



Proposal to the Educational Policy Committee

TITLE OF PROPOSED CENTER OR INSTITUTE: Center for Business and Public Policy

Petition for Permanent Status

DESCRIPTION OF THE CHARTER:

Detail the charter or mission of the proposed center/institute.

The Center for Business and Public Policy (CBPP) was established in June 2007 to create and disseminate new knowledge regarding the economic effects of public policy on businesses and markets. It is a research, teaching and public engagement unit housed in the College of Business (COB).

The Center's research, teaching and public engagement are focused on four primary areas:

1. Business and individual tax policy
2. Government insurance programs (e.g., Social Security, Medicare, public employee pensions, federal catastrophe insurance, etc.)
3. The effect of health care policy on businesses, consumers and the economy
4. The effect of energy and environmental policy on businesses, consumers and the economy

From a research perspective, faculty affiliates are expected to produce research on topics related to the interactions among governments, businesses and markets that advances knowledge (as measured by publication in leading academic journals) *and* that has applications to businesses operating in a "mixed" economy (i.e., a regulated market economy in which the government is an important actor, as in the United States and all OECD/developed nations). Thus, the research produced by the CBPP will be, on average, more applied than is often the case in discipline-centered departments.

Although the Center does not offer classes, the faculty associated with the center, termed Research Associates, have worked closely with the Department of Finance to develop and teach a number of new finance department courses that train students to analyze the effect of public policy on firms, consumers and social well-being. New in the 2013/2014 academic year, the Department of Finance has worked with the CBPP and the

Department of Accountancy to propose a new graduate concentration in Business and Public Policy. This concentration will initially be offered to students in the Master of Accountancy Science (MAS) program, although the individual courses will also be available to students in other Masters programs (such as the Master of Science in Finance, or MSF, and the Master of Business Administration, or MBA).

The Center is also frequently and substantially involved with public engagement activities on campus, as well as at the state, federal and international levels. These will be described in more detail below.

Discuss the center/institute's alignment with the strategic direction of the campus/college/school/department.

Campus: The CBPP is well-positioned to contribute in at least three of the key areas identified as part of the UIUC "Visioning Future Excellence" process. These include:

- (1) Economic Development
- (2) Energy and the Environment
- (3) Health and Wellness

Economic Development: The government plays an integral role in the success or failure of any economy. For example, it has long been understood that the government can contribute to technological progress and economic growth by enforcing property rights, by creating public goods such as infrastructure, and by careful regulation of the financial system. However, governments can also detract from economic development if policies are not well-designed or implemented. Faculty members associated with the CBPP have substantial expertise in evaluating the design and implementation of public-sector activity and regulation of the market economy.

Energy and the Environment: This is a substantive area of focus for the CBPP. Indeed, one of the senior faculty members in the CBPP is the Director of the Environmental and Energy Economics program at the National Bureau of Economic Research (the nation's leading nonprofit research organization that includes 1,100 economists at leading colleges and universities in North America, including 22 Nobel Laureates). He is a lead author for the ongoing "Climate Assessment Report" of the Intergovernmental Panel on Climate Change. In addition, he provided the keynote address at a meeting about the economic effects of greenhouse gas emissions taxes, which was attended by all Finance Ministers of the 27 nations in the European Union. Several other CBPP faculty affiliates also conduct research in the area of environmental policy.

Health and Wellness: The health care sector comprises over one-sixth of gross domestic product (GDP) in the United States. Federal and state governments are deeply involved in this market: Medicare and Medicaid comprise a large share of total U.S. spending on health care. The Patient Protection and Affordable Care Act (PPACA) has further expanded the government's role through an individual insurance mandate and the creation of health insurance exchanges. All of these programs have deep and important

economic implications, and a large majority of all current CBPP Research Associates have conducted research in these areas.

