on the specific aims of CKF in higher education before introducing each of the four panelists. We highly recommend a full reading of the transcript from this recorded panel session. It provides a unique glimpse into these secretive summits. For the purposes of this presentation, here are the key aims of CKF efforts in higher education as outlined by Stowers.

- Build a “robust freedom-advancing network of professors” to produce research at university centers across the country; this research provides the “intellectual fuel on the most important policy base, both the national and state level.”
- “Educate thousands of students in the ideas of a free society...and then help those students see the message to fight for freedom.”
- Foster a “talent pipeline” by referring “the most passionate students from these programs” and train the “next generation of the freedom movement.” As many as 5,000 “free market” scholars teaching hundreds of students each, Stowers concludes, can influence the thinking of millions of young Americans every year. “This cycle constantly repeats itself,” he emphasizes to his audience of potential patrons, “and you can see the multiplier effect it's had on our network since 2008.”

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<sup>5</sup> In [this report](#), Fink outlines three steps to converting private money into policy change. (1) Fund scholarly activity at universities to create “intellectual raw material”; (2) fund think tanks to convert that abstract raw material into digestible form (i.e., reports, policy briefs, lobbying materials, etc.); (3) fund political groups and politicians in order to produce legislation.

<sup>6</sup> With respect to the 2010 Koch gathering in Aspen, Colorado, Jane Mayer notes that “Of the two hundred or so participants meeting secretly with the Kochs in Aspen that June, at least eleven were on Forbes’s list of the four hundred wealthiest Americans. The combined assets of this group alone, assessed in accordance with the magazine’s estimates of their wealth at the time, amounted to \$129.1 billion” (*Dark Money*, p. 256).

<sup>7</sup> Here is how the former president of APEE, Bruce Benson, described these donor summits to representatives at Florida State: “Charles Koch has organized a group of Foundations with similar agendas that meet twice a year to discuss funding strategies, etc. If some version of this proposal is agreed to, Koch will invite representatives from FSU to these meetings, introduce us, allow us to make our pitch, and encourage others to join them in funding the program. Koch has a huge endowment, and if this works out, they are likely to provide more support in the future” ([Benson Memo](#), 2007).

After panelists' presentations, Gentry concludes the session by underlining the integrated approach between CKF efforts in higher education, think tanks, grassroots political efforts, and ultimately, legislative and social impact.<sup>8</sup> Only an extended excerpt can do this portion justice:

Not only does higher education act as a talent pool stream where teachers and professors operate other new programming, but also the students that graduate out of these higher education programs also populate the state-based think tanks and the national think tanks. Six think tanks are working on freedom initiatives. And then also, they become the major staffing for the state chapters on the grassroots innovation around the country.

So you can see [that] higher education is not just limited to impact on higher education. The students who aren't interested in becoming professors, but are interested in what we're – I've got to be careful how I say this more broadly, are very interested and then they, they populate our, our program, these think tanks, and grassroots. And as we pointed out, that group of students taught in these centers, that we've been able to produce two million or so grassroots. And they in turn work with the (inaudible) sector that even talks to the media that talks to (inaudible).

So the network is fully integrated. So it's not just work at the universities with the students, but it's also building state-based capabilities and election capabilities, and integrating this talent pipeline. So you can see how this is useful to each other over time. No one else, and no one else has this infrastructure. We're very excited about doing it.

And because we're (inaudible) well-being, a lot of our current resources are focused on economic freedom and are focusing on electoral process. We're trying to launch a new institution focusing on experimentation with well-being (inaudible) population. So I hope that those of you that are excited about the electoral process, you'll invest there. Those of you who are excited about universities, invest there. Those of you who are also excited in terms of investing in these new experiments in wellbeing, I hope you invest there.

Based on these excerpts alone, CKF aims in higher education include:

- To promote its free market ideology on campuses throughout the country by establishing research centers and institutes.
- To identify and fund “market friendly” scholars.
- To influence the curriculum.
- To propagandize and cultivate students loyal to the cause of the “freedom movement.”
- To create a “talent pipeline” for future scholars, think tanks, and grass root political efforts.
- To influence local, state, and federal political legislation and social transformation.

Put succinctly, CKF stated aims in “leveraging” higher education are to convert students to their free market ideology, feed the pipeline to their think tanks and institutes, and, through their “network” of scholars, impact state and local policy. This massively funded and nationally orchestrated strategic effort is unprecedented in higher education.

While there is probably sincere faith in the “free market” principles espoused by CKF, its partners, and scholars in the “network,” one would be remiss if one overlooked the considerable financial returns the first two groups garner as a result of the stated goals of these efforts—lower taxes and reduced government regulations. This latter point is worth highlighting. The way in which this agenda benefits the

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<sup>8</sup> It is worth noting that Gentry is also on the board of Freedom Partners, the Koch led political wing that supports various Republican politicians and conservative groups.

private interests of the donors as much or more as the public weal is deeply disturbing. It also points to a conflict of interest inherent in the proposition itself given the make-up of the donor base.

**BASED ON THESE FINDINGS ALONE, IT IS THE VIEW OF THIS AD HOC COMMITTEE THAT WAKE FOREST AND THE EUDAIMONIA INSTITUTE SHOULD SEVER ALL CONNECTIONS TO THE CHARLES KOCH FOUNDATION AND ITS UNPRECEDENTED AND WELL DOCUMENTED EFFORT TO COOPT HIGHER EDUCATION FOR IDEOLOGICAL, POLITICAL, AND FINANCIAL ENDS. ANY INSTITUTIONAL ASSOCIATION WITH CFK'S HIGHER ED STRATEGY DAMAGES THE INTEGRITY AND SULLIES THE ACADEMIC REPUTATION OF THE UNIVERSITY, REGARDLESS OF HOW MANY PROTECTIONS MAY HAVE BEEN PUT IN PLACE OR HOW INTERDISCIPLINARY THE INSTITUTE'S STATED MISSION MAY BE.**

Accordingly, the Committee offers the following motion: *Due to the Charles Koch Foundation's unprecedented effort and documented strategy to co-opt higher education for its ideological, political and financial ends, the Committee moves that Wake Forest University prohibit all Koch network funding for any of its centers or institutes.*

The remainder of this report examines other dimensions of CKF efforts in higher education, the Eudaimonia Institute, and guidelines for WFU institutes more broadly.

## Understanding the “Network of Scholars”

The “Koch network” operates on many different levels, as suggested by the excerpts from Gentry and Stowers above. Within the sphere of higher education, the network of “liberty advancing” scholars holds the key to their aims in influencing students and producing “free market” scholarship. The vital organization in this regard is the Association of Private Enterprise Education (APEE). This group [describes itself](#) as “an association of teachers and scholars from colleges and universities, public policy institutes, and industry with a common interest in studying and supporting the system of private enterprise.” CKF sponsors and its officials moderate an average of five panels each year at this group’s yearly conference. Koch-funded academics (or aspiring recipients of Koch funding) gather to share their research and network with the Koch group. CKF uses these sessions to facilitate their programmatic efforts on campuses. At the 2016 gathering, there were panels sponsored and led by Koch officials on the following topics: “Successful Models of Programs in Private Enterprise,” “Being an Intellectual Entrepreneur (“Edupreneur”),” “Establishing a Successful Academic Center,” and “Being a Liberty Advancing Academic.” Many of these, it appears, are repeat sessions. The “Successful Models” panel, for example, is the “longest running panel at APEE.”<sup>9</sup> Students have also become an added fixture at APEE in recent years, networking and finding their way into the Koch-affiliated academic programs, or jobs with Koch’s constellation of political think tanks and front groups.

According to its own [website](#), APEE’s mission is “revealing the invisible hand through education” and to “put into action *accurate and objective understandings of private enterprise*.”<sup>10</sup> Other mission statements worth highlighting include:

- Our members seek and employ creative ways of illustrating the value and importance of the invisible hand through their writings and teachings. We are putting private enterprise understanding into

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<sup>9</sup> [Gerald Gunderson](#), Trinity College.

<sup>10</sup> According to Professor Otteson, “Adam Smith’s philosophy focuses on the role of self-interest. He proposes that when individuals pursue their personal self-interest ‘the invisible hand’ will guide them in a way that will benefit society. This philosophy encourages each individual to maximize personal financial gain and advocates for a government that does little but protect personal property” (Personal blog).



action.

- For over two decades, The Association of Private Enterprise Education has been teaching that markets work and that maximum societal benefits come from individuals' efforts to achieve their own goals with minimal governmental interference.

In essence, the mission of this association is to educate and provide academic support for the libertarian ideals of free enterprise, individual responsibility, and minimal government regulation, and proclaim their positive impact on human "well-being." This is primarily an advocacy organization, not an academic association.

It would also appear that the desired "conclusions" in the research of this collection of scholars are, in fact, their premise and mission, which puts into question the true objectivity of their findings. In one 2016 APEE session on "Being a Liberty-Advancing Academic," Peter Boettke of George Mason University (also known as "Koch University"), counseled his audience of young scholars about how they could "basically get tenure, not publishing in the same journal twice, in a bunch of journals that the editors are actually very predisposed towards classical liberalism."<sup>11</sup> He mentions the *Journal of Private Enterprise*, *Independent Review*, *Cato Journal*, and then directs his listeners out to the exhibit hall for others. To his credit, Boettke encourages more advanced scholars in his audience to go beyond these "comfort zones." But the clear inference is that this APEE organization provides a self-reinforcing and pre-ordained environment of scholarship, which some might argue borders on academic fraud.

