



Office of Government Relations

Van Hise Hall
1220 Linden Drive
Madison, WI 53706
www.wisconsin.edu

DATE: December 15, 2021

TO: Members of the Senate Committee on Universities and Technical Colleges

FROM: Jeff Buhandt, UW System Interim Vice President of University Relations

RE: Testimony on Foreign Influence in Higher Education Package
Senate Bills 742, 744, 745

Thank you, Mr. Chairman and committee members, for providing UW System (UWS) an opportunity to speak to you today regarding the package of bills put forth by Chairman Roth to curb foreign influence in higher education.

UWS takes its role in curbing foreign influences on our campuses very seriously. Undue foreign influences not only threaten our national security but put our institutions, faculty, staff, and students at risk. Higher education thrives in a global community of thought, research, and collaboration and compliance efforts are in place at the federal level and within UWS to ensure global perspectives without risking national security. Our institutions adhere to federal regulations of enrollment, employment, and reporting. We have a vested interest in protecting intellectual property and proprietary information developed at our institutions.

To ensure the security of our institutions, in April of 2020, UWS began planning an internal audit of foreign influence throughout UWS. The internal audit reviewed our institutions' reporting and compliance to Section 117 of the Higher Education Act of 1965. Section 117 requires institutions to semi-annually file disclosure reports with the U.S. Department of Education (ED) when receiving a gift or entering a contract with a foreign source of \$250,000 or more. Our internal audit began prior to ED's updated guidance to states in June 2020, which requires institutions to also report foreign sources of tuition, amounts passed through intermediaries, and intellectual property license fees.

The audit report was completed in March 2021 and UWS is actively instituting further compliance processes to enhance how our campuses adhere to the federal standards of Section 117 and the updated guidance from June 2020. The Office of Compliance and Integrity (OCI), formed under President Thompson's leadership, has been tasked to implement the audit's recommendations at the System-level. OCI is expected to fully implement the recommendations by summer of 2022.

Two of the most noteworthy audit recommendations have already been implemented. First, the audit noted that our Shared Financial System (SFS) did not contain a foreign identifier for foreign gifts or contracts. These items previously needed to be manually

(Cont.)

reviewed and processed. Starting in fiscal year 2021, UWS added an account code to SFS to simplify tracking on campus and to aid in compliance. It is our goal to also include these tracking components in the Administrative Transformation Program (ATP). Second, foreign influence reporting has been added to the Compliance Matrix that was developed by OCI in 2020. The Compliance Matrix is a comprehensive database of nearly 500 university compliance obligations and includes Section 117. The matrix has been adapted to provide automatic reminders at 90, 60, and 30 days in advance of compliance deadlines to responsible employees. OCI is currently in the process of completing the remainder of the System-level audit recommendations that include convening an internal workgroup to develop a systemwide policy on Section 117 reporting, and develop improved, systematic verification and evaluation procedures on campuses.

Beyond our work on improving our federal reporting procedures, UWS took action in May 2021 to close the Confucius Institute previously housed at the UW-Platteville campus. UWS and UW-Platteville were already in conversations and planning to end the program prior to congressional action. Upon passage of Section 1062 of the National Defense Authorization Act of 2021, Department of Defense funds will be curtailed to institutions that host a Confucius Institute.

Our internal audit and early closure of the Confucius Institute are only two examples of how the UWS has gone beyond meeting the requirements set by federal regulations. President Thompson has also made it a priority to modernize our IT systems to secure our digital information proactively and aggressively. We also work diligently to meet all federal requirements and vetting of students and faculty who work at our institutions. Included with my testimony is [a memo from the Association of American Universities \(AAU\)](#) outlining current actions taking place to enhance security at higher education institutions nationwide.

UWS appreciates Senator Roth bringing the concerns regarding foreign interference within our institutions of higher education to the forefront of state conversations. However, UWS believes that any additional regulations to prevent foreign interference should be instituted at the federal level. UWS and our national partners are actively engaged in the federal conversations on this topic. We are pleased to have Congressman Gallagher as a leader on these conversations nationally, and President Thompson had a productive conversation with the Congressman prior to his testimony to this committee in October. By adhering to federal regulations, UWS institutions already follow many of the measures included in the bills before you today. Yet, establishing some of these policies at the state level would be duplicative, difficult to put into practice, create additional administrative burdens, and limit our competitive advantage among other institutions for foreign investment that does not undermine national security.

I thank you again for the opportunity to provide you examples of how we at the UWS strive to curb foreign influence and our interest in continuing to strengthen these practices internally and at the federal level.

Actions Taken to Address Foreign Security Threats, Undue Foreign Interference, and Protect Research Integrity at U.S. Universities

Congress is currently considering several measures related to securing federally funded research data and intellectual property at universities and other research institutions in the United States. As lawmakers consider these measures, it is important to understand the current state of play for research security in the country to avoid new requirements that are duplicative, unnecessary, or counterproductive. Below is a summary of actions that have already been taken or are currently being taken by both universities and federal entities regarding research security.