College of Business: The current strategic plan for the College of Business identifies five priorities. The CBPP directly contributes to three of these, including:

- (1) Improving professional graduate programs
- (2) Better engaging external audiences
- (3) Recruiting and retaining faculty

Improving professional graduate programs: The new courses offered by CBPP faculty have enriched the graduate curriculum for most of the College's key master's degree programs, including our MBA, MSF, and MAS degrees. The Department of Finance has submitted a proposal for the creation of a new graduate concentration in Business and Public Policy that leverages new courses that are being created and taught by Department of Finance faculty members who are CBPP Research Associates. This new concentration comes at a critical time because it is helping to facilitate the expansion of the Department of Accountancy's large MAS program precisely when the demand for this program is growing due to changes in the CPA certification requirements. A separate proposal to create this concentration has been submitted by the Department of Finance and is currently going through the campus review process.

Better engaging external audiences: The Center has established a very strong record of engaging with external audiences. These public engagement activities, which range from numerous on-campus events to Congressional testimony to speeches to international meetings of finance ministers, are outlined in more detail below.

Recruiting and retaining faculty: Through its efforts to create a vibrant intellectual environment for the study of business and public policy, the Center has been vital to the hiring and retention of faculty members in multiple units on campus. Since its inception, five faculty members have been hired in the Department of Finance through searches specifically designated to support teaching, research and public engagement in business and public policy. This includes two full professors (one of whom holds a campus Gutgsell Chair) and three tenure-track assistant professors. The CBPP's presence also has been instrumental in retaining the holder of an endowed chair in the finance department and was a key factor in rehiring another senior finance department faculty member who had previously left for another Big Ten university. In addition, the Center has had positive spillover effects in helping to attract faculty in other units. This includes two cases in which joint appointments were made between finance and the Institute for Government and Public Affairs (IGPA), and offering Research Associate appointments to faculty being recruited (successfully) by the Department of Economics in the College of Liberal Arts & Sciences (LAS), the College of Law, and the Department of Agricultural and Consumer Economics (ACES).

A full listing of current Research Associates can be found beginning on page eight of this proposal.

What is the proposed time period for existence of the center/institute?

Since 2007, the Center has effectively delivered on its mission while maturing as an organization. The CBPP has reached its initial goal for the number of faculty Research Associates, worked with the Department of Finance to create new courses and propose a new Business and Public Policy graduate concentration, and secured substantial endowment funding. Now the CBPP is seeking permanent status as a Center at the University of Illinois at Urbana-Champaign.

Describe the center/institute's Public Engagement activities as they relate to the charter or mission, if any.

Public engagement is an extremely important component of the CBPP's mission. The Center supports faculty members who are engaged in national and international events and organizes and hosts public engagement activities at UIUC and for our Chicago alumni community.

The Center also has gained national and international visibility. A few examples of the public engagement activities of our Research Associates since the formation of the Center in 2007 include:

- Serving by Presidential appointment on the U.S. Social Security Advisory Board
- Testifying before the U.S. Senate
- Testifying before the Government Accounting Standard Board
- Testifying before the Congressional Long-Term Care Commission
- Presenting the keynote address at a meeting of the European Union's 27 Finance Ministers
- Serving on the Board of Trustees of TIAA CREF
- Co-organizing panels and conferences on topics ranging from promoting longer working lives to the effect of high-skilled immigration on the U.S. economy to the interaction of environmental policy and health
- Receiving countless mentions in the popular press (TV, radio and print)
- Publishing numerous op-eds
- Co-authoring several proposals to reform the State Universities Retirement System (SURS) and testifying before the Illinois pension commission
- Posting over 400 blogs on the Center's own blog site, with a number of these posts re-published through Forbes

Locally, the Center has held 16 public events to expose Illinois students, faculty, staff and community members to high-profile policymakers and influencers from across a broad range of the ideological and political spectrum, including:

- Peter Orszag, Director of the Congressional Budget Office and later Director of the Office of Management and Budget under President Obama