## The Koch Well-Being Initiative

By at least one account, Charles Koch informally introduced his "Well-Being Initiative" in a January, 2014 blog post titled "The Importance of Well-Being." "Through sound research, broad education and robust discussion," he wrote, "the Initiative aims to advance understanding of what it means to flourish, how to understand and measure the various aspects of well-being, and how to empower individuals to live better lives."<sup>12</sup> The June, 2014 Koch Summit session on leveraging higher education referenced above included Professor Otteson, Executive Director of EI, who introduced his audience to the new Eudaimonia Institute that he was "in the process of beginning." A few weeks later, the Charles Koch Institute hosted the "[Inaugural Well-Being Forum](#)" at the Newseum in Washington, DC., "which highlighted a new initiative aimed at fostering an exploration of what enables individuals and societies to flourish and how to help people improve their lives and communities." Moderated by William Ruger, VP of Research & Policy for the Charles Koch Institute, Professor Otteson served on the four-person panel describing Aristotle's concept of Eudaimonia and emphasizing, in particular, the importance of freedom, judgment, and responsibility for happiness and human flourishing. So it would appear that Professor Otteson was a central player in two early high-profile events for the Koch rollout of its well-being initiative. CKF now offers grants for research "that furthers an understanding of the origins and drivers of individual and societal well-being."<sup>13</sup>

One would not have to be overly cynical to see this well-being initiative as an attempt to mask Koch's traditional free market agenda with the study of an unobjectionable human pursuit. Jane Mayer was the first journalist to examine this strategic move by the Kochs. Based on another recorded session at the same June, 2014 summit, she reports that Richard Fink argued for a need to re-brand the Koch image. As Mayer summarizes:

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<sup>11</sup> <https://soundcloud.com/a-philadelphia-experiment/qa-being-a-liberty-advancing-academic-apee-2016>

<sup>12</sup> [http://www.slate.com/articles/news\\_and\\_politics/politics/2014/06/kochs\\_american\\_enterprise\\_institute\\_and\\_happiness\\_and\\_well\\_being\\_research.html](http://www.slate.com/articles/news_and_politics/politics/2014/06/kochs_american_enterprise_institute_and_happiness_and_well_being_research.html)

<sup>13</sup> <https://www.charleskochfoundation.org/apply-for-grants/requests-proposals/foundations-well-being/>



The Koch network, [Fink] said, needed to present its free-market ideology as an apolitical and altruistic reform movement to enhance the quality of life—as “a movement of well-being.” The network should make the case that free markets forged a path to happiness, whereas big government led to tyranny, Fascism, and even Nazism.”<sup>14</sup>

Mayer went on to share Professor Otteson’s anecdote about a colleague at Wake Forest who, he claimed, readily supported his idea of an institute devoted to studying *eudaimonia*, even if it involved Koch money. The power of framing free-market theories by using the term “well-being” is “a game changer,” she reports. Otteson rhetorically asks his audience: “Who can be against well-being? The framing is absolutely critical.” When asked about this widely reported quotation, Professor Otteson responded that he did not mean to say that “well-being” is an effective strategy to conceal an otherwise objectionable (to some) free market agenda. Rather he meant that “well-being,” or in his case *eudaimonia*, is an effective means of drawing colleagues from a wide variety of disciplines into the discussion. The following excerpt from the Eudaimonia Project proposal submitted to CKF six months *after* the Koch Summit does not appear, however, to reflect this broader interdisciplinary vision yet.

Many people consider markets and business activities as instruments of “mere” economic development, with “economic” often connoting “devoid of moral content.” This view of markets, corporations, and the managers and employees that inhabit them has generated diminished expectations about the contribution of business activities to the moral fabric of society. Even more fundamentally, it has led to doubt about that role they could potentially play as a constructive force in strengthening or expanding this moral fabric. The Eudaimonia Project intends to generate a deeper understanding of the relationship between commercial society and market institutions, and the ideal of a genuinely eudaimonic and ethical life.

At this point in time, at least, it *does* appear that the Eudaimonia initiative was primarily concerned with the links between well-being and capitalist institutions, making Mayer’s interpretation above quite plausible.

## The Eudaimonia Institute—Its Formation and Mission

The precise timeline of events that resulted in a formal proposal and the eventual approval of the Eudaimonia Institute remains somewhat obscure. Appendix B attached provides a summary of key events in this timeline. According to Professor Otteson, the idea of Aristotle’s concept of *eudaimonia* as a focal point for exploring human well-being was one he had been interested in for quite some time. After arriving at Wake Forest in August, 2013 as Executive Director of the BB&T Center for the Study of Capitalism and Teaching Professor in the School of Business, he at some point thought that *eudaimonia* could be a fruitful “project” concept within the BB&T Center. At what point he initially approached CKF for funding is unclear. But it is certainly plausible to conclude that there were contacts prior to his presentation at the Koch Summit in June, 2014. By that time, he was clearly acquainted with Ryan Stowers (Director of Higher Education at CKF). As we have seen, CKF works with its “partners” in supporting university institutes and centers. The Koch Summit is a gathering of those active and potential partners. Thus, it seems unlikely that CKF would have been offering Professor Otteson the unique opportunity to pitch his idea to the collection of wealthy donors at the summit if CKF did not already support the effort.

The first formal documentation the Committee has found is an “overview and project development” plan for “The Eudaimonia Project at Wake Forest University” dated December, 2014. At the end of this

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<sup>14</sup> Mayer. “New Koch.” *New Yorker*, [January 25, 2016](#).

document appears this statement: “We are grateful for the Charles Koch Foundation’s consideration of this request and would be honored to enter into a partnership studying and encouraging eudaimonia.” This proposal, Professor Otteson confirmed, was submitted to CKF in December, 2014.

Professor Otteson told the Committee that he had originally envisioned *Eudaimonia* as a “project” within the BB&T Center and School of Business. At some point, it is not clear when, he reports that the Provost encouraged him to think in terms of a university-wide institute. Curiously, at the June, 2014 Koch Summit, Professor Otteson actually makes specific reference to his well-being initiative at Wake Forest. “We’re going to call it,” he says, “the Eudaimonia Institute.” This was less than a year after Professor Otteson joined the faculty at Wake Forest.

The December, 2014 proposal resulted in a May, 2015 site visit by CKF officials who met with WFU representatives of the administration, including the President and Provost. It still appears that the project would be under the auspices of the BB&T Center and the School of Business. So it is not clear to the Committee when the BB&T “project” became a university “institute.” Various sources have reported to the Committee that the eventual CKF commitment of a \$4.2 million “seed” grant (including the \$500K partnership agreement with the Wrights) is only the first phase in what could eventually total \$11 million or more in funding.

The mission of the eudaimonia initiative appears to have evolved over time. Professor Otteson submitted a revised EI 5-year plan to the Committee on Academic Freedom dated May, 2016. It is generally an updated version of the plan submitted to CKF in December, 2014. Comparing the two plans, however, reveals significant modifications in the institute’s vision. Appendix C shows the details of these changes. Most prominent is a shift in scope from a focus on *eudaimonia* and its connections to capitalist systems, commercial society, and market institutions (2014) to a broader exploration of the connections between *eudaimonia* and “economic, political, moral, and cultural institutions” (2016). A comparison of yearly themes outlined in these different plans reflects this shift in scope:

<b>Dec., 2014 Plan</b>	<b>May, 2016 Plan</b>
<i>The Nature of Eudaimonia</i>	<i>Year 1—The Nature of Eudaimonia</i>
<i>Bottom of the Pyramid:</i> How do market institutions affect the eudaimonia of people at the bottom of the income/wealth pyramid?	<i>Year 2—Freedom and Eudaimonia:</i> What is the connection between freedom and eudaimonia?
<i>Culture of Finance:</i> What is the connection between finance and eudaimonia?	<i>Year 3—Culture and Eudaimonia:</i> What is culture, and how does it affect eudaimonia?
<i>Codes of Business Ethics:</i> What practices of business create genuine eudaimonic value for others, and what do not?	<i>Year 4—Government and Eudaimonia:</i> What is the role of government in fostering eudaimonia?
<i>Prosperity and Entrepreneurship:</i> Do entrepreneurial cultures tend to create or enhance eudaimonic cultures?	<i>Year 5—Beauty and Eudaimonia:</i> What is the role of beauty in all its forms in fostering eudaimonia? What role do the fine arts and the performing arts play?
<i>Business and Philanthropy:</i> What effects on eudaimonia does philanthropy have?	

It appears then that the shift from being a project within the BB&T Center/School of Business to a University institute resulted in a broader and more interdisciplinary study of *eudaimonia*. The Committee applauds this shift. What remains confusing, however, is why this new University institute remains so

closely connected to the School of Business (e.g., the current search for a School of Business Professor of Economics that is clearly connected to, and presumably partially funded by, EI). It makes far more sense, given its more interdisciplinary scope that on its face is now only minimally connected to capitalism, markets, and business, for the EI institutional home to be in the College.

## The Faculty Advisory Board and the Faculty Petition

The Committee has had a difficult time ascertaining the formation and timeline of the Faculty Advisory Board (FAB). Of sixteen current or former FAB members, including two who resigned from the board, we received varying degrees of input via email, interviews, and a survey from all but four. It is clear that some members have been involved from early on when this was a project within the BB&T Center. Others came on later, around the fall of 2015 (after the CKF site visit), and still others later in the summer or fall of 2016. Presumably, as the vision of the initiative moved from a BB&T Center project to a more interdisciplinary University institute, a concerted effort was made to diversify the FAB. In some cases, at least, the Provost contacted Deans, encouraging them to “nominate” new FAB members or seek volunteers from schools other than Business.

From the feedback of some FAB members, it became clear that many felt their integrity had been questioned when the Faculty Petition was announced and later when they were contacted by the Ad Hoc Committee via a survey. The Faculty Petition, in particular, was perceived by some as a biased ideological attack meant to, as one FAB member put it, “enforce a narrow ideological uniformity at Wake Forest” and “silence those on campus who are not part of the Progressive movement.” Sadly, some members of the FAB described feeling marginalized on campus because of their more conservative political views. The Committee found such responses deeply disheartening. It is our firm belief that NO ONE should feel marginalized on this campus for their political views.