Actions Taken by Universities

- Research universities take seriously national security threats posed by international actors. Universities have a vested interest in protecting intellectual property, proprietary information, trade secrets and classified and/or otherwise controlled government information housed at universities. To address these issues, universities have taken steps to protect the research they conduct, including:
 - Strengthening institutional conflict-of-interest (COI) and conflict-of-commitment (COC) requirements.
 - Enhancing communications and training for researchers on security threats and institutional and federal security requirements.
 - Enhancing campus coordination efforts.
 - Enhancing scrutiny of research activities and partnerships with foreign entities.
 - Enhancing reviews of international collaborations, contracts, and foreign gifts.
 - Implementing safeguards and protections for researchers on foreign travel.
 - Enhancing cybersecurity efforts and training.
 - Increasing and better coordinating with the FBI and other government security agencies to identify, and mitigate, potential threats.
- AAU and APLU have conducted two surveys of their member institutions to identify [effective practices](#) universities have taken to address threats and concerns.
- AAU and APLU have also developed [principles and values](#) to guide actions relevant to foreign government interference in university research.

Actions Taken by Congress

AAU, along with other higher education associations and universities, have been supportive of several congressional and administrative actions taken to address foreign threats to research, including the following provisions:

- **Section 1286 of the National Defense Authorization Act for Fiscal Year 2019** required the Secretary of Defense to establish an initiative to work with institutions of higher education who perform defense research and engineering activities. This requirement was further modified and updated in **Section 1281 of the National Defense Authorization Act for Fiscal Year 2020** to support protection of national security academic researchers from undue influence and other security threats.
- **Section 1746 of the National Defense Authorization Act for Fiscal Year 2020** required OSTP to establish an interagency working group (the JCORE Research Security Subcommittee) under the National Science and Technology Council (NSTC) to protect federally funded research and development from foreign interference, cyberattacks, theft, or espionage and to develop recommendations for best practices for federal agencies and grantee institutions. The JCORE Research Security Subcommittee's work resulted in the issuance in January 2021 of a [Presidential Memorandum on United States Government-Supported Research and Development National Security Policy](#) (NSPM-33) and the White House OSTP/NSTC report on "[Recommended Practices for Strengthening the Security and Integrity of America's Science and Technology Enterprise.](#)"
- **Section 1746 of the National Defense Authorization Act for Fiscal Year 2020** called on the National Academy of Science, Engineering and Medicine to stand up a new Roundtable on Science, Technology, and Security to bring together key stakeholders from the scientific enterprise (including federal agencies, universities, and industry) to enter into a constructive and ongoing dialogue on research security. The Roundtable recently held their [third meeting](#).
- **Section 223 of the National Defense Authorization Act for Fiscal Year 2021** mandated disclosure of funding sources in applications for federal research and development awards for all federal research agencies. Additionally, universities are held accountable for ensuring faculty are aware of these disclosure requirements.
- **Section 1299C of the National Defense Authorization Act for Fiscal Year 2021** (modifying Sec. 1286 from the FY19 NDAA and Sec. 1281 of the FY20 NDAA) required the Secretary of Defense and other government agencies to establish an initiative to

protect researchers from undue influence and other security threats, support protection of intellectual property, controlled information, key personnel, and information about critical technologies relevant to national security, including by:

- The required publication of a list of “foreign talent programs” and a list of academic institutions in countries, including China and Russia, that have engaged in various malicious practices or that “operate under the direction of the military forces or intelligence agency of the applicable country.”
 - The required designation of an official responsible for liaising with academic institutions and briefing them on espionage risks.
- **Section 1062 of the National Defense Authorization Act for Fiscal Year 2021** restricts funds to institutions that host a Confucius Institute.

Actions Taken by Federal Agencies

- NSF has issued clarifications to its proposal disclosure requirements to ensure proposers provide information on all sources of current and pending research support. The agency has also revised their Proposal and Awards Policies and Procedures Guide (PAPPG), providing the community with a standardized format for disclosure information. NSF has convened research integrity roundtables with researchers. The agency has also created a new position of Chief of Research Security and Policy.
- DOE, DOD, and NSF have prohibited agency personnel from participating in a foreign talent recruitment program.
- NIH has issued clarifications of the biosketch, other support, and application form instructions as well as hosted events to answer questions.
- The FBI has convened two large academic summits as well as several other regional events to foster engagement and information sharing between universities and intelligence and security officials. Additionally, FBI regional offices have had more direct outreach and coordination with academic institutions in their regions.
- Agencies have actively participated in the JCORE Research Security Subcommittee and coordinated agency activities and policies. This resulted in the issuance of the OSTP/NSTC report on “[Recommended Practices for Strengthening the Security and Integrity of America’s Science and Technology Enterprise.](#)”

Existing Federal Research Security Requirements

- **Controlled Unclassified Information (CUI)** – The U.S. has established a process for regulating and securing various categories of controlled unclassified information (CUI) resulting from research and other non-classified information that requires safeguarding or dissemination controls pursuant to E.O. 13556 of Nov 4, 2010. 32 CFR Part 2002 identified that prior to the process established for CUI under E.O. 13556 of Nov 4, 2010 “agencies often employed ad hoc, agency-specific policies, procedures, and markings to handle this information. This patchwork approach caused agencies to mark and handle information inconsistently, implement unclear or unnecessarily restrictive disseminating policies, and create obstacles to sharing information.”