- Charles Blahous, Special Assistant to the President for Economic Policy and Deputy Director of the White House National Economic Council under President Bush
- Fiscal Wake-Up Tour Panelists: Andrew G. Biggs, Resident Scholar, The American Enterprise Institute; Diane Rogers, Chief Economist, The Concord Coalition; and David Certner, Director of Federal Affairs, AARP
- Austan Goolsbee, former Chairman of President Obama's Council of Economic Advisers and Director of the President's Economic Recovery Advisory Board
- Kevin Warsh, former Governor of the Federal Reserve System and former White House Special Assistant to the President for Economic Policy
- Peter Diamond, 2010 Nobel Laureate in Economics and President Obama's nominee to the Federal Reserve Board
- Luigi Zingales, Robert C McCormack Professor of Entrepreneurship and Finance and the David G. Booth Fellow at the University of Chicago
- Stephen Moore, Senior Economics Writer of *The Wall Street Journal* and UIUC Alumnus
- John Campbell, Morton L. and Carole S. Olshan Professor of Economics and Department Chair at Harvard University
- Douglas Holtz-Eakin, Former Director of the Congressional Budget Office and Chief Economist of the President's Council of Economic Advisers
- Global Warming Climate Panelists: Charles Kolstad, Economics Professor, University of California, Santa Barbara; Nathaniel Keohane, Vice President of the Environmental Defense Fund and former White House Special Assistant to the President for Energy and Environment at the National Economic Council and Domestic Policy Council; and Don Fullerton, Gutzwiller Professor of Finance, UIUC and IGPA
- Health Care Debate Panelists: Michael Tanner, Senior Fellow at the Cato Institute; and Steffie Woolhandler, Professor of Medicine at Harvard and co-founder of Physicians for a National Health Program.
- Understanding Regulation Panelists: Cindy Skrzycki, Senior Lecturer in English, University of Pittsburgh; Susan Dudley, Director, Regulatory Studies Center and Research Professor of Public Policy and Public Administration and Former Administrator of the Office of Information and Regulatory Affairs in the U.S. OMB from April 2007-January 2009; and Beth Milnikel, Director of the Institute for Justice Clinic on Entrepreneurship, University of Chicago
- Financial Regulation Panelists: Chester Spatt, Pamela R. & Kenneth B. Dunn Professor of Finance, Carnegie Mellon University, and Former Chief Economist and Director of the Office of Economic Analysis for the Securities and Exchange Commission.; Andrew Busch, Global Currency and Public Policy Strategist, BMO Capital Markets, Senior Fellow of the Illinois Policy Institute and American Action Forum expert; and Greg Ip, U.S. Economics Editor, *The Economist*
- Environmental Regulation Panelists: William A Von Hoene Jr., Executive Vice President, Finance and Legal, Exelon Corporation; Mark Brownstein, Deputy Director of the Energy Program, Environmental Defense Fund; and Jon Anda, Vice Chairman and Head of Environmental Markets, UBS Securities

- Corporate Response to Regulation Panelists: Edward B. Rust, Jr., Chairman of the Board and Chief Executive Officer, State Farm; Roman Kulich, President Coventry Healthcare/GHP/PersonalCare; and Tom McCormick, Group Compliance and Ethics Officer, BP

These events have provided important opportunities for our students and alumni to gain insight into a wide variety of topics. In addition, small group meetings between students and speakers, which were organized by the Center, have allowed for further dialogue and insights. The activities hosted by the CBPP have also served to build and expand relationships with the corporate and government community. For example, some of the Center's events have been co-sponsored and/or funded by corporate partners, including State Farm, Busey Bank and Carle Foundation Hospital.

JUSTIFICATION:

How does the formation of this center/institute fulfill needs not already met by other entities on campus/college/school/department?

Our mission is unique: no other UIUC unit focuses on the intersection of business and public policy.

Several units on campus undertake efforts that are, in some cases, complementary to the work of the Center. Although we have established mutually beneficial relationships with other units in the College of Business, IGPA, the College of Law and the Department of Economics in LAS, here we describe how CBPP fulfills a need not met by any of these other units.

Business: No academic unit or other Center or Institute within the College of Business focuses on public policy. Our academic departments are built around traditional disciplines, such as accountancy, finance and business administration. The College of Business believes it is critical that future business leaders have a broad and deep understanding of the ways that their individual markets are embedded in a larger economy where the government is an important player. The CBPP provides a venue to support the research and public engagement activities of faculty members with policy-related interests across departments and to encourage cross-department interaction.