Yet it should be noted that those who perceive the Faculty Petition and, by extension, the Ad Hoc Committee as part of an effort to “enforce a narrow ideological uniformity” imply, by this very critique, that the eudaimonia initiative is ideological. In other words, they appear to assume that EI will be a means of expressing more diverse views such as conservative or libertarian perspectives on campus. If this is the case, then the EI’s mission statement and claims of a “non-ideological” agenda would appear to be disingenuous—at least for those who would make such an argument. Also we do not think there is anything prohibiting current colleagues who hold such views from expressing them.

From the Ad Hoc Committee’s perspective, the Faculty Petition—while its tone was perhaps unduly harsh and call for an “investigation” (as opposed to a “review”), which is regrettable—was primarily intended to raise concerns about the process by which the EI was formed, its governing structure, and the source of its funding. Specific issues raised included:

1. Academic freedom and transparency: related to specific concerns with the unseen donor agreement, given documented issues raised by other university agreements (e.g., those with Florida State and University of Kentucky).
2. Governance: Faculty Advisory Board composition and selection process; Executive Director authority.
3. Eudaimonia: concerns about narrowness of approach and connections to CKF’s “well-being” initiative.
4. Academic respectability and reputation.

As the Committee has already stated, it is our view that CKF’s agenda in higher education should indeed preclude WFU from accepting any institute or center funding from this foundation or (ideally) its wider partner network. We believe the concerns expressed in the Faculty Petition, at least in this regard, were

well-founded.

In response to those who would denounce members of this Ad Hoc Committee for being intolerant of diverse political views on campus, we would repudiate any such attribution of bias. Were funding for EI coming from a “left wing” foundation devoted to converting students to a socialist ideology, creating a network of scholars specifically designed to publish preordained “socialist” scholarship, feeding a “talent pipeline” of students for socialist leaning think tanks, government offices, and grassroots political efforts, we would be just as strongly critical. We would similarly object to any left-wing group that opposed the validity of scientific evidence on climate change. Any outside funding resource whose effort is so clearly designed to co-opt higher education for overt political and commercial ends should be rejected.

A number of FAB members reported that the culture of the board has been consistently collaborative, inclusive, and open to all viewpoints. A few others felt that their voices and opinions were not heard. It may be that there was a symbiotic relationship between the scope and vision of the initiative, on the one hand, and the increasingly diverse FAB, on the other. As noted previously, it is clear that, at least in terms of its mission statement, the initiative has moved from a study of *eudaimonia* from a narrow capitalistic, “free market” angle to a much more inclusive and interdisciplinary approach. Much depends, however, on *how*, precisely, CKF funds are allocated. We develop this concern below.

## The CKF-WFU Institutional “Donor” Agreement

Beginning with a formal request submitted by the Concerned Faculty group in October, 2016, repeated follow-up requests by the Ad Hoc Committee, as well as by the Committee on Academic Freedom and Responsibility, for an opportunity to study the contract between the Charles Koch Foundation and Wake Forest University have been unsuccessful. The Provost has continually promised to reach out to officials at CKF for permission, and he also expressed optimism that the request would be granted. Nonetheless, the Committee has not been granted access to the document, and the Provost has still not responded formally with a definitive “yes” or “no” to our request. The lack of access to this crucial document is disappointing and seriously constrains the Committee’s effort to address concerns raised by faculty and those raised from examining other such agreements. This lack of access also raises further suspicions that faculty would find the terms and details of the agreement objectionable.

The Committee *has* conducted a thorough analysis of nine different CKF contracts with other universities that have been made public. For a complete review of these documents, see Appendix D. Specific unanswered questions and areas of concern related to the CKF-WFU agreement, based on our review of these other contracts, include:

- What is the mission statement for EI in the agreement? This is important because it is one key measure by which WFU and EI are to be assessed by CKF.
- How are the Executive Director’s duties defined, and is Professor Otteson identified as the ED in the agreement? Based on other agreements and Charlie Ruger’s APEE statement (see below), we assume Professor Otteson is named in the agreement.
- What is the payout schedule and terms?
- What are the cancellation terms?
- What programs are to be funded?
  - Louisville University’s agreement includes (\$4.6M total): 2 TT professorships and 2 visiting professorships; PhD fellowships; Outreach directorship; Administrative Assistants; research grants; Director stipend; Center activities.
  - University of Kentucky’s agreement includes (\$4M total): Senior Economics professor; 2 TT Economics professors; TT Financial Economics Professor; Senior Lecturer in

Entrepreneurship; 13 PhD fellowships; Research Associate; Director stipend; Associate Director stipend.

- What educational initiatives are identified?
  - Louisville agreement includes courses, seminars, reading groups, symposia, lectures, and annual keynote speaker, as well as community outreach efforts.

As noted previously, the Committee applauds the apparent evolution of the Institute toward a more appropriate, inclusive, and interdisciplinary study of *eudaimonia*. The unanswered question is how the CKF budget reflects these aims and values. If a minor percentage of funds go toward programs, conferences, and individual faculty research grants for such interdisciplinary studies of *eudaimonia*, but the vast majority goes toward TT faculty positions, teaching professors, post-docs, and so forth narrowly focused on economics, business, and the study of capitalism, then this “evolution” becomes almost meaningless. Without seeing the donor agreement, we have no way of knowing how these funds are being allocated.

It is important to remember that CKF has two key mechanisms of insurance for “protecting” its investment in centers and institutes. The first is the institutional agreement and the terms outlined therein. The second is the Executive Director of the institute. All indications are that CKF designates the occupant of this position. They want to be confident that this person understands their agenda, shares their ideology, and will direct the institute accordingly. As [Charlie Ruger](#), Director of University Investments at CKF, clearly states, “The money is at the control and supervision of the center director and we want that person’s name in the agreement.” He goes on to warn, “If anyone except [director name] ends up in control of these funds, the next check is not going to be on the way.”<sup>15</sup> The fact that CKF demands that it designate the director of the institute seems to us a complete violation of academic freedom and institutional independence.

## Institute Director

It appears that the Administration and the FAB have made a good faith effort to ensure the academic freedom and broad inclusion of perspectives in examining Eudaimonia. The Declaration of Academic Independence, the Institute Agreement (with the University), and the mission statement of the Institute all affirm these principles.

Our concern, however, lies in the Executive Director's previous connections to CKF and its ideological commitments, outlined in the Koch Foundation's objectives in higher education.<sup>16</sup> Professor Otteson, in his meeting with the committee, claimed that he “does not care” what the CKF agenda is. He went on to

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<sup>15</sup> Jay Schalin, in his extensive analysis of the new trend in university academic centers, points out a recent strategy for donors to ensure their intent is carried out. “One method donors employ to beat the power grab [by faculty],” he writes, “is to avoid spelling out any perspective or course content in the terms of the donation, but to work through a specific professor whose views match the donor's.” “[Renewal in the University](#).” The John William Pope Center for Higher Education Policy, January, 2015 (p. 12).

<sup>16</sup> Professor Otteson’s connections with the Charles Koch Foundation trace back to at least 2009 when he was named the Charles G. Koch Fellow at the American Studies Fund. The year prior, it is reported that he received \$20,000 from CKF for a speaker series at Yeshiva University. He has served as a Research Professor, Research Fellow, and visiting speaker at a number of Koch-funded centers and institutes such as the Freedom Center at University of Arizona and the Independent Institute in California. He also served on the Board of Advisers to the Heartland Institute, also funded by Koch. As noted previously, he appears to have played an important role in the Koch rollout of its well-being initiative, suggesting close connections to key CKF administrators such as Ryan Stowers, Charlie Ruger, William Ruger, and Kevin Gentry. And finally, Professor Otteson has been an active member in APEE, delivering papers and even a keynote address, in 2010, 2012, 2014, and 2015. He currently serves on the APEE Executive Committee. Again, APEE is the primary organization that facilitates the “liberty advancing” network of scholars so central the CKF leveraging of higher education.

say that he felt “very uncomfortable” as Stowers and Gentry laid out the CKF strategy and goals in “leveraging” higher education in the December, 2014 Koch Summit seminar in which he participated. But Professor Otteson’s long and established connections with CKF certainly raises concerns and the prospect of a perceived, if not real, conflict of interest. The fact remains that the FAB is not a governing board but an advisory one. The Executive Director is the final decision maker on key hires, events, speakers, and so forth. The consequent deflection of power over hiring away from our academic officials and to the center director is deeply disturbing.

## WFU Institutes—Review and Recommendations

A thorough review of institutes at Wake Forest University, including the process of their creation, review, and governance, is beyond the capacity of this Ad Hoc committee given the time limitations of our review. Thus, one recommendation coming out of this review is that the Faculty Senate create an Ad Hoc committee devoted specifically to this task.

Based on our review of the Eudaimonia Institute as well as available information we gathered on the two other institutes (Humanities Institute and Pro Humanitate Institute), here are some observations and tentative recommendations for such an Ad Hoc committee to consider.

1. The distinction between “centers” and “institutes” needs to be stated clearly.
2. The process of proposing and approving a new institute needs to be spelled out more clearly. The role of the Research Advisory Council (RAC) also needs to be defined. With respect to the creation of EI, it was initially reported by the Associate Provost that RAC did not approve the EI proposal for several reasons. The Provost, in a meeting with the concerned faculty group, suggested that this was misleading language since RAC’s role is only advisory. Nevertheless, efforts were made to address the concerns raised by RAC. But it does not appear that RAC was ever consulted again after reviewing the initial proposal. The Committee did not review the process by which the other two institutes were created.
3. The review process of institutes needs to be spelled out in detail. According to the Provost, institutes are reviewed on an annual basis. But there are two junctures when institutes are reviewed for continuation—after the first year and at the end of five years. We have seen no written criteria for either of these reviews. According to the Provost, the first year review assesses (1) the institute’s progress in raising external funds, and (2) its success in engaging faculty and student interest across the University. Institutes, it has been suggested, are meant to be broad enough in scope to engage faculty and students from a broad spectrum of schools, departments, and disciplines. The narrow scope of EI’s original proposal was one reason RAC did not recommend its approval.