- **Export Control/Deemed Export Regulations** – There are multiple sets of regulations in effect regarding control of specific types of technology and data services for export, including the release of controlled technology to foreign persons in the U.S. known as “deemed” exports. Regulations include:
 - Department of Commerce requirements under 15 CFR Part 730-774, which oversees the Export Administration Regulations (EAR) to control dual-use technology on the Commerce Control List (CCL);
 - Requirements from the State Department’s Directorate of Defense Trade Controls under 22 CFR Parts 120-130, which oversees the International Traffic in Arms Regulations (ITAR) and controls items designed and developed for military use on the U.S. Munitions List;
 - Requirements from the Treasury Department’s Office of Foreign Assets Controls (OFAC) under 31 CFR Parts 501-598, which controls interactions with nations against which there are U.S. trade embargoes (e.g. Cuba, Iran, Syria, North Korea, Myanmar and Sudan); and
 - the Nuclear Regulatory Commission under 10 CFR Part 110, which oversees controls on the export and import of nuclear equipment and materials.

- **Dual Use Research Concerns (DURC)** – Control of Select Biological Agents and Dual Use Research of Concerns (DURC) is overseen by the U.S. Department of Health and Human Services and the U.S. Department of Agriculture under 7 CFR 331, 9 CFR 121, 42 CFR 73.

- **HEA Section 117** – Institutions are required to disclose foreign gifts and contracts above \$250,000 as mandated under 20 U.S.C. § 1011f and in accordance with Section 117 of the Higher Education Act.



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

Senate Committee on Universities & Technical Colleges

2021 Senate Bills 742, 744, 745

Admission and employment of People's Liberation Army members, foreign missions of China at UW institutions, disclosure of contracts and gifts from foreign sources

December 15, 2021

Chairman Roth and members of the Senate Committee on Universities & Technical Colleges:

The University of Wisconsin–Madison thanks the committee for the opportunity to provide written testimony regarding Senate Bills 742, 744, and 745, relating to admission and employment of People's Liberation Army members, foreign missions of China at UW institutions, and disclosure of contracts and gifts from foreign sources. UW–Madison submits this testimony for information only.

The University of Wisconsin–Madison is committed to protecting its students, employees, and research from foreign influence. UW-Madison meets the federal government guidelines and complies with federal policies regarding international students and employees. UW-Madison has several processes and mechanisms to catch and flag potential areas of concern as it relates to personnel, research, and gift monies.

UW-Madison currently has an Outside Activities Report (OAR), which is mandatory for its employees and identifies potential conflicts of interest, activities that might conflict with an individual's responsibilities to the university or bias an individual's UW research. H-1b visa applicants (potential employees) are reviewed for export control compliance purposes and screened against the federal government's restricted party lists. The UW-Madison screens J-1 visa applicants from restricted countries against the federal government's restricted party lists as well.

UW-Madison has concerns with complying with the admission and employment prohibitions outlined in Senate Bill 742. Short of an applicant self-identifying as a member of the People's Liberation Army, UW-Madison does not have the ability to receive information about this affiliation on a applicant's employment history. Regarding UW-Madison Admissions, it is our understanding that the U.S. Department of State already monitors student visa applications. UW-

Office of University Relations

University of Wisconsin-Madison 165 Bascom Hall 500 Lincoln Drive Madison, Wisconsin 53706
608/890-4880 Fax: 608/265-8011

Madison screens all H-1b visa applicants, J-1 scholars from restricted countries, and certain faculty, staff and students if required as part of a program or project agreement or if needed as part of an export control review of a research project or agreement. This screen utilizes several international databases and flags any concerns.

As it relates to Senate Bill 744, UW-Madison does not currently maintain any existing partnerships with or receive funding from any foreign missions of China. We could not locate any history of any such partnership or funding related to this type of program on the UW-Madison campus. The UW-Madison Outside Activities Reporting (OAR) system mentioned previously would include this information for employees, but we do not have this system in place for students.

Senate Bill 745 makes a number of changes regarding research and gift disclosures from foreign sources. Many of these proposed changes mirror the existing Department of Education Section 117 on reporting monies from foreign sources. It is fairly common that donors who make gifts to UW-Madison have conditions that maintain a certain level of anonymity. Section 117 requires the reporting of certain foreign gifts to the university of \$250,000 or more in a calendar year. The changes in this legislation would require us to not only report anything above \$50,000 but also maintain detailed accounting, including the purpose of each gift or contract.

We believe the changes included in these bills will significantly increase the amount of administrative burden on UW institutions, particularly due to system limitations and staffing challenges. With differing reporting thresholds at the state and federal levels, this can create confusion about the information required to be reported as well as lead to inconsistent or inaccurate reporting. An alternative to adjusting the state thresholds would be for UW institutions to share the existing federal reports with legislators and state government.