Institute of Government and Public Affairs: IGPA has a very different focus and structure from CBPP. First, the core focus of IGPA is on policy issues affecting the State of Illinois, whereas the CBPP has a primary emphasis on national issues. Second, IGPA covers a wide range of non-business topics, such as state-level politics, family policy and educational policy. In contrast, the CBPP is focused on business and public policy. Third, IGPA has no teaching mission: indeed, IGPA's staffing model "buys out" teaching time from University faculty to assist with IGPA's public outreach mission. In contrast, CBPP Research Associates continue to have standard teaching loads in their academic departments, but the CBPP works with those departments to coordinate a suite of courses relevant to business and public policy. Finally, there are important structural and

governance differences: IGPA is a university-wide entity that reports through the Vice President of Research, whereas CBPP is a UIUC campus entity that reports through the College of Business.

Department of Economics: A majority of our CBPP faculty members have graduate training in the field of economics. However, the focus of CBPP researchers differs markedly from that of the faculty members in the UIUC Department of Economics. Academic economics departments – including UIUC’s – tend to focus on microeconomic and macroeconomic theory, supplemented with empirical work to test those theories. In contrast, many economists at business schools and policy schools – like the Research Associates of the CBPP – tend to focus more on applied research that emphasizes practical business and policy problems.

The CBPP also serves an important coordinating role for applied microeconomics on the UIUC campus. Many applied microeconomists on the UIUC campus have expertise in areas that touch on the Center’s priority areas. As the CBPP has grown and matured, the Center has become a focal point for interaction for this community of scholars. The Center has led the coordination of seminars and interaction of scholars from the Departments of Economics (LAS), Department of Agricultural and Consumer Economics (ACES), the College of Law, the School of Labor and Employment Relations and IGPA. The Center’s activities, including its visiting speaker series, bring this group together and foster interactions across units.

How will the center/institute help position the campus/college/school/department in a current or emerging field of inquiry?

As discussed above, the CBPP is well-positioned to contribute expertise to three of the areas that have emerged from the “Visioning Future Excellence” process. More generally, the CBPP is well-positioned to help build the UIUC’s and the College’s reputations as important thought leaders on issues related to interactions of business and government. With the public sector in the United States on a path to grow as a percentage of GDP in the coming decades, the importance of these interactions will continue to grow.

PROPOSED STRUCTURE:

Describe the direct reporting line(s) of the proposed center/institute. How will the center/institute be situated in the organization’s hierarchy?

CBPP is housed in the College of Business. The CBPP Director, a tenured professor in the UIUC Department of Finance, is responsible for the CBPP’s overall mission, activities and budget. The Director reports directly to the Dean of the College of Business on these and related matters. The executive committee of the College of Business (comprised of and elected by faculty) serves as the primary advisory committee to the Dean on all budget and policy issues, including the CBPP and other centers in the College.

All CBPP Research Associates have tenure-line academic appointments that are 100% within existing UIUC academic departments (or, in a few cases, partial appointments in the University's IGPA). All personnel matters (e.g., hiring, promotion and tenure, annual reviews, etc.) are conducted through home units and are subject to standard campus and university procedures.

Describe the proposed organizational structure and how the structure will permit the center/institute to meet its stated objectives. Describe the staffing needs of the center/institute and plans for the leadership of the center/institute.

The current *Director* is a full professor in the Department of Finance. It is anticipated that future directors will also be full professors in the College of Business. The director will administer and oversee the operations of all aspects of the Center. The Director will be responsible for advocating the Center's agenda and for advancing its progress.

The *Associate Director* is an academic professional within the College of Business. This individual assists with all aspects of running the CBPP, including budget, event planning, oversight of internal and external communication and more. The Associate Director has a dual-reporting structure. This position reports to the Director on matters related to the CBPP's mission and activities and to the Director of Administration for the Department of Finance for all administrative matters.

Research Associates are drawn from departments inside and outside the College of Business. A complete list of these Research Associates can be found in the next section on "Academic Implications."

Other: The CBPP occasionally hires students as research assistants to assist with grant-funded research. These individuals report to specific faculty members.

ACADEMIC IMPLICATIONS:

List affiliated faculty and staff.