Despite the Provost’s assurance that there is a continuation review after the first year, we have concerns. First of all, Professor Otteson clearly stated in his meeting with the Committee that there is no such review for continuation and that EI is a “done deal.” The Institute is also in the midst of a search for a full-time Associate Director and we have been informed that the Provost offered a Wake Forest Fellows position to a graduating senior. So if there really is a “continuation” review this summer, it appears that approval is a foregone conclusion.

4. Governance and structure of institutes varies widely. Appendix E attached summarizes our findings. This should be a key area of review for any future Ad Hoc committee. Clearly, all institutes should have an advisory board, or some equivalent, for oversight purposes. It does not appear that the Pro Humanitate Institute has any structure of oversight other than the Provost’s office. One EI FAB member offered several worthy suggestions for structuring the governance of EI. Based on our very preliminary review, we would endorse these recommendations regarding

the advisory board for all institutes. They include:

- a. Meet in executive session (meaning only advisory members meet).
- b. Have a lead advisory board member conduct all meetings.
- c. Distributing materials at least a week in advance so members can do their own thinking and research.
- d. Create an executive committee of four to five advisory board members to serve as an executive board to increase accountability and oversight.
- e. Conduct annual evaluations of the board with respect to the Institute's strategy and its success in achieving its stated goals.
- f. Enhance advisory board oversight, consider fiduciary responsibility to the University for all board members.

A thorough review of policies and procedures governing institutes/centers at other universities—well beyond the time parameters of this Ad Hoc committee—would no doubt yield numerous other ideas for the governance and oversight of these entities at WFU. We strongly encourage the Faculty Senate to create an Ad Hoc committee for this purpose.

## AAUP Guidelines on Academy-Industry Engagement, Academic Freedom, and Conflict of Interest

The Committee on Academic Freedom and Responsibility (CAFR) will issue its own report on academic freedom and institutional governance as they relate to the formation of the Eudaimonia Institute and its principal funding source, the Charles Koch Foundation. The Ad Hoc Committee, therefore, focused on areas of concern already addressed. The Committee did, however, review AAUP guidelines on academy-industry engagement, academic freedom, and conflict of interest because of their direct bearing on larger questions of integrity and institutional reputation. Appendix F provides details of our findings, which will no doubt overlap the findings of CAFR. We provide here a brief summary of our findings and conclusions.

[AAUP](#) recommends 56 principles of faculty governance related to external funding. These guidelines are online and easily accessible to all, including the chief academic officer of any university. Comparable guideless are in place at the WFU School of Medicine, but not at the Reynolda Campus. AAUP states, “University Conflict of Interest (COI) policies must be adopted consistently across the whole institution, including affiliated medical schools, hospitals, institutes, centers, and other facilities, and they must apply to faculty, students, administrators, and academic professionals.” (Principle 23) The College, therefore, should have worked with the medical campus in drafting and adopting these conflict of interest guidelines. Moreover, the WFU School of Medicine has also implemented review guidelines for funding that may be perceived in a negative way: specifically, all funding from tobacco companies must be reviewed on a case-by-case basis by a faculty committee. As the medical policy states, the COI is to “maintain the integrity” of the Medical School’s educational mission, and to “protect the reputation and credibility” of the Medical School and its faculty and staff. (WFBMC COI Policy, 7/24/13) Given that AAUP calls for implementation of policies across all units of a university, the Reynolda Campus’s association with the Koch Foundation interferes with both of these COI policies approved by the Medical School on 24 July 2013.

## Conclusion

The Ad Hoc Committee is mindful that some among our faculty colleagues, the administration, and even alumni and trustees will read into this report a resistance to allowing more politically conservative views within the college and university. Notwithstanding the fact that this critique appears to undermine the



repeated claim that EI has no ideological agenda, we vehemently assert that the conservative agenda of CKF or faculty involved with initiating the idea of a *eudaimonia* project or institute has nothing to do with our findings and recommendations. The key issues at hand relate to institutional reputation and integrity. What the Charles Koch Foundation is endeavoring to do in higher education should, in our view, alarm all faculty, administrators, and alumni, *regardless of their political persuasion*.

In a defense of free market centers and institutes that are on the rise, Jay Schalin, in his “[Renewal in the University](#)” report, contends that “academics on the left assume that because the original funding of such centers comes from donors who are identified with the political right, they must have political motives for the funding and that center directors have political marching orders” (pp. 4-5). This, he declares, is “almost universally not the case.” But the recorded words of those charged to lead the CKF effort in higher education establish beyond any doubt that politics is precisely the animating objective behind the CKF education initiatives. Their “integrated” approach seeks to convert students to their political ideology, feed a “talent pipeline” into their think tanks and political grassroots efforts, and ultimately influence legislation that, as it turns out, is beneficial to their commercial enterprise. This latter point cannot be overemphasized. The way in which this agenda benefits the private interests of the donors as much or more as the public weal is alarming. There is, moreover, a conflict of interest inherent in the proposition itself given the make-up of the donor base.

For Wake Forest University to play any role in this effort harms its reputation and brand. We trust members of the administration, who may be encountering this concealed CKF agenda for the first time, will agree.

## Appendix A

CKF Higher Education Donations (2005-15: \$142 million)				
Institution (* = center or insitute)	2005-2015	\$ 2,015	City	State/Country
George Mason University***	\$ 95,574,116	\$ 17,916,783	Fairfax	VA
Utah State University*	\$ 3,503,500	\$ 1,335,000	Logan	UT
Florida State University**	\$ 2,391,687	\$ 46,500	Tallahassee	FL
Texas Tech University**	\$ 2,159,500	\$ 2,034,500	Lubbock	TX
West Virginia University*	\$ 1,596,150	\$ 258,625	Morgantown	WV
Clemson University*	\$ 1,527,456	\$ 234,940	Clemson	SC
University of Texas - Austin*	\$ 1,387,608	\$ 1,360,000	Austin	TX
Southern Methodist University*	\$ 1,221,800	\$ 636,000	Dallas	TX
Arizona State University**	\$ 1,172,927	\$ 942,227	Tempe	AZ
University of Arizona*	\$ 1,155,565	\$ 116,600	Tuscon	AZ
Troy University*	\$ 1,103,000	\$ -	Troy	AL
Catholic University of America*	\$ 1,045,500	\$ 212,500	Washington	DC
Suffolk University	\$ 1,005,328	\$ 9,000	Boston	MA
George Washington University - Washington, DC	\$ 1,000,620	\$ 657,000	Washington	DC
Brown University*	\$ 828,356	\$ 377,674	Providence	RI
Purdue University	\$ 754,000	\$ 670,000	West Lafayette	IN
University of Louisville*	\$ 704,855	\$ 620,800	Louisville	KY
Kansas University	\$ 695,217	\$ -	Lawrence	KS
University of North Carolina - Chapel Hill	\$ 630,300	\$ 131,900	Chapel Hill	NC
Florida Southern College*	\$ 600,000	\$ -	Lakeland	FL
Creighton University*	\$ 594,000	\$ 294,000	Omaha	NE
Indiana University	\$ 581,500	\$ 231,000	Bloomington	IN
Texas A&M University	\$ 545,561	\$ 182,861	College Station	TX
Kansas State University	\$ 517,254	\$ 18,500	Manhattan	KS
Fort Hays State University	\$ 507,000	\$ -	Hays	KS
University of Chicago	\$ 460,000	\$ 455,000	Chicago	IL
Northwestern University	\$ 459,954	\$ -	Evanston	IL
Baylor University	\$ 443,500	\$ 253,500	Waco	TX
Massachusetts Institute of Technology	\$ 406,470	\$ 11,000	Cambridge	MA
Ohio State University	\$ 374,000	\$ -	Columbus	OH
Total Top 30	\$ 124,946,724	\$ 29,005,910		
Total All Schols	\$ 141,872,637	\$ 33,044,842		
% Top 30	88%	88%		
Total Top 20	\$ 120,057,485	\$ 27,560,049		
% Top 20	85%	83%		
Total Top 10	\$ 111,690,309	\$ 24,881,175		
% Top 10	79%	75%		

## Appendix B

### WFU Eudaimonia Institute Timeline

August, 2013	Professor Otteson (JO) joins WFU as director of BB&T Center and Teaching Professor
<b>2014</b>	
June 14, 2014	JO attends June, 2014 Koch Summit—sells idea of “Eudaimonia Institute”
June 26, 2014	JO a Panelist at Charles Koch Institute <a href="#">Inaugural Well-Being Forum</a> , Newseum, Washington, DC
Fall 2014	Eudaimonia BB&T project working with the Thrive initiative
Dec., 2014	“EI Project” funding proposal submitted to the Charles Koch Foundation (CKF)
<b>2015</b>	
April, 2015	JO named the Thomas W. Smith Foundation Presidential Chair in Business Ethics
May, 2015	CKF campus site visit to WFU
June, 2015	EI FAB adopts “Declaration of Research Independence”
Early Fall 2015	Application for Institute status submitted
October, 2015	Research Advisory Council (RAC) does not support EI proposal. Recommends: <ol style="list-style-type: none"> <li>1. Broader faculty participation</li> <li>2. More faculty input/participation on FAB b/c controversial (not clear why proposal was “controversial”)</li> <li>3. Should apply for grants (not clear if RAC was aware of CKF funding proposal submitted 10 months earlier or the CKF site visit 5 months earlier) <ul style="list-style-type: none"> <li>• RAC not consulted again after this initial review</li> <li>• Provost Kersh reports to BOT that funds sought from “across the political spectrum,” but to no avail</li> </ul> </li> </ol>
<b>2016</b>	
Jan., 2016	Mayer <a href="#">“Rebranding the Koch Brothers”</a> <i>New Yorker</i> article published. According to Provost Kersh, senior administration decides not to go forward with institute plans.
Early spring?	Provost persuaded by FAB to approve and accept Koch grant. Provost also reported to the Board of Trustees that the Thrive Well Being program needed “an academic base” that EI could provide
Late spring	Koch donor agreement negotiated
June, 2016	EI one-year planning grant <a href="#">announced</a> ; JO named Executive Director
Sept., 2016	Koch \$3.7 million gift <a href="#">announced</a> along with \$500K gift of Wrights
Oct. 4, 2016	Faculty Forum on EI, hosted by Provost Kersh
Oct. 26, 2016	EI Assoc. Director position posted on Talent Market.org site (Koch funded “free market” search firm)
Nov., 2016	Search for Assistant/Associate Economics Professor in Business School posted with EI affiliation
Nov. 17, 2016	Faculty Petition requesting Faculty Senate review of EI submitted; signed by 189 University faculty members
Nov. 17, 2016	Faculty Senate President Cotter calls for formation of Senate Ad Hoc committee to “review the Eudaimonia Institute and report recommendations for future directions to the Faculty Senate”
Dec. 12, 2016	EI Assoc. Director position formally approved and posted on Silk Road and national job search sites (deadline Jan. 4, 2017)
<b>2017</b>	
Jan. 18, 2017	Motion to ratify the Senate President’s creation of the Ad Hoc Committee passed unanimously by the Faculty Senate