In summary, if this legislation were to advance as written, UW-Madison would see a significant increase in administrative burden, including the creation of new reporting mechanisms. Additional burden on researchers may result in researchers looking to states where separate state requirements do not exist.

Thank you for the opportunity to submit written testimony on the impact this legislation would have on UW-Madison. If you have any questions, please reach out to UW-Madison Director of State Relations Crystal Potts at crystal.potts@wisc.edu or (608) 265-4105.

SENATE COMMITTEE ON UNIVERSITIES AND TECHNICAL COLLEGES

Committee Report

December 2021

**SECURITY AND RESEARCH
PROTECTIONS IN THE UNIVERSITY
OF WISCONSIN SYSTEM**

DRAFT REPORT

Senate Committee on Universities and Technical Colleges

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Report Adopted by the Committee on {Date}

Senator Roger Roth, Chair

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INTRODUCTION

The United States faces many threats from foreign adversaries, including economic espionage, which costs the American economy billions of dollars each year. A growing threat can be found in the U.S. academic environment. American universities, including the University of Wisconsin, are world-renowned for innovation in scientific and technological discoveries. Because of that reputation, universities across the nation have become soft targets for those who wish to exploit their openness and do them harm.

Foreign adversaries are exploiting the openness and collaboration on university campuses to illegally obtain academic research to advance their own scientific, economic, and military objectives. In a 2019 report, the Federal Bureau of Investigation (FBI) warned that if a university's research has technical applications, it should be expected that foreign adversaries will target it.¹

“A lot of our ideas, technology, research, innovation is incubated on those university campuses,” said Bill Evanina, formerly the top counterintelligence official in the Office of the Director of National Intelligence. “That’s where the science and technology originates—and that’s why it’s the most prime place to steal.”²

In particular, the FBI notes that the Chinese government has historically sponsored economic espionage and is the world’s principal infringer of intellectual property.

“No country poses a greater, more severe or long-term threat to our national security and economic prosperity than China,” said Joseph Bonavolonta, Boston’s top FBI agent. “China’s communist government’s goal, simply put, is to replace the U.S. as the world superpower, and they are breaking the law to get there.”³

These threats must not be taken lightly. The FBI, other agencies, and experts in the field have warned universities about espionage and have made recommendations to tighten security.

The Senate Committee on Universities and Technical Colleges is charged with the oversight of Wisconsin’s higher education systems. In general the committee gathers information, reviews proposals, and recommends legislation in response to issues pertaining to institutions of higher education and their students.

Because of the growing number of reports in recent years of security issues related to foreign interference at universities around the nation, Senator Roger Roth, chair of the committee, scheduled an informational hearing on the topic of “International Security in Institutions of

¹ U.S. Federal Bureau of Investigation, *China: The Risk to Academia* (2019), <https://www.fbi.gov/file-repository/china-risk-to-academia-2019.pdf/view>.

² Ken Dilanian, “[American Universities Are a Soft Target for China’s Spies, Say U.S. Intelligence Officials](#),” NBCNews.com, February 2, 2020.

³ Dilanian, “[American Universities Are a Soft Target for China’s Spies](#).”

Higher Education” in October 2021. Senator Roth called on experts in the field to present their findings to the committee and offer recommendations to increase security in order to protect sensitive research, intellectual property, and the campus community.

This report summarizes the information gathered in the hearing, presents recommendations, and offers the committee’s intent in pursuing legislation.

The need to take action is critical. Alex Joske, a former analyst with the Australian Strategic Policy Institute’s International Cyber Policy Centre, has issued reports focusing on the Chinese military and the influence of the Chinese Communist Party (CCP) overseas. Joske warns of China’s People’s Liberation Army (PLA) expanding research collaboration with universities outside of China and, in some cases, PLA scientists obscuring their military affiliations in order to gain access in areas such as hypersonic missiles and navigation technology.⁴ An estimated 2,500 scientists and engineers have been selected by the Chinese military to study and work abroad in the last decade.⁵

Joske further states, “While universities haven’t self-regulated on this issue and haven’t controlled their associated security risks, universities and researchers will not effectively limit the risks of PLA collaboration on their own *until governments develop clear policies on it.*”⁶(emphasis added)

The CCP uses more than 200 distinct talent recruitment programs to gain a foothold in foreign universities to obtain technology and information and are often associated with property theft and espionage. American universities are the main target, having been described by Chinese state media as “the largest ‘treasure trove’ of technological talent.”⁷ China’s talent recruitment programs engage in rewarding economic espionage and their widespread misconduct, even to the extent of being directly carried out by the Chinese military, sets them apart from other nations.⁸

The Wisconsin Idea is just that: it is *Wisconsin’s* Idea. The guiding philosophy that the university’s influence extends beyond the classroom means that the impact is accountable to taxpayers, is for their benefit, and must be protected on their behalf.

The importance of protecting research conducted at the University of Wisconsin is paramount. UW–Madison ranks eighth in the nation in research expenditures of nearly \$1.3 billion (National Science Foundation, 2019). Based on UW–Madison data on the disclosure of ideas, the university produces one new idea or invention each and every day. The impact of such a massive

⁴ Alex Joske, *Picking Flowers, Making Honey* (Barton, AUS: Australian Strategic Policy Institute, October 30, 2018), <https://www.aspi.org.au/report/picking-flowers-making-honey>.