CBPP Director:

Jeffrey Brown – William G. Karnes Professor of Finance, Professor of Economics, Professor of Law, IGPA Professor and University Scholar

Associate Director:

Lisa Marinelli

Research Associates

Kathy Baylis – Assistant Professor in ACES

Kristine Brown – Assistant Professor of Economics and LER

Jon Davis – R.C. Evans Endowed Chair and Professor of Accountancy

Tatyana Deryugina – Assistant Professor of Finance

Dharmika Dharmapala – Professor of Law

Don Fullerton – Gutzsell Professor of Finance and IGPA Professor
J. Fred Giertz – Professor of Economics and IGPA Professor
David Hyman – Richard W. and Marie L. Corman Professor of Law
Charles Kahn – Bailey Professor of Finance and Professor of Economics
Richard Kaplan – Peer and Sarah Pedersen Professor of Law
Benjamin M. Marx – Assistant Professor of Economics
Nolan Miller – Professor of Finance and Julian Simon Faculty Fellow
David Molitor – Assistant Professor of Finance
George Pennacchi – Investors in Business Education Professor of Finance
Elizabeth Powers – Professor of Economics and IGPA Associate Professor
Julian Reif – Assistant Professor of Finance and IGPA Assistant Professor
Scott Weisbenner – Professor of Finance and James F. Towey Faculty Fellow

Will tenure-stream faculty hold appointments in the unit? If so, describe the structure of the appointments.

No. As noted above, all faculty members who are designated as Research Associates are faculty members who have their tenured or tenure-track appointment in one or more academic departments at UIUC. All personnel matters are handled by a faculty member's home department.

Describe any plans for the center/institute to offer courses or academic programs.

As noted above, Research Associates of the CBPP have their faculty appointments through existing academic departments. Thus, all teaching assignments (as well as other personnel issues) are governed by the home department's governance process. The Department of Finance and the CBPP have worked collaboratively on the creation of a new graduate concentration for Master's degree students in the College of Business. Specifically, the Department of Finance has submitted for campus approval a proposal to offer a graduate concentration in Business and Public Policy starting in the 2013/14 academic year. This graduate concentration has the strong support of the Dean's Office in the College of Business, the Department of Accountancy (whose students it will serve), the MBA program (whose students will have new electives available to them as a result of this addition) and the Department of Finance (which is the home unit to the CBPP-affiliated faculty who, initially, will teach the courses that comprise this graduate concentration).

The description of this concentration, as detailed in the Department of Finance's proposal, is as follows:

“Today's business leaders must make strategic decisions in an extremely complex world. In addition to navigating the rapidly changing market forces in their industry, companies operate in an environment that is strongly influenced by regulatory and public policy considerations. Furthermore, our public sector leaders must also understand how market forces can help or hinder alternative solutions to society's most pressing problems. The business and public policy

graduate concentration is designed to provide graduate business students a framework for evaluating the impact of public policy on firms and the markets in which they operate. MAS students wishing to be admitted to the concentration should consult with the MAS Program Advisor. Candidates for the concentration are required to complete 12 hours by selecting six (6) courses from the following nine (9) courses (2 hours per course): FIN 578 (Government in a Market Economy), FIN 571 (Retirement Policy), FIN 572 (Health Care Policy), FIN 536 (Government Insurance Programs), FIN 573 (Competition Policy), FIN 574 (Individual Tax Policy), FIN 575 (Business Tax Policy), FIN 576 (Domestic Environmental Policy) or FIN 577 (International Environmental Policy).”

BUDGET AND FUNDING STRATEGY:

Detail an initial budget.

The salaries of faculty members associated with the CBPP are paid by home units. The CBPP’s budget is used to pay for operating expenses of the CBPP, which includes the salary of the Associate Director. During FY12, the gross expenditures of the CBPP were \$100,474, of which \$68,837 was provided by the College and \$20,000 of which was provided by a gift from Busey Bank to underwrite the specific expenses associated with one of our public events (former Federal Reserve Board Governor Kevin Warsh). The balance was provided by an unrestricted gift.