# Appendix C: Comparison of Dec. 2014 EI Plan (submitted to CKF) to May 2016 Plan (in red)

## THE EUDAIMONIA ~~PROJECT~~INSTITUTE

at-  
Wake Forest University-

### OVERVIEW AND PROJECT DEVELOPMENT OVER THE FIRST FIVE YEARS

~~December 2014~~

May 2016

#### Overview

The Eudaimonia ~~Project~~Institute (EI) at Wake Forest University will encourage research and teaching that explores the elements of and the institutions that conduce to *eudaimonia*—Aristotle’s word for “well-being,” “happiness,” or “flourishing.” ~~We are interested in particular in the ethical challenges created by a market economy, as well as those faced by modern corporations, the contemporary workplace, and the career and life choices confronting individuals working within them. Modern capitalism brings to the forefront of human history a set of powerful institutional instruments that—when wisely governed and employed—can help individuals meet not only their basic needs but also achieve their greater goals of leading, as Wake Forest University President Nathan Hatch puts it, “lives that matter.”~~

The well-being and the flourishing of individuals, the happiness of families, and the prospering of communities is strongly affected by the ~~way they use~~economic, political, moral, and relate their objectives and actions to capitalist markets, firms, and cultural institutions in which they live. To live a productive and fulfilling life ~~in the capitalist system~~ requires an understanding of the ~~power~~nature, benefits, and limits of its liabilities these institutions, and of the profound ways these institutions shape and are shaped by individuals’ ~~personal decisions and ethical norms.~~life projects. Our challenge is to explore, understand, and prepare ourselves and the next generations to take advantage of the enormous potential for human flourishing created by ~~capitalism while avoiding its moral traps and dead end~~sound institutions.

To respond to this challenge, the ~~Eudaimonia Project~~EI aims to create an interdisciplinary community of scholars who are focused on developing a research and teaching agenda organized around the notion of *eudaimonia*—what it is, what encourages it, and what deters it. ~~The concept of eudaimonia offers a richly profound~~ theoretical and empirical ~~conceptual~~ framework able to organize an interdisciplinary approach ~~exploring~~investigating its multiple facets.

Although others have explored, and are exploring, human happiness, as a topic of rigorous empirical exploration this research is still in its infancy. Little systematic investigation exists into the connection between eudaimonia and institutions, including in particular economic, political, and cultural institutions. Moreover, there does not yet exist an organized locus for people from

different disciplines and with different methodologies and expertise to combine and focus their efforts. -The Eudaimonia ProjectEI aims to become the first such interdisciplinary intellectual home dedicated to understanding and promoting eudaimonia.

~~We are motivated by the belief~~We believe that discovering the encouragements of, and obstacles to, human well-being is perhaps the most important academic contribution we can make ~~to humanity~~. Wake Forest University's motto is *Pro Humanitate*, "in the service of humankind." Wake Forest has an institutional commitment to investigating the moral purpose of its educational mission in a humane and just society, and to integrating such ~~an~~ investigation into ~~the foundation of~~ all its programs. -We believe the Eudaimonia ProjectEI is squarely at the heart of this mission. As reflected in our "Declaration of Research Independence," we are strictly nonpartisan and nonideological; our investigations and offeringsactivities will be driven by disinterested pursuit of truth, and they will enjoy an independence proper to unfettered inquiry. These matters are too important to be motivated by anything else.

### Challenges and objectives

~~Many people consider markets and business activities as instruments of "mere" economic development, with "economic" often connoting "devoid of moral content." This view of markets, corporations, and the managers and employees that inhabit them has generated diminished expectations about the contribution of business activities to the moral fabric of society. Even more fundamentally, it has led to doubt about that role they could potentially play as a constructive force in strengthening or expanding this moral fabric. The Eudaimonia Project intends to generate a deeper understanding of the relationship between commercial society and market institutions, and the ideal of a genuinely eudaimonic and ethical life.~~

~~At the individual level, we ask what it means to live a truly happy life—Aristotle's *eudaimonia*—as a member of large modern organizations, whether profit or nonprofit oriented. At a larger level, we ask whether, and how, we can enhance our understanding of the processes through which commercial society affects not only the creation of value but moral behavior and social order. Can we enhance the effectiveness of such institutions? How can we translate their achievements beyond the confines of long-established market economies?~~

~~The Eudaimonia Project will engage in serious theoretical and empirical investigation into the political, economic, moral, cultural, social, and other institutions that can enable people to lead flourishing, eudaimonic lives.~~

### Activities

To achieve this set of objectives, the EPEI will focus on three major types of activities:

**(1) Research:** develop a research agenda geared towards publication in top general and specialty journals, as well as generating policy papers, op-eds, and material aimed at general readers; host and participate in scholarly conferences advancing a robust and credible understanding of eudaimonia; and support post-doctoral, visiting, and faculty positions to enrich this research agenda from a variety of disciplinary viewpoints.

**(2) Teaching:** create new courses and engaging teaching tools that explore the ethical challenges at the core of ~~economic action~~eudaimonic social organizations; organize seminars and active reading groups for students interested in honorable business, government, understanding

eudaimonia both conceptually and ~~other forms of eudaimonic policy empirically~~; support new faculty and curricula that promote an active reflection on ~~ethicaleudaimonic~~ decision-making ~~across organizational functions individually, organizationally, and socially~~; and support curricular developments that recognize the need for interdisciplinary approaches to ~~public-policy~~ your investigations.

**(3) Outreach:** outside academia, interact with the business community, ~~journalist~~ journalists, policy- ~~Makers~~ makers, nonprofit leaders, and the general public and to inform, educate, and engage them in the ethical challenges that frame their specific industries or activity domains.

### **Tentative Project Development**

The Eudaimonia Project (EP)~~EI~~ builds with each successive year ~~(please see below and the enclosed “Project Timeline” for more details)~~. In the first phase we begin with relatively modest pilot initiatives, during which time we will solicit feedback and evaluation from all the relevant communities. Having taken the feedback and evaluation into account, we then move forward more expansively with larger initiatives in each development phase:<sup>+ 1</sup>

By the fifth year of the ProjectInstitute, we hope to achieve critical mass and fully engage a long- standing and ongoing community of scholars, with a portfolio of projects that would justify continuing support from donors, well-beyond the ~~EP’sEI’s~~ first five years. The attached project timeline describes the major foci such as personnel, curriculum development, outreach, scholarships, research, evaluation, and the infrastructure needed to support such a robust array of activities.

Our goal is to have created with the EPEI a unique cross-disciplinary organizational form, with a bold, next-generation teaching and research agenda exploring the well-being and flourishing of individuals in modern ~~capitalist societies-~~ society. In the broader academic context, we intend to serve as a nodal reference point for other similar centers and academic initiatives taking roots across the American educational landscape.

**Phase 1** We begin by laying the groundwork for a workable, value-creating, and interdisciplinary structure for the Eudaimonia ProjectInstitute.

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<sup>1</sup>By “phase,” we refer roughly to the duration of an academic year. The dynamics of growing a project of this magnitude, however, might not correspond directly to the strict temporal division of academic semesters.

- We will convene an interdisciplinary Faculty Advisory Board made up of Wake Forest ~~Faculty~~ faculty who will act as academic and intellectual advisors to the Executive Director on the purpose, direction, and activities of the EPEI.
- We will hire a post-doctoral research assistant to help develop the project.
- We will host a spring semester conference and speakers- on the tentative topic of “Eudaimonia: What Is It?”
- We will propose and, if accepted, organize symposia and panel discussions at core ~~2015 management2017 academic~~ conferences ~~(e.g. Academy of Management; Strategic~~

Management Society).

- We will map internal and external faculty members who could help define and contribute to distinct research and teaching domains consistent with the EP'sEI's objectives.
- We will attract post-docs and visiting faculty who will conduct on-site original research, ~~help~~ teach ~~our new~~ and ~~proprietary~~ "Why Business?" ~~course~~ assist in courses in several units of Wake Forest, and further diversify our teaching curricula in ways that give tangible form to the eudaimonia concept. -To the extent possible we will offer multi-year contracts.

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<sup>1</sup> ~~By "phase," we refer roughly to the duration of an academic year. The dynamics of growing a project of this magnitude, however, might not correspond directly to the strict temporal division of academic semesters.~~

- We will search for tenure-stream appointments.
- We will build a streamlined but expert staff to coordinate these initial activities, which include creating a substantive and active website.
- We will hire an Operations Manager and a Director of Communications.