⁵ Alex Joske, “[How the West’s Research Aids China’s Military](#),” *The Strategist* (blog), Australian Strategic Policy Institute, October 30, 2018, <https://www.aspi.org.au>.

⁶ Joske, *Picking Flowers, Making Honey*.

⁷ The People’s Republic of China overseas mission: “Amid the flow of tens of thousands of talents returning to China, we do not spare energy in building bridges,” www.gov.cn, 4 June 2014, cited in Alex Joske, *Hunting the Phoenix* (Barton, AUS: Australian Strategic Policy Institute, August 20, 2020), <https://www.aspi.org.au>.

⁸ Joske, *Hunting the Phoenix* (Barton, AUS: Australian Strategic Policy Institute, August 20, 2020), https://www.aspi.org.au/index.php/report/hunting-phoenix?__cf_chl_rt_tk=1dOa9IPYAGNoMmbzUxxp1OVwhqbwjT2Jrj4_M1BIY1E-1636739830-0-gaNycGzNCKU.

research program on Wisconsin's economy is over \$30 billion per year and supports more than 232,000 jobs from UW–Madison, UW-affiliated organizations, and UW-related startups.⁹

Many of the valuable contributions to the university system are the result of partnerships with international students, faculty, and researchers. Over 4,000 international students from more than 120 countries study at the University of Wisconsin–Madison, which places the university among the top 15 universities in the United States with the largest number of international students.¹⁰

Chinese nationals made up about 30 percent of all foreign students in the United States, approximately 340,000, according to government data.¹¹ Students from mainland China compose the largest group of international students at UW–Madison (3,200 students in 2019). Between 2000 and 2018, their share increased from 25 percent of all international students to 55 percent.¹²

Wisconsin has one of the world's best research universities because of the contribution of international students and scholars. Necessary reforms should not discourage international endeavors but must ensure that appropriate safeguards prevent legitimate threats from adversarial governments interfering with the important work conducted by our universities.

This report focuses on the four key aspects which can further protect the UW System from existing threats: prohibiting members of the PLA from admission or employment within the university system, preventing university funds from being invested in companies controlled by the government of China, eliminating recruitment and propaganda programs, and further protecting valuable research from theft by adversarial governments.

⁹ UW–Madison Economic Impact Report, February 2021.

¹⁰ “Office of Admissions and Recruitment: International Students,” UW–Madison, <https://admissions.wisc.edu/international/>.

¹¹ Dilanian, “[American Universities Are a Soft Target for China's Spies](#).”

¹² “Office of the Chancellor: UW's Relationship with China,” UW–Madison, <https://chancellor.wisc.edu/blog/uws-relationship-with-china/>.

SUMMARY OF LEGISLATION

PLA Members in UW Institutions (Senate Bill 742)

Senate Bill 742 prohibits the admission or employment of Chinese People's Liberation Army (PLA) members by the UW System. PLA researchers have been sponsored by the Chinese Communist Party (CCP) and sent abroad to a variety of research institutions for the purpose of research acquisition and IP theft.

Investment in CCP (Senate Bill 743)

Senate Bill 743 prohibits the UW System from investing its trust funds in companies owned or controlled by the government of China. Testimony made to the committee stated that investments in Chinese firms pose a host of economic and moral considerations, including aiding CCP strategic initiatives, developing technologies hostile to U.S. national security interests, and risking university funds themselves. Allowing investments that bolster CCP efforts only empowers a regime rife with human rights abuses, contrary to many of the values held dearly by our university system.

CCP Recruitment and Propaganda Initiatives (Senate Bill 744)

Senate Bill 744 prohibits the CCP's use of propaganda programs in Wisconsin institutions, such as Confucius Institutes and Thousand Talents Programs, which have proven problematic in the form of talent recruitment, propaganda, and espionage activities. The legislation also requires UW employees currently participating in a CCP talent recruitment program to disclose that information and end further participation in those programs.

Research Protections and Financial Disclosures (Senate Bill 745)

Senate Bill 745 requires additional protections to ensure the security of taxpayer-funded research projects. This legislation codifies federal gift disclosure requirements and requires researchers to disclose their contracts with foreign countries of concern.

SUMMARY OF INFORMATIONAL HEARING

On October 19, 2021, an informational hearing was held in the State Capitol on the topic of “International Security in Institutions of Higher Education.”

Senator Roth made the following opening remarks:

Today’s informational hearing will cover the topic of international security in institutions of higher education.

The university system in the United States is world-renowned for its innovation in scientific and technological discoveries. This includes our own University of Wisconsin–Madison, which ranks 8th in the nation as a research institution.

It is because of that reputation that universities across the nation have become soft targets for those who wish to exploit our openness and do us harm.

In the past few years, numerous security breaches have led to increasing concerns of foreign interference and threats to universities around the nation, especially those which conduct sensitive research.