CBPP Revenue and Expenses
FY 2012

REVENUE	
Net Direct Support from College of Business	\$ 68,837
Busey Bank underwriting of public lecture	\$ 20,000
Unrestricted gift from College alumnus	\$ 11,637
TOTAL REVENUE	\$100,474
EXPENSES	
Non-Faculty / Administrative Personnel	\$ 54,400
Research	
Research Seminars	\$ 9,165
Research Support of Faculty	\$ 2,913
Hourly Research Assistant	\$ 780
Public Engagement	
Public Lectures	\$ 31,465
Office Expenses	\$ 1,751
TOTAL EXPENSES	\$100,474

As of 6/30/2013, the CBPP held \$117,742 in its unrestricted gift account as a result of development activities over the past few years. A much larger estate gift, to be detailed below, is not included in this total.

Describe the funding strategy, including any internal or external support, and if applicable, plans for replacing internal fund support with external funds.

When the Center was initially formed in 2007, the College of Business and the UIUC Office of the Provost made a strategic investment in this area by agreeing to provide salary and operational support from state funds and gift income.

Since its inception, the CBPP has been successful at raising external funds to finance the majority of expenditures for its public engagement activities. Examples of external funding include a gift from State Farm to host a four-part series of public panel discussions on regulation during Fall 2010 and a gift from Busey Bank to host a former Governor of the Federal Reserve System. The CBPP has also received two generous non-restricted gifts from an alumnus of the College of Business. Although these sources of revenue are non-recurring, the CBPP continually solicits support on an ongoing basis to support its public engagement activities.

In December 2012, the University of Illinois Foundation and the College of Business signed a donor agreement to endow the CBPP via an estate gift in excess of \$5 million. Because it is a deferred estate gift, the exact timing of the receipt of funds is uncertain, although the donors (a married couple) are of advanced ages. The donor agreement specifies that the gift will be a minimum of \$5 million, and the longer the period until receipt, the larger the expected size of the gift.

Once this estate gift is deposited, these funds will generate sufficient income to finance more than 100% of the current level of CBPP expenditures and also provide enough income to support the creation of scholarships to support students interested in business and public policy. Prior to receipt of this deferred estate gift, funds to operate the CBPP will come from two sources: (1) continued efforts to secure external support from corporate donors and alumni, and (2) the commitment of the College of Business to provide operational funds sufficient to support the Center at its current level of activity. The College's commitment traces to its belief in the CBPP's mission and to the recognition that the new concentration in Business and Public Policy will help enable the expansion of the Department of Accountancy's MAS program, a program that generates significant incremental revenue for the College. In the long run, after the deferred estate gift is received, the annual endowment income from this gift will be sufficient to replace the College's direct support and also enable expansion of the CBPP's activities.

OUTCOMES:

Describe the criteria and outcomes that will be used to demonstrate the quality and effectiveness of the center/institute.

Research: To ensure that the Center is creating and sustaining a research environment that supports the CBPP's Research Associates in conducting research in areas relevant to the CBPP mission, the Center will regularly monitor:

- (i) *Productivity*, which will be measured by the number and quality of publications in leading peer-reviewed outlets, with an expectation that it be consistent with the standards of economists at top 20 business schools.
- (ii) *Impact*, which will be measured by citation counts as well as other standard quantitative and qualitative factors.
- (iii) *Mentoring* of junior faculty affiliated with the Center, which will be measured by our track record at helping junior faculty generate tenure-worthy records by the end of their probationary period in their home units.

Teaching: To ensure the Center is contributing to the delivery of high-value educational opportunities for College of Business students, the Center will work with the academic departments of our Research Associates to monitor:

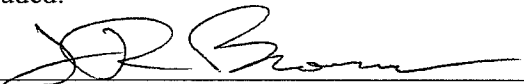
- (i) *Enrollment in the graduate concentration*, which after the initial transition is expected to be approximately 30 MAS students per year.
- (ii) *The value of the content provided to students*, which will be measured by regular curriculum and classroom evaluations.

Public Engagement: To ensure that the Center continues to deliver public engagement activities, the Center will monitor:

- (i) *The frequency of public lectures* that the Center organizes (with a goal of at least two major events per year).
- (ii) The level of *attendance* at these events.
- (iii) The *frequency* with which our faculty are invited to appear in international, national, state and local public forums.
- (iv) The frequency of *press citations*.

CLEARANCES:

A letter of support from the unit to which the proposed center/institute will directly report must be included.