**Phase 2:** We continue the previous year's activities, and add several initiatives:

- We will hold faculty workshops to give them a chance to participate in, but also discuss and evaluate, our initiatives, and we will bring in outside speakers to introduce relevant ideas to our students and faculty.
- We will host a small panel discussion and ~~another~~ major academic conference. The tentative topic: "Freedom(s) and Eudaimonia."
- We will support student and faculty research.
- We will offer support to undergraduate students who will engage in the EPEI in a serious way, for instance as research and/or events assistants.
- ~~We will integrate the EP into the curriculum of Wake Forest's business school, at both the undergraduate and graduate levels.~~
- We will work to integrate the EP'sEI's mission and activities into Wake Forest University's larger "Thrive" initiative, which is already underway and which the University administration is excited to see complemented by the EPEI.
- ~~We will hire an Assistant Director of the EP, as well as a social-media/outreach director.~~

**Phase 3:** We continue ~~to~~ the previous years' activities, and add several major initiatives:

- We will hold a high-visibility national/global academic conference and publish the papers. Tentative topic: "Culture and Eudaimonia."
- We will host several full-time research professors and/or tenure track faculty who will work on major publishing projects, including perhaps a proprietary "Eudaimonia Index" that will rate and rank places on the degree to which their citizens can achieve eudaimonia.
- We will widely disseminate our activities, findings, and publications among national and international policymakers, business and nonprofit



leaders, think-tank executives, and other key decision-makers.

- Phase 4:** We consolidate the EPsEI's core research areas and remain committed to provide support for relevant curriculum development:
- We will more extensively and deliberately engage senior WFU and external scholars who are conducting research convergent with the EPsEI's mission and whose research the EPEI can support.
  - We will expand our support of student and faculty research.
  - We will offer and support regular courses throughout Wake Forest University, as appropriate. -We will set up open, competitive sponsorship for the development of new courses.
  - We will issue annual reports on the activities of the Eudaimonia ProjectInstitute.

### **Themes**

We will weave several major themes through the fabric of the project, focusing on one or two per academic year. Some of the tentative themes and central associated questions:

➤ *Year One: The Nature of Eudaimonia*

What exactly is eudaimonia? Can it be credibly assessed and measured—and, if so, how? Where and how are other attempts at assessing or measuring happiness or well-being lacking? How can we improve upon others' efforts and findings? What kinds of political, economic, and cultural institutions seem to affect eudaimonia most? What roles do psychological health, grit, overcoming adversity, and character building play in eudaimonia? What difference does absolute vs. relative well-being make? What lines of new empirical and theoretical research can we envision and encourage?

➤ ~~*Bottom of the Pyramid*~~

~~How do market institutions affect the eudaimonia of people at the bottom of the income/wealth pyramid? How can we encourage prosperity among those who need it most, and what connection does growing prosperity have with their eudaimonia? Is it the case, as many believe, that market economies and business are detrimental to those at the bottom of the pyramid? What effects do market institutions in fact have on them?~~

➤ ~~*Culture of Finance*~~

~~What is the connection between finance and eudaimonia? How do markets and other financial institutions create value and what challenges and risks are involved? Are there "social responsibilities" of finance, and, if so, what are they? What is the culture that finance creates, and what kinds of culture foster healthy financial institutions? What is the connection between trust and eudaimonia, and how does finance affect them? How can finance help maintain sustainably eudaimonic communities?~~

➤ ~~*Codes of Business Ethics*~~

~~What practices of business create genuine eudaimonic value for others, and what do not? Can a credible general or universal code of professional business ethics be developed? Can clear lines be drawn that distinguish honorable from dishonorable business? Is there a robust way to understand honorable business as connected to eudaimonia? What responsibilities do businesspeople have toward their shareholders, their profession, and toward their communities? How can they encourage eudaimonia?~~

➤ ~~*Prosperity and Entrepreneurship*~~

~~Do entrepreneurial cultures tend to create or enhance eudaimonic cultures? What effect does the “creative destruction” of innovative entrepreneurship have on people’s eudaimonia? How can entrepreneurs use their skills and expertise to cultivate honorable business organizations and practices that contributes to eudaimonia? How can a culture of eudaimonic entrepreneurship and wise risk taking be encouraged?~~

➤ ~~*Business and Philanthropy*~~

~~What effects on eudaimonia does philanthropy have? How can business philanthropy enhance eudaimonia, and what kinds of business philanthropy detract from eudaimonia? What are the philanthropic obligations of business? What principles should guide its giving? What political, economic, and cultural institutions foster properly eudaimonic giving?~~

➤ *Year Two: Freedom and Eudaimonia*

What is the connection between freedom and eudaimonia? Are there some kinds or conceptions of freedom more conducive to eudaimonia than other kinds of freedom? How do traditional categories of freedom like free speech, free association, free enterprise, or free migration affect eudaimonia? Are some kinds or aspects of freedom inimical to eudaimonia? Can we rank freedoms in terms of their beneficial effects on eudaimonia? Are some political or ethical values—for example, equality—more important for eudaimonia than freedom? How do different conceptions of freedom affect human virtue, and how, in turn, does this affect eudaimonia?

➤ *Year Three: Culture and Eudaimonia*

What is culture, and how does it affect eudaimonia? Are some aspects of culture more conducive to eudaimonia than others? Are some existing cultures more conducive to eudaimonia than others? What is the role of religion, trust, social mores, and competing conceptions of virtue and the good life in fostering eudaimonia? What is the connection between virtue, character, and eudaimonia, and how does culture affect this relationship?

What are the main drivers of culture, and how, if at all, can they be steered toward eudaimonia?

➤ *Year Four: Government and Eudaimonia*

What is the role of government in fostering eudaimonia? Are some conceptions of the proper scope and purpose of government more conducive to eudaimonia than others? What is the connection between justice and eudaimonia? What is the connection between people’s perceptions of justice, or of the justice of their governments, and their

eudaimonia? What is the proper role of regulation, welfare policies, and health care policies, in encouraging eudaimonia? Would a “universal basic income” foster eudaimonia? What policies of international relations and security are required for eudaimonia?

➤ *Year Five: Beauty and Eudaimonia*

What is the role of beauty in all its forms in fostering eudaimonia? What role do the fine arts and the performing arts play? Should government play a role in fostering engagement with the arts? How should our educational institutions address beauty? Does the aesthetic beauty of our environs affect eudaimonia? What role does beauty play in morality? How can humans lead beautiful lives, and what connection do such lives have to eudaimonia?

**Concluding Summary**

In exploring these broad and fundamental themes we will create innovative research and teaching domains consistent with the Eudaimonia ~~Project's~~Institute's objectives. We will distinguish ourselves from research initiatives elsewhere not only by our concentrated and interdisciplinary focus on eudaimonia and institutions, but also by finding new and more rigorous ways to conceive of and measure eudaimonia and connect our findings to concrete policy evaluation. The array of ~~conference~~conferences, symposia, panels, visitors, new faculty, and ~~resulting-~~publicationspublished research will ensure that these themes will be ~~explore~~explored and considered not only within the academic community, but within the wider communities of ~~business~~, journalism, policy-making, and the general public. Ultimately, we aim to become *the* place in America for teaching, studying, researching, and investigating eudaimonia.

~~We are grateful for the Charles Koch Foundation's consideration of this request and would be honored to enter into a partnership studying and encouraging eudaimonia.~~

## **Appendix D**

### **A Study of CKF Donor Agreements from Nine Schools**

Our Senate Task Force asked the provost for the opportunity to study the formal contract between Wake Forest University and the Charles Koch Foundation (CKF) in our effort to fully understand the legal requirements of the agreement related to the Eudaimonia Institute. We were not allowed to see the agreement.

The CKF, however, has contracted with more than 150 colleges and universities in recent years in efforts to advance “social progress and well-being” (Hundley 2011), and a review of the expectations of those colleges and universities is insightful in understanding the probable contract between the CKF and Wake Forest University, particularly as dimensions of those contracts with other institutions are very similar from one contract to another.

Contracts between CKF and nine different colleges and universities were obtained, and there are many similarities among these agreements. Two contracts were obtained for Florida State University (FSU). The original FSU agreement was created in 2008 and generated considerable controversy as the contract between FSU and CKF stipulated that the foundation would appoint an advisory committee that would decide which faculty candidates would be considered for a CKF-funded academic program (Flaherty 2016; Hundley 2011; Wilson 2016). In 2013, an amended contract was created which will be discussed in the following sections.

#### **Mission Statements promoting “Free Markets” or Vaguely Supporting “Well Being”**

In the language of the mission statements of the contracts between CKF and colleges and universities, much jargon reflecting a specific ideology is present. Table 1 presents the mission statements contained in the CKF-university contracts of nine schools. “Free” is a critical word of many of the mission statements, e.g., free enterprise, free society, free voluntary processes, individual freedom, human freedom, and free market. In addition to the mission statements of Table 1, those between CKF and other universities, such as Texas Tech University and Troy University, also promote a “free market” philosophy (Levinthal 2015; Wilson 2016).

Several of the mission statements of Table 1 also promote human or societal well-being, although those terms are not defined. At a June 2014 Koch Donor summit in California, Richard Fink, a Koch strategist, explained that the network of Koch supporters would be better served to package their free market ideology as an altruistic, apolitical effort to enhance the quality of life, i.e., well-being. James Otteson (currently the director of the Eudaimonia Institute at Wake Forest University) was also present at the meeting and noted that promoting well-being was a “game changer”; Otteson continued “Who can be against well-being? The framing is absolutely critical” (Mayer 2016).

#### **Creation of a Center or Institute**

Contracts between CKF and universities often dictate the creation of a center or institute at each university. Table 2 includes a partial list of universities with CKF-funded centers or institutes.

#### **Periodic Payments Contingent on CKF Satisfaction**

Most of the nine Koch contracts examined include a schedule of payments for the duration of the contract. These payments, however, cease within days if the contract is not being fulfilled to the satisfaction of the CKF (Flaherty 2016; Grant Agreement 2016; Hundley 2011; McCarthy 2015; McNair 2015). Many of the contracts specify that funds are to be used to hire tenure-track faculty and staff. A cessation of CKF funding subsequent to hiring faculty and staff could be an

arduous embarrassment for contracting universities (Flaherty 2016). An example of funding termination is provided by the Montana State University contract:

The Donor has the right in its sole and absolute discretion to terminate this Agreement or discontinue or withhold any Contributed Amount if: (i) the University has not fully complied with any provision set forth in this Agreement; (ii) the Center Programs are not advancing the Center's Mission as stated in this Agreement; or (iii) such action is necessary to comply with any law applicable to the University or the Donor. Such termination shall be deemed effective upon the expiration of thirty (30) days from the date notice was provided by the Donor to the University (*Grant Agreement* (MSU and CKF) 2016).