Allow me to cite a few examples:

In December 2019, a Chinese Harvard-affiliated cancer researcher was caught trying to smuggle 21 vials of stolen cell samples to his home country.

A researcher at the University of Kansas was indicted in August 2019 on charges of concealing the fact he was working full time for a Chinese university while conducting sensitive research at the University of Kansas funded by the U.S. government.

Last July, the FBI arrested four Chinese nationals posing as graduate school researchers. They were actually Chinese army officers. One of them, Xin Wang, was working in a medical lab at the University of California–San Francisco funded by the National Institutes of Health. Wang admitted to being a Major in the Chinese People's Liberation Army and employed by a military lab in China. He was deported.

Finally, Bo Mao, an associate professor at Xiamen University in China, became a visiting professor at the University of Texas in the fall of 2018. Less than a year later Mao was charged with fraud. According to the criminal complaint, Mao entered into an agreement with an American Silicon Valley tech company to obtain its circuit board, claiming it was for academic research, and then handed it over to a subsidiary of Huawei, the Chinese telecommunications conglomerate.

These are just a few stories of vulnerabilities found in American universities and the academic research environment.

Our universities attract and welcome international students, faculty, and researchers from around the world. We should continue to do so for the valuable cultural exchange and

experience it provides. But we cannot allow hostile governments to exploit that invitation.

I want to ensure that appropriate safeguards are in place for our institutions to continue the important work they do, without fear of theft or espionage from foreign governments or nefarious actors, particularly China.

Today's informational hearing will include expert testimony that will highlight some of the challenges our universities may be facing by examining vulnerabilities in existing policies and offering recommendations to be more secure.

Our universities may not be able to do it alone or even understand the full enormity of the threats they face. It may take a partnership among the university, federal government, and our state to provide the level of security that is necessary.

The following information summarizes the testimony of the invited speakers.

Congressman Mike Gallagher

Background

Congressman Mike Gallagher represents Wisconsin's 8th District in the U.S. House of Representatives. He was first elected in 2016.

He was a Captain in the Marine Corps, deploying twice to Iraq. He has experience as a Counterintelligence/Human Intelligence Officer and worked in the intelligence community, including tours at the National Counterterrorism Center and the Drug Enforcement Agency.

After earning his bachelor's degree from Princeton University, Mike went on to earn a master's degree in Security Studies from Georgetown University, a second in Strategic Intelligence from National Intelligence University, and his PhD in International Relations from Georgetown.

Congressman Gallagher currently serves on the House Armed Services Committee, on which he is also ranking member on the Subcommittee on Military Personnel, and the Transportation and Infrastructure Committee.

Testimony

Gallagher addressed specific threats posed by the Chinese Communist Party and outlined five ways that Wisconsin can protect itself against these threats, including:

- Ending universities' dependence on China as a source of revenue
- Blocking technology transfers between campuses and China

- Divesting endowments and state pensions from Chinese companies
- Investing in the technological fight for the future
- Training the next generation to win the 21st century

Congressman Gallagher provided written testimony to the committee as follows:

During a dinner conversation in the Philippines, shortly before the United States entered World War II, Milwaukee's very own General Douglas MacArthur engaged in a debate with his chief of staff as to whether America should suspend Congress and adopt dictatorship during wartime. MacArthur defended democracy, believing its unique advantage is that it allows people "to think, to talk, and keep their minds free, open and supple." The general explained:

While the dictator state may plan a war, get everything worked out down to the last detail, launch the attack, and do pretty well at the beginning, eventually something goes wrong with the plan. Something interrupts the schedule. Now, the regimented minds of the dictator command are not flexible enough to handle quickly the changed situation. They have tried to make war a science when it is actually an art. He went on to say that a democracy, on the other hand, produces hundreds and thousands of flexible-minded, free-thinking leaders who will take advantage of the dictator's trouble and mistakes and think of a dozen ways to outthink and defeat him. As long as a democracy can withstand the initial onslaught, it will find ways of striking back and eventually it will win.

Though MacArthur often failed to live out these democratic ideals himself, the theory, what I call "the MacArthur Curve," still stands. American crisis response unfolds along a U-Curve. We start slowly and inefficiently (i.e., the descent down the "U"). At some point, if we can withstand the initial onslaught long enough to activate their thousands of flexible, free-thinking minds, democracies start to turn it around as dictatorships start to screw it up (i.e., the turning point or the bottom of the "U"). Then, with increasing momentum, tempo, and confidence, democracies start to claw their way upwards to victory (i.e., climbing the "U"). The MacArthur Curve is the quintessential story we Americans tell ourselves about our national genius. It is the story of America as the "arsenal of democracy" or Freedom's Forge, the story that allowed us to win World War II by harnessing the industrial capacity of America.