Proposal Sponsor:

10/8/13

Date:

Contact Information:

Jeffrey R. Brown
CBPP Director, William G. Karnes Professor of Finance, Professor of Economics, Professor of Law, IGPA Professor and University Scholar
brownjr@illinois.edu

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

College of Business
Office of the Dean
260 Wohlers Hall
1206 South Sixth Street
Champaign, IL 61820-6980



July 15, 2013

Ilesanmi Adesida
Vice Chancellor for Academic Affairs and Provost
University of Illinois at Urbana Champaign
217 Swanlund Administration Building
601 East John Street
Champaign, IL 61820

Dear Ade,

As Dean of the College of Business, I am pleased to give the College's and my full and enthusiastic support of the Center for Business and Public Policy's (CBPP) application to IBHE for permanent status as a Center. No other academic unit on campus focuses exclusively on the intersection of business and public policy, although several units are doing work that is complimentary to the CBPP. This has allowed the CBPP to create productive interdisciplinary relationships across our campus and, indeed, the entire University.

The CBPP provides valuable **research**, **teaching**, and **public engagement** in four primary areas:

1. Business and individual tax policy
2. Government insurance programs (e.g., Social Security, Medicare, public employee pensions, federal catastrophe insurance, etc.)
3. The effect of health care policy on businesses, consumers and the economy
4. The effect of energy and environmental policy on businesses, consumers and the economy

These areas align precisely with three key elements of the Visioning Future Excellence strategic goals of the Campus: of economic development, energy and the environment, and health and wellness.

The CBPP has been able to attract top **research** faculty who have already begun to position the College and Campus for national leadership in advancing knowledge of public policy, particularly on topics related to the interactions of governments, businesses, organizations, and markets. In addition, the Center has aided in several retention issues in our College.

From a research perspective, faculty affiliates are expected to produce research on topics related to the interactions among governments, businesses and markets that advances knowledge (as measured by publication in leading academic journals) and that has applications to businesses operating in a “mixed” economy (i.e., a regulated market economy in which the government is an important actor, as in the United States and all OECD/developed nations). Thus, the research produced by the CBPP will be, on average, more applied and more interdisciplinary in nature than is often the case in discipline-centered departments.

The CBPP faculty members **teach** students how to analyze the effects of public policy on organizations engaged in both the commercial and the non-profit sectors, consumers, and society. This is an invaluable skill for future leaders who must make strategic decisions in a complex environment. New in 2013, the teaching mission will include the offering of a graduate “Business and Public Policy” minor to master’s students in the College of Business Accountancy (MAS) program.

The CBPP **public engagement** is both national and international. Activities have included testifying before the U.S. Senate and the Government Accounting Standards Board, as well as providing the keynote address to the European Union’s Finance Ministers. The director of the CBPP, Professor Jeff Brown, has been active in the discussions regarding the State of Illinois pension issues, producing several white papers, opinion pieces in numerous leading newspapers in the state, and testifying in Springfield. In addition, each year the CBPP provides public events for students, faculty, staff, and the community to engage with high-profile policymakers and gain insights into a wide variety of public policy topics.

The College of Business strongly supports the application for permanent status of the Center for Business and Public Policy. This Center will continue to play a vital role in teaching, research, and public engagement for the College and Campus, and provide leadership nationally and internationally in advancing knowledge in the area of public policy. The CBPP has shown itself to be a great partner with several units on campus, especially the Economics department in LAS as well as the Law School. It is our strong conviction that this center be granted permanent status on our campus.

Sincerely,



Larry DeBrock
Josef and Margot Lakonishok Endowed Dean

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

EP.14.07

Office of the Provost and Vice Chancellor
for Academic Affairs

Swanlund Administration Building
601 East John Street
Champaign, IL 61820



July 30, 2013

Gay Miller, Chair
Senate Committee on Educational Policy
Office of the Senate
228 English Building, MC-461

Dear Professor Miller:

Enclosed is a copy of a proposal from the College of Business to permanently establish the Center for Business and Public Policy. The Center was temporarily established in 2007.

Jeff Brown, CBPP Director, will serve as the primary contact for the proposal.

Sincerely,

A handwritten signature in cursive script that reads "Kristi A. Kuntz".

Kristi A. Kuntz
Assistant Provost

Enclosures

c: J. Brown