

Minutes of Faculty Senate Meeting

March 15, 2017

Submitted by Senate Secretary, Claudia Kairoff, Professor of English

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Caveat: Comments recorded are not necessarily verbatim. In order to facilitate open discussion, the identity of most Senators making comments or asking questions is not recorded. The identities of comments from Senate Officers and Senate Ad Hoc and Standing Committee Chairs are given as are the identities of persons commenting in their official administrative capacity (e.g., CFO, Provost, College Dean).

In attendance: Jane Albrecht, Doug Beets, Caron Simone, Carter Stewart, James Cotter, Larry Daniel, James Ford, Charles Iacovou, Claudia Kairoff, Molly Keener, Ralph Kennedy, Christopher Knott, Mark Knudson, Bill Leonard, Nina Lucas, Tanya Marsh, Hof Milam, Wilson Parker, John Parks, John Pickel, Tim Pyatt, Stephen Robinson, Pete Siavelis, Kathy Smith, Beverly Snively, Rosalind Tedford, Lisa Washburn, Julie Wayne, Jeff Weiner, Mark Welker, Page West.

There were 28 voting-eligible Senators present, a quorum.

Welcome

President Cotter called the meeting to order. He made a motion to accept the minutes of the February 15, 2017 Senate meeting, which was seconded. A show of hands was unanimous in favor of approval.

Fringe Benefits Committee (refer to addendum A and B for full report)

Peter Siavelis gave a presentation regarding the potential benefit package for fiscal year 2018. The second page of the handout has the potential budget shortfall for the 2018 year. In light of that, HR made a suggestion of potential health changes to make up this deficit. The resolution contains the following elements: a strong recommendation that the administration seek cuts elsewhere. Should such cuts not be available, then their preferred change would be to option 3, given the costs and benefits of each plan. The third component of the motion includes the rationale to include ABA therapy for children with autism in the plan with a coverage cap of \$40,000. This would bring Wake Forest in line with the norm of North Carolina state institutions. There have been increased costs in the medical plans and there are concerns over retention and morale. The administration is urged to move to a plan where premium coverage is tied to income, given the disproportionate impact on lower income staff.

Discussion:

Question: Is the shortfall compared to the amount of premiums going in or to some other budget form?

Answer: The goal is to have a self-sustaining plan for costs. The premiums and the out of pocket costs of individuals has not covered the increase, so the university is picking up a higher cost. The deficit this year will be absorbed by the university, but the administration is trying to get back on to solid footing.

Question: What determines the total university contribution?

Answer: The University tries to stick to a certain percentage. Perhaps a better approach than voting on an option today is for Hof Milam, a consultant, and HR to come back and explain this to the Senate and answer questions. We still have time before this affects fiscal plans. Consultants have been asked to make sure the numbers are right.

Question: Are the options set in stone?

Answer: These are framing options. There is fine tuning that can be done around this. The University is about 30% under what it needs from employees to cover.

Comment: Autism therapy is something the administration thinks should be covered unless the Fringe Benefit committee considers it too expensive. At the \$40,000 cap rate, this benefit is not always hit at the maximum level. When it is used for children, it is only for a few years at the peak of therapy. If this is done by covered members, roughly \$2 per member. That would assume that the employees bore the full cost of this.

The solution doesn't have to be one of the options presented because they would like to get input from the SAC Fringe Benefit committee and the faculty Fringe Benefit committee.

Question: Will these plans change that much, given consultants?

Answer: We are looking for a direction from the Senate. It is probably fine to wait.

Question: How many years did Wake Forest run a deficit?

Answer: Wake Forest has been running in "catch up mode" for quite a while but the deficits have gotten much larger recently.

Question: What does a postponement look like, mechanically?

Answer: The Senate should allow the fringe benefit committee to work with Hof Milam's team and then report back to the full body. But there should be a sense of what the body wants before the committee meets with the administration.

There will be disruption. Certain people will have to make the decision whether to come back into the network or stay out of the network and pay more.

Question: Do we prefer that the people who go out of network bear the costs, or does everyone bear the costs?

Question: If the services are not offered in network, then are you going out of network if you seek them?

Answer: It should not work that way; that is not the intent. Winston Salem has a lot of specialists and doctors in network.

Comment: I am a Physician Senate member, and I volunteer to look at the plan if requested; I could look at the network coverage as a physician.

Motion:

Motion to approve the resolution 18-6

Motion carries to support the committee's recommendation of Option 3.

Ad Hoc Committee Review of EI Report (refer to addendum C for complete report)

Jay Ford, Chair of the Ad Hoc Committee, gave a presentation regarding the report on the Eudaimonia Institute. To highlight two issues:

1. They did not get to see the institutional agreement, but have not received a firm "no." This leaves many questions unanswered that concerned the committee over transparency.
2. The funding source: Koch Foundation.
 - a. The magnitude (See chart in report). This appears to reflect that the Koch Foundation deemed Institutes and Centers to be the best way for them to get what they want in higher education. 90% of the funding goes to 10 schools.
 - b. They leverage their investments in higher education (their wording and terms). This raises the question of what are they trying to do in higher education. In previous summits, they have mentioned their goals to be:
 - i. Promoting free market ideology by establishing institutes.
 - ii. Identifying Market-friendly scholars.
 - iii. Influencing the curriculum.
 - iv. propagandizing and cultivating students loyal to the cause of the "freedom movement."
 - v. Creating a talent pipeline for future scholars, think tanks, and grass-root political efforts.
 - vi. Influencing local, state, and federal legislation and social transformation.
 - vii. KEY: This agenda benefits the private interests of the donors through lower taxes and reduced regulations.