### **The Center or Institute Director: A Specific Named Individual Vetted by CKF**

Seven of the nine examined contracts specify the employment of a specific named individual as director who has met the approval of the CKF. The contract specifies that CKF must be notified when there is a change in the employment of the director. For example, the University of Kentucky contract specifies:

The University has selected Dr. John Garen to be the initial director of the Institute (the "Institute Director"). The Parties believe that the Institute Director is an invaluable part of advancing the Institute's mission; therefore, the University agrees to notify the Donor if the individual holding the Institute Director position changes (*Charitable Grant Agreement* (UK and CKF) 2015).

### **Hiring Additional Faculty, Staff, and Students Contingent on Director Recommendation**

All nine of the examined contracts provide salary funding for some combination of directors, faculty, staff, and students. Table 3 lists the contracted funding provisions, including faculty and staff positions, for the nine examined contracts. Most of the nine contracts of the appendix specify that employment of institute or center faculty and personnel is contingent on approval of the director. The University of Dayton rejected a contract with a Koch family foundation because of concerns with the agreement regarding faculty hiring (Levinthal 2015). The Ball State University contract provides an example of the role of the director in hiring additional faculty, staff, and students:

Before any faculty, staff, or students become affiliated with the Institute, the Institute Director must provide a recommendation for the individual's affiliation as is appropriate in accordance with University policies (*Grant Agreement* (BSU and CKF) 2016).

Similarly, the University of Louisville agreement states:

The center director will chair all of the search committees for the faculty searches. Faculty members hired for the Center positions must have demonstrated a track record that is supportive of the Center's Mission or show promise of developing such a record... The Center Director, in consultation with the dean of the College, will have the final decision on the hiring of the Outreach Director and the Administrative Assistant (*Grant Agreement* (UL and CKF) 2015).

The Florida State University contract provides more direct involvement of the CKF in funding faculty positions:

After the Dean has approved the selection and the department extends an offer to the chosen candidate, the Dean or his department representative will send information regarding the candidate to CKF together with a proposal to fund the position as a professorship under 3(a) above. The decision of CKF on the funding proposal will under no circumstances jeopardize the offer to the candidate approved by the Executive Committee and the Dean. Nor will the approval of the Dean create an obligation for CKF to provide any funding under this Memorandum or a Donor Agreement (*Amended and Restated Memorandum of Understanding* (FSU and CKF) 2013).

### **Limitations on Press Releases regarding Koch-Funded Institutes or Centers**

Most of the nine contracts of the appendix specify that any publicity about the funded institute or center must be coordinated with the CKF (Levinthal 2015). The Florida State University contract specifies:

FSU will allow CKF to review and approve the text of any proposed publicity which includes mention of CKF (*Amended and Restated Memorandum of Understanding* (FSU and CKF) 2013).

### **Submission of Names of Potentially Interested Students**

The agreement between CKF and the College of Charleston required the college to submit to CKF the names of potentially interested student and email addresses (preferably not ending with .edu) (Levinthal 2015).

### **Required Secrecy**

Secrecy of the specific provisions of the contracts between universities and the CKF is demanded in the contracts with most schools (Levinthal 2015; McCarthy 2015). As an example, the Utah State University contract specifies:

The University agrees to keep confidential and not to disclose to any third party the existence of or contents of this Agreement without express written approval from the Donor, except as otherwise may be required by law (*Grant Agreement* (USU and CKF) 2015).

Transparency of these contracts is considered critical to our task force and to many faculty and students at the universities that have contracted with CKF. In February of 2017, a group of students at George Mason University (GMU) filed a lawsuit against the university to obtain a copy of the contract between GMU and CKF (Reed 2017).

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## **Table 1. Mission Statements from Nine Contracts between CKF and Universities**

### **Ball State University (2016)**

“...to become a national model for values- and ethics-based entrepreneurship, developing research and talent to help solve contemporary problems and promote understanding of the characteristics and virtues of free enterprise in helping people improve their lives.”

### **Clemson University (2009)**

“...to advance the understanding and practice of those free voluntary processes and principles that promote social progress, human well-being, individual freedom, opportunity and prosperity based on the rule of law, constitutional government, private property and the laws, regulations, organizations, institutions and social norms upon which they rely.”

### **College of Charleston (2010)**

“...to achieve excellence in teaching and research in economics, as well as related fields. The initiative is providing a forum for investigating the underlying principles and institutions of a market economy. It provides a further understanding of the economic, political and moral foundations of a free society, and supports the growth and development of teaching and research while engaging students and the business community with activities that stimulate discussion of these important topics: the role of government institutions in a capitalistic society, the relationship between government and the individual, the relationship between political and economic freedom, the moral structure of a free society.”

### **Florida State University (2013)**

“...to advance the understanding and practice of those free voluntary processes and principles that promote social progress, human well-being, individual freedom, opportunity and prosperity based on the rule of law, constitutional government, private property and the laws, regulations, organizations, institutions and social norms upon which they rely.”

### **Montana State University (2016)**

“...to engage undergraduate and graduate students with faculty in academic research that will further the understanding of economic regulation and policy’s impact on societal well-being.”

### **University of Louisville (2015)**

“...to engage in research and teaching that explores the role of enterprise and entrepreneurship in advancing the well-being of society.”

### **University of Kentucky (2015)**

“...to discover and understand aspects of free enterprise that promote the well-being of society.”

### **Utah State University (2015)**

“...to support professors whose research examines the foundations of a free society and to mentor students and engage them in research and writing projects.”

### **West Virginia University (2009)**

“...a focused research effort among select faculty members with the purpose of advancing the philosophical and interdisciplinary understanding of human freedom in the political, economic, social, and personal domains and to explore the nature of free market economics and its impact on our society.”

**Table 2. A Partial List of Koch-financed Free-market Centers<sup>1</sup>**

Arizona State University: Center for Political Thought and Leadership  
Arizona State University: Center for the Study of Economic Liberty  
Ball State University: John H. Schnatter Institute for Entrepreneurship and Free Enterprise  
Clemson University: Institute for the Study of Capitalism  
College of Charleston: Center for Public Choice and Market Process  
Emporia State University: Koch Center for Leadership and Ethics  
Florida Southern College: Center for Free Enterprise  
Florida State University: DeVoe L. Moore Center  
Florida State University: Gus A. Stavros Center for the Advancement of Free Enterprise and Economic Education  
George Mason University: Institute for Humane Studies  
George Mason University: Law and Economics Center  
George Mason University: Mercatus Center  
Hampden-Sydney College: Center for the Study of Political Economy  
Lindenwood University: John W. Hammond Institute for Free Enterprise  
Oklahoma State University: Institute for the Study of Free Enterprise  
Southern Methodist University: William J. O’Neil Center for Global Markets and Freedom  
Texas Tech University: Free Market Institute  
Texas Tech University: Institute for the Study of Western Civilization  
Troy University: Manuel H. Johnson Center for Political Economy  
University of Arizona: Center for the Philosophy of Freedom  
University of Kentucky: John H. Schnatter Institute for the Study of Free Enterprise  
University of Louisville: John H. Schnatter Center for Free Enterprise  
University of Montana: Center for Regulatory and Applied Economic Analysis  
University of Texas at Austin: Center for Politics and Governance  
Utah State University: Institute of Political Economy  
West Virginia University: Center for Free Enterprise  
Western Carolina University: The Center for the Study of Free Enterprise

<sup>1</sup> (Kotch 2016)

### **Table 3. Contract Provisions from Nine Contracts between CKF and Universities**

#### **Ball State University (2016) - \$2,500,000**

Annual payments through 2021 to fund two tenure-track entrepreneurship professorships, two tenure-track economics professorships, an operations manager, and costs related to two entrepreneurship academies, two graduate assistants, the undergraduate programs, a center, and an institute.

#### **Clemson University (2009) - \$1,000,000**

Annual payments through 2012 to fund a tenure-track faculty position and a research visiting lecturer.

#### **College of Charleston (2010) - \$78,340 annually for multiple years**

Annual payments through 2014 to fund an associate director and fellowships.

#### **Florida State University (2013) - \$6,591,000**

Annual payments through 2019 to fund three tenured advanced professorship positions, two tenure-track assistant professorship positions, a teaching specialist position, a post-doctoral program, the undergraduate program, and administrative costs.

#### **Montana State University (2016) - \$5,760,000**

Annual payments through 2020 to fund center co-directors, two tenure-track professorships, an administrative director, a communications coordinator, visiting faculty, research fellows, research assistantships, research grants, and center operations and support.

#### **University of Louisville (2015) - \$4,640,000**

Annual payments through 2018 to fund a center director, two tenure-track professorships, two visiting professorships, four Ph.D. fellowships, an outreach director position, an administrative assistant position, research grants, and center activities.

#### **University of Kentucky (2015) - \$4,000,000**

Annual payments through 2020 to fund an institute director, an associate director, a senior tenured economics professorship, two tenure-track economics professorships, a tenure-track financial economics professorship, a senior lecturer in entrepreneurship, 13 Ph.D. fellowships, a research associate, an institute administrator, and institute administrative assistant, institute support, and research support.

#### **Utah State University (2015) - \$1,540,000**

Annual payments through 2017 to fund two tenure-track professorships and costs and expenses for general support.

#### **West Virginia University (2009) - \$600,000**

Annual payments through 2011 to fund two professorships.