Yet the coronavirus pandemic has highlighted a hard truth: the MacArthur Curve is broken. For two decades both political parties pursued a geopolitical strategy aimed at integrating China into the global economy so as to moderate their behavior and transform them into a “responsible stakeholder.” This strategy failed. As China grew richer, the Chinese Communist Party (CCP) grew more repressive internally and aggressive externally. Meanwhile America became addicted to cheap Chinese goods and debt. We now find ourselves dangerously dependent on China for the supply of critical goods. This created a situation in which CCP officials threatened in March 2020 to cut off the supply of life-saving drugs to the U.S., thereby dooming our country to “sink into the hell of a novel coronavirus epidemic.” Consider the current supply chain catastrophe, which will get worse as China’s energy crisis gets worse.

The situation is unsustainable—a great nation such as ours cannot continue to be held hostage by our greatest adversary. In order to restore America’s industrial capacity, in order to restore our sovereignty, in order to repair the MacArthur Curve, we must selectively decouple our economy from China’s. To do so we need the help of Wisconsin’s higher education system. Here are five steps Wisconsin’s higher education system can take today to defend our country and restore our sovereignty.

Step 1: End University Dependence on China as a Source of Revenue

When the CCP really wants to kill a policy proposal in DC, rather than acting through its embassy, which has a branding problem, it will mobilize proxies that have vested financial interests in a given outcome. Financial dependencies give the CCP leverage over American entities and inevitably lead to lobbying campaigns designed to blunt get-tough-on-China policies.

A good example is the Confucius Institute network, which has rightly come under scrutiny for its lack of transparency and potential for censorship. As one Senate report found, as of 2019, there were Confucius Institutes at more than 100 American colleges, receiving more than \$150 M from the Chinese government. At the federal level we have taken bipartisan steps to fight back against Confucius Institutes. I applaud UW Platteville for closing its Confucius Institute earlier this spring. But some universities are simply re-naming their Confucius Institutes to get around federal restrictions. Universities also receive communist cash through a wide range of vehicles, including gifts and contracts and support for centers in China.

We must prevent dark foreign money from corrupting our campuses. At a minimum, the entire University of Wisconsin System should commit to full transparency when it comes to foreign sources of funding. Some recent Department of Education investigations have the total amount of undisclosed foreign donations upwards of \$5 billion in the U.S. Until American universities end these dependencies, they will feel compelled to stay within the CCP's good graces, censoring speech and allowing their students to become targets for United Front Work, a concept I will return to in a bit.

Step 2: Block Technology Transfer on College Campuses

As Alex Joske chronicled in his groundbreaking report "Picking Flowers, Making Honey," the CCP has a concerted strategy to send researchers abroad to steal technologies abroad and bring them back to China. In response to this report, I authored the PLA Visa Security Act, which would prohibit individuals employed or sponsored by Chinese military institutions from receiving F or J visas to study in the US. In June 2020, the Trump administration effectively implemented this policy via executive order, which the Biden Administration has yet to revoke.

Universities must not only comply with this order, but also exercise more ownership over who they allow to conduct sensitive national security-related research on their campuses. They cannot even assume that individuals who receive visas to study in the US are fully vetted. There are a growing variety of official government blacklists relating to China: the Commerce Department's Entity List, the Defense Department's Chinese Communist Military Companies and Military-Civil Fusion contributor list, and Treasury's Non-SDN Civil Military Industrial Complex companies list. Wisconsin should not allow anyone affiliated with the Chinese entities on these "blacklists" to conduct research at their universities. Public universities must also end collaborative research in China or with Chinese research institutions because of Chinese law, which means that any technology or research conducted in China or with Chinese entities could at any time be used to advance the malign interests of the CCP. Those interests include retaining Party control at all costs, undermining American leadership, and committing genocide.

Step 3: Defund Communist Genocide

Over the weekend, *Financial Times* reported that China tested a nuclear-capable hypersonic glide vehicle that flew into low-orbit space before landing. These missiles are dangerous not only because they can go very fast, but also because they can maneuver while also going fast, and therefore they undermine our early warning and missile

defense systems here at home. This means the Chinese could target ports, major American cities, and whatever else they want in a Taiwan scenario, for example. More troublingly, apparently it caught our intelligence community completely off guard. As one source in the article put it, “We have no idea how they did this.” The thing is, we do, because the Chinese hypersonic program has benefited from American semiconductor technology.

This problem is indicative of a larger dynamic in the US-China competition. China has a holistic vision of national power that combines military and commercial technology known as Military-Civil Fusion. Under MCF, there is no purely civilian tech industry in China. Any firm, any innovation can be co-opted at any point by the CCP. Despite this, many American technology companies, universities, and investors continue to partner with Chinese researchers under the auspices that they are working on civilian, non-threatening technologies. But as we saw with the hypersonic test, as we saw in Wuhan, and as we see every day in Xinjiang, all we are doing is handing the CCP the tools they need to kill Americans or commit genocide.

And it’s not just me that’s said that. Both the Trump and Biden Administrations agree that the CCP is actively committing a genocide against over one million Uyghur Muslims in Xinjiang, yet American capital and American retiree money continues to flow into China as asset managers on Wall Street chase double digit returns. Consequently, the retirement security of millions of Americans is connected to the profits of Chinese companies complicit in genocide. U.S. retirement funds are still flowing into Chinese companies that are building things designed to destroy the U.S. military.

