Chapter 2
Philanthropy and the Character of the Public Research University: The Intersections of Private Giving, Institutional Autonomy, and Shared Governance

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ABSTRACT
Educational scholars have examined the relationship of philanthropy and its contributions to the public university. Yet, there has been little discussion of the influence of philanthropy on the governance space of the public research university, and specifically as conditional philanthropy may affect academic integrity and shared governance. In this chapter, we consider these larger issues in the context of a study of a recent case. Drawing on public records, interviews, and university documents, the chapter examines conditional donation of The Charles G. Koch Foundation (CKF) to the Florida State University (FSU). We suggest that the Koch Foundation gift appears to illustrate a new model of governance based philanthropy. It has done so by tying donations to control or influence of the internal governing mechanics of an academic unit of a public university. This model has generated controversy.

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INTRODUCTION

The close relationship between philanthropy and higher education has played a substantial role within the American higher education system. Bonglia (2002, p. 9) notes that “Early in the 18th Century, private support of institutions of higher education by philanthropists became a trend.” And indeed, this relationship is just as salient today as it has been in the colonial area. Drezner (2011), for example, noted that “American higher education as we know it today would not exist if it were not for the voluntary contributions of many individuals” (p. 26). Hall (1992) drew similar conclusions, suggesting that “[n]o single force is more responsible for the emergence of the modern university in America than giving by individuals and foundations” (p. 403). The recent economic downturn coupled with the steady decline of state support for public universities, for instance, has forced public institutions to position themselves to better harvest philanthropic donations (Speck, 2010; Cheslock & Gianneschi, 2008). As McAlexander and Koenig (2012) have noted, “The growing concern about the ability to glean necessary financial resources from the traditional sources of tuition, taxes (for public universities), and fees, has driven leaders of institutions of higher education to place a much sharper focus on developing the philanthropic capacity of alumni, friends, and other partners to provide the economic support necessary to deliver higher education in the modern millennium” (p. 122). Additionally, this steady decrease in state appropriations for higher education represents what many scholars have suggested as a “new paradigm” of higher education funding (Speck, 2010; McKeown, 1996). Increasingly, more and more public universities have started to describe themselves as state-assisted, rather than state-supported, institutions (Hossler, 2004). Naturally, this has created an environment where public institutions are now actively searching out alternative revenue sources because this has become “the only source of real discretionary money and in many cases is assuming a critical role in balancing institutional budgets” (Leslie & Ramey, 1988, p.115-116).
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