## Appendix E

### Overview of Institutes at Wake Forest University

#### WFU Institutes

“Institutes at Wake Forest are led by a faculty director and staff with a broad mission and complex interdisciplinary focus extending beyond department, school and college boundaries. An institute’s mission lies in an area of sustained and decided interest to the University as a whole. Institutes may foster and support scholarly inquiry, research, and creative activity, inspire new directions in teaching, and engage in public service activities and actions.” ([Provost website](#))

#### Humanities Institute

- Founded: October 2010
- Mission Statement: The WFU Humanities Institute, a member of the Consortium of Humanities Centers and Institutes (CHCI) and the National Humanities Alliance (NHA), establishes programs and provides funding for university faculty in the humanities and other fields of study engaging in humanistic inquiry and scholarship. The Institute also fosters collaboration among faculty, and between faculty and students, to generate new scholarship and creative work, inspire new directions in teaching, and create vibrant university wide networks in interdisciplinary humanities, digital humanities, narrative medicine, and the engaged humanities. Since its founding in 2010, the Institute has collaborated with more than 230 university faculty across disciplines in the humanities, arts, social sciences, sciences, and the schools of law, medicine, divinity, and business.
- Director Term Limit: 3 years
- Staff:
  - Director—Dean Franco
  - Assistant Director—Aimee Mephram
  - Administrative Assistant—Kimberly Scholl
  - Digital Humanities Research Designer—Carrie Johnston
- Oversight: Faculty Executive Committee
  - Sally Barbour—Professor of Romance Languages
  - Morna O’Neill—Associate Professor of Art History
  - David Phillips—Associate Professor of Humanities
- Activities:
  - Narrative Medicine
  - Interdisciplinary Faculty Seminars
  - Winston-Salem Partners in Humanities Grants

## Pro Humanitate Institute

- Founded: July 2014
- Mission Statement: Charged with serving as the programmatic facilitator of our university motto, Pro Humanitate, the Pro Humanitate Institute (PHI) is a core of learning, teaching, service, and action that transforms the ethos of WFU into an explicit mission connected to clear practices with meaningful social justice outcomes. We sustain authentic relationships with local and global partners as we work with WFU students, faculty, and staff to encourage deep academic learning, foster transformative civic engagement, and address community-identified needs in order to build more meaningful lives and a more just world.
- Director Term Limit: 3 years, renewable once
- Staff:
  - Executive Director—Melissa Harris-Perry
  - Director of Legacy and Philanthropy Programming—Mike Ford
  - Director of Democratic Engagement and Justice Programs—Marianne Magjuka
  - Director of Academic Programs and Community Engaged Research—Shelley Sizemore
  - Director of Planning and Assessment—Kaylan Baxter
  - Liaison to the Executive Director and Business Manager for the Pro Humanitate Institute and the Anna Julia Cooper Center on Gender, Race and Politics in the South—Rolisa Tutwyler
  - Office Manager Program Administrator—Kelly Larrimore
  - Assistant Director of Student Engagement and Programming—Fahim Gulamali
  - Assistant Director of Public Engagement—Brad Shugoll
    - Anna Julia Cooper Center
    - Mission Statement: The Anna Julia Cooper Center is an interdisciplinary center at Wake Forest with a mission of advancing justice through intersectional scholarship. The AJC Center supports, generates, and communicates innovative research at the intersections of gender, race, and place, sustaining relationships between partners on campus and throughout the nation in order to ask new questions, reframe critical issues, and pursue equitable outcomes. Central to that mission is creating a hub for intellectual collaboration, collegial interaction, and scholarly support of interdisciplinary research with attention to intersectional identities and experiences. We invite scholars engaged in research similarly positioned to apply.
    - Staff:
      - Co-Director of the Anna Julia Cooper Center—Sara Kugler
      - Associate Director of Research and Curricular Support of the Anna Julia Cooper Center—Danielle Parker-Moore
- Oversight: Unclear from website
- Activities:
  - BRANCHES—social justice retreat
  - PARC—Students Promoting Action and Responsibility in the Community

- Campus Kitchen
- Academic and Community Engaged Courses
- Wake Alternative Break
- Others not listed

## **Appendix F**

### **AAUP Principles and WFU Medical School Policies for Academy-Industry Engagement, Academic Freedom, and Conflict of Interest**

#### **Overview:**

[AAUP](#) recommends 56 principles of faculty governance related to external funding. These guidelines are online and easily accessible to all, including the chief academic officer of any university. Comparable guidelines are in place at the WFU School of Medicine (below), but not at the Reynolda Campus. AAUP states, “University Conflict of Interest (COI) policies must be adopted consistently across the whole institution, including affiliated medical schools, hospitals, institutes, centers, and other facilities, and they must apply to faculty, students, administrators, and academic professionals.” (Principle 23) The College, therefore, should have worked with the medical campus in drafting and adopting these conflict of interest guidelines. Moreover, the WFU School of Medicine has also implemented review guidelines for funding that may be perceived in a negative way: specifically, all funding from tobacco companies must be reviewed on a case-by-case basis by a faculty committee. As the medical policy states, the COI is to “maintain the integrity” of the medical school’s educational mission, and to “protect the reputation and credibility” of the medical school, and its faculty and staff. (WFBMC COI Policy, 7/24/13) Given that AAUP calls for implementation of policies across all units of a university, the Reynolda Campus’s association with the Koch Foundation interferes with both of these COI policies approved by the medical school on 24 July 2013.

#### **Relevant AAUP Statements**

##### **Academic Freedom:**

- “The university must preserve its academic autonomy...and exclusive academic control over core academic functions (such as faculty research evaluations, faculty hiring and promotion decisions, classroom teaching, curriculum development, and course content.” (Principle 2)

##### **Five basic principles governing acceptance of external funding:**

- Faculty should have a major role in formulating the policy and assessing the effectiveness of the policy
- Source and purpose of corporate funding should be made public, and all research results must be allowed to be published without the sponsor’s permission
- Faculty should participate in review of impact of such funding on the education of students and on recruitment of researchers & postdoc fellows
- Faculty should be involved in establishing procedures and in reviewing alleged violations of such procedures
- Faculty should review policies often because of the rapid change that can occur with relationships between foundations and universities



## **Governance:**

- Strategic Corporate Alliances is defined as “a formal, comprehensive, university-managed research collaboration with one or more outside company sponsors, centered around a major, multi-year financial commitment involving research, programmatic interactions, ‘first rights to license’ intellectual property, and other services.” (Part VI: Targeted Principles: SCA)
- AAUP Policy states that Faculty Senate should review and approve all aspects of SAC implementation on campus (Principle 36)
  - Includes review of first through final drafts of all contracts & stipulations
  - Final approved draft should be made public to university community
- If the SCA includes funding for new hires, all university policies must be followed in such hires
  - The hiring procedure followed for the Associate Director of EI posted in October of 2016 violated this policy.
- SCA’s main governing body should include faculty who will not benefit directly from the funding or the Institute (Principle 37)
  - WFU seems to have done this by including FAB with faculty from Philosophy, Religion, English, Romance Languages
- SCAs “should be approved only if faculty and students within all academic units will ... retain the freedom to pursue their chosen research topics.” (Principle 45)
- No “faculty member, postdoctoral fellow, academic professional, or student will be coerced into participating in a sponsored project; all participation must be entirely voluntary.” (Principle 45)
  - [Other schools have experienced coerced formation of student groups]
- Faculty with no direct involvement must be involved in oversight and must “at least annually review the SCA and its compliance with university policies and guidelines.” (Principle 47)

## **Hiring:**

- The appointment of faculty “should be based on their overall qualifications, not on their potential to work under a particular donor agreement or in a particular collaborative research alliance...” (Principle 8)
  - WFU may have violated this policy with the tenuring of Otteson in the Economics Department because he has no qualifications to teach or participate in that department

## **Early Termination of Funding:**

- “SCA contracts should include legally binding provisions to prohibit sudden, early termination of the agreement. If the negotiating process leads to inclusion of an early – termination option, it must prohibit the sponsor from arbitrarily or suddenly terminating the agreement or lowering pledged funding without at least three months advance notification. Salaries and research costs associated with the project must be continued for that period.” (Principle 46)

**Transparency:**

- “A signed copy of all final legal research contracts and MOUs formalizing the SCA and any other types of sponsored agreements formed on campus should be made freely available to the public—with discrete redactions only to protect valid commercial trade secrets, but not for other reasons.” (Principle 48)

**Conflict of Interest (COI):**

- “University COI policies must be adopted consistently across the whole institution, including affiliated medical schools, hospitals, institutes, centers, and other facilities, and they must apply to faculty, students, administrators, and academic professionals.” (Principle 23)
- All articles submitted or oral papers presented at conferences must disclose all financial funding sources (Principle 31)
- All funding requests must be peer-reviewed by faculty free of personal FCOI; review board cannot have anyone on it who has received money from the fund previously or anyone from a department that will benefit from the funding (Principle 39)

**Summary of Wake Forest School of Medicine Policies****Conflict of Interest:**

- The medical school implemented the COI policy to eliminate the possibility of external funding that attempted to “actually or apparently, influence or introduce bias into research-related activities....” Two other relevant goals for the Reynolda campus include the mandate to “maintain the integrity of the WFBMC education mission,” and to “protect the reputation and credibility of WFBMC, its faculty and staff.” (WFBMC COI Policy, 7/24/13)
- The medical school formed a Conflict of Interest in Research Committee (CIRC). This committee consists of faculty, administrators, and directors “responsible for ensuring that individual conflicts of interest in research are identified, managed, or eliminated....” (Policy on Conflict of Commitment and Conflict of Interest, 6/5/2015, p. 4).
- The medical school also formed a Conflict of Interest with Industry in Clinical Care and Education Committee (Co-ICE). Similar to the CIRC, the Co-ICE includes faculty, administrators and directors “responsible for identifying, reviewing and managing individual and institutional conflicts of interest in clinical care and education....” (6/5/2015, p. 5)
- The medical school prohibits any individual serving as a voting member of a committee or board from participating in any votes or “similar decision-making processes” if that person has any “real or perceived conflict of interest.” (6/5/2015, p. 18)