Conclusion: WFU sever all connections to the Charles Koch Foundation (see report for full concluding summary).

Every time there is an article on the Koch Foundation's work in higher education, Wake Forest will be mentioned, given that we are the most prestigious school they are investing in. Passing this motion could have a potential upside in Wake Forest receiving positive press coverage.

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 center or institutes.

Discussion:

Question: How do you define Koch Network?

Answer: There are a number of Koch Family Foundations. There is a whole list of private foundations that they partner with that are part of the Koch Network summit. Therefore, the motion includes the whole network, to prevent their partners from filling in the gap if we just specify the Koch Foundation.

Question: So the attendees at the summit [described in the report] are by invitation, not a public list? How do we know who is part of the network and not just a random invitee?

Answer: If it is a foundation or family that has partnered with the Koch Foundation in other locations, then it could be considered part of the network. This information is readily available.

Comment: This might be too broad, given who might have been invited to the Summit based on libertarian ideals. Would we then discount a gift from these individuals? The lack of specificity of “network” is concerning.

Rules at institutions are supposed to apply to general principles, not individuals. The bigger issue is not identifying the Koch Foundation. The broad ideal is that we do not accept funding that is tied to an ideological quid-pro-quo. We need to adopt some general policy regarding money tied to ideology.

Ideology is not the issue here, from the perspective of the committee. The issue is what the Kochs are trying to do in higher education. If this was a left-wing ideology organization, the issue would be the same.

The committee had a narrow charge that came from the College petition. The Senate voted to investigate the Institute. The Senate should create another committee with a broader charge to look at broader issues, governance, and conflict of interests.

Question: How would such a committee decide if a gift is connected to Koch or not?

It is actually pretty easy to trace Koch money, if we have a board in place to review gifts. There would then be a number of people who can decide. This would be faculty governance. The Committee on Academic Freedom and Responsibility is hoping to move a broader motion in the later part of the meeting. This committee report proposes only one motion, concerned with a narrower charge.

Comment: My desire is for the resolution to not have view-point discrimination. So we want to make sure that nothing pernicious can happen once there is a Wake Forest way. Let's establish centers and institutes with guidelines and then let outside people fund them. That way outside money doesn't twist what Wake Forest does and we do not cede our control. This narrow motion risks view-point discrimination.

Answer: The Koch-funded institutes of other colleges and universities have had money with strings attached. Our concern is to prevent that taking place here.

Question: Have we looked into the agreement of the Templeton? NIH? NSF? All of which have strings attached to them. Have we examined money we have taken in the past without raising the issue that this has brought forward?

Answer: It was a very unusual case for a Senate committee not to receive what was requested to review. The Koch agreement is unusual in this way.

Comment: NSF and NIH have strings attached that place limits on research using human subjects, which is not the same thing as ideological constraints. If someone requests those agreements, those agreements are released.

Answer: A number of Koch agreements from other Universities were reviewed by the committee, available because they were made with public institutions. They contained strict instructions about how money could be used, and for how quickly it could be revoked.

Regarding the question about whether the committee looked into other donor agreements: The committee's charge was not to look at any outside funder of individuals. Individuals can accept money from any foundation at their discretion and carry out the terms of the agreement. We do not want the University's name attached to a Center or Institute. This does not stop individuals from receiving funds.

A faculty member raised objections over the nature of the document that the Senate has been asked to read and review.

- *Amount of funding is not unusual compared to other foundations like Gates, Mellon, Duke, and Walton Foundations. So the Koch Foundation is not alone in making large grants.*
- *Many foundations have engaged in strategic partnerships where people are invited to come to campus and pitch what they can do in terms of their goals and ideals and programs. This is an idea generator for ideas and programs. For example, entrepreneurship programs being created. By Kaufmann Foundation. How is this different?*
- *This document takes aim at the Association of Private Enterprise Education as "academic fraud." This is not true: their meeting is attended by some of the top economic scholars emerging from Ph.D. programs. This organization is built on Austrian economics that privileges entrepreneurship. The Journal of Private Enterprise has had Nobel laureates published and is highly regarded.*
- *Peter Boettke is with the Mercator center. He is highly regarded and the soundbite in the report is taken out of context. He also says you can't get tenure unless you publish at prominent journals.*
- *Part of the materials come from soundcloud, recorded without permission by "UnKoch my campus.org," founded by a Ph.D. student in Math who was a disaffected student. They partner with Green Peace and an AFL-CIO advocacy group. Bruce Benson's memo is also cited and his comments in this footnote are taken out of context; the report does not take into context all of the pros and cons he mentioned.*
- *This document is a charged document based on citations that would not appear in the Journal of Private Enterprise and get published. This is not a transparent issue, because no one has been able to see the institutional agreement. But there is a framing here that is putting the Koch Foundation front and center to make them seem onerous. My final comment is that there is not enough information to discern the true situation here.*

Answer: This is a fairly clear statement. Because there is no transparency around the Koch industries, what other alternatives are there other than we have to just "no"?

The recorded remarks in the report are a direct quotation of what was defined as the aims of the Koch Foundation. So if you can't buy into those aims, I don't know how you can vote against this motion.

The Provost said that in any private gift agreement, both parties have to agree to have it presented publicly. We have an internal process of approval for release and they are working through to approve

releasing the agreement. There are two agreements. One is a gift agreement and the other an operative agreement. Within the next two or three weeks, there will be permission to provide the gift agreement to the committee in private.

Answer: The committee made the original request in October 2016 and felt that six months is sufficient time to get this.

A Senator called the question and a vote was taken on the following:

Motion: To accept the committee's recommendation that: 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.

Secret Ballot requested.

The motion carried, 17-9.

The meeting adjourned at 5:30 p.m.