The only way to stop this insanity is to prohibit American college endowments and state and local pension funds from investing in Chinese companies (along with indices like MSCI that have been corrupted by the Chinese Communist Party). I will be introducing federal legislation to this effect, I will work tirelessly to get it into law, and I encourage my state colleagues to do the same. Tax exempt American entities as well as those that receive money from the U.S. federal government should not be profiting off genocide and anti-American propaganda. Those who manage university endowments and state pension funds also have a basic fiduciary responsibility to their investors to stop pouring their retirement money into China. As the recent failed IPOs of Ant Financial and Didi demonstrate, the CCP can systematically destroy any firm it desires at any time. No prudent man would invest in this opaque environment. No prudent man would invest in genocide. And no American would invest in weapons for our greatest enemy.

Step 4: Win the Technological Fight for the Future

The previous three steps are defensive in nature—they seek to slow down China in the economic competition by limiting the transfer of technology and funding to our adversaries. But as any Bears fan will tell you, defense will only go so far. We need to go on offense. Federal research and development funding has declined from approximately 12% of the federal budget in the early 1960s to approximately 3% today (or from 2% of GDP at the height of the Cold War to .6% of GDP today). Bills like the Endless Frontier Act would fix this decline by investing \$100 billion in strategic technology sectors critical to the US-China competition such as AI, robotics, quantum, and biotechnology. The US Innovation and Competition Act would fund the CHIPS act to the tune of \$52 billion, which creates incentives for the domestic manufacturing of semiconductors.

If we pass these bills, the University of Wisconsin System is well positioned to become a regional technology hub, and Wisconsin should seek to become a semiconductor superpower. But it won't happen if our K–12 system and our higher education system can't produce workers. And it won't happen if our higher education system cannot prevent federal government dollars from funding Chinese spies or Chinese technology that is going to be used against us. If we step up and proactively take measures that give confidence to the idea that we can safeguard federal funds, I believe the UW System will be in an incredible position to lead when it comes to the technologies of the future.

Step 5: Cultivate More Kennans

The Chinese Communist Party primary tool of influence is called “United Front” work, or “methods to influence overseas Chinese communities, foreign governments, and other actors to take actions or adopt positions supportive of Beijing’s preferred policies.” Confucius Institutes are an example of United Front work, as are bribery and extortion. General Secretary Xi has singled out United Front work as a “magic weapon” to promote the “great rejuvenation of the Chinese nation.” But our defense and intelligence communities have a poor understanding of United Front work.

During the old Cold War we dedicated a significant amount of national resources to developing Russian linguists and experts on the Soviet Union and Soviet satellite countries. In fact, I would argue Wisconsin won the Cold War because Milwaukee produced George Kennan, whose passion for history and facility with the Russian language and with the English language produced a unique understanding of Kremlin

behavior and an ability to write about it in a way that woke up the entire federal government at the time.

Today our universities need to do the same. Rather than proliferating majors that may not allow kids to get jobs or serve our country, we need to cultivate the next generation of experts—those with a deep understanding of Chinese history and language, who are committed to serving their country, and who can also write well and quickly. We also lack deep expertise when it comes to key allies and partners like India, the Philippines, Vietnam, and Indonesia. In key functional areas such as cyberspace we are falling behind. Nationwide there are almost half a million jobs open that are seeking cybersecurity skills; the public sector has 36,000 open jobs. If you want to help students get a good paying job and serve their country at the same time, then the UW System should set a goal of leading the nation when it comes to student participation in programs like the federal CyberCorps: Scholarship for Service program, which supports students pursuing cybersecurity degrees and then hires graduates directly into public sector cybersecurity jobs.

Conclusion

During a particularly tense moment in the Korean War, General Douglas MacArthur told the Senate that it was wrong to believe that war can be “applied in a piecemeal way, that you can make half-war, not whole war.” As we work to deter a future war with China, we should expect that if deterrence fails, China will wage whole war, not half war. This will include China shutting down exports of critical goods, attacking our critical infrastructure with cyber weapons and perhaps actual weapons, and spreading disinformation on social media to destroy our will to fight. We would be crippled in that scenario. We would not be able to climb up the MacArthur Curve to activate Freedom’s Forge and the “arsenal of democracy.” Put bluntly, we would lose World War III if we maintain the current course either through preemptive surrender or battlefield defeat.

To avoid that outcome: it is time to choose. American universities and businesses can choose to side with our country, or they can choose to side with the genocidal communist regime that wants to destroy our way of life. The five steps I’ve outlined are a start, but they all rest on the assumption that American universities are still committed to intellectual freedom. After all our education system is responsible for producing the “flexible-minded, free-thinking leaders” that make the MacArthur Curve work.

In China they don't have free thought, they have Xi Jinping thought. We cannot go down their path of ideological homogeneity and tech-enabled censorship. Our open society encourages risks, tolerates diverse viewpoints and therefore retains a capacity for self-correction. As MacArthur said in that dinner debate: "It costs money and at times does look inefficient but, in the final analysis, democracy as we have it in the United States is the best form of government that man has ever evolved." That's a beautiful legacy that we've inherited and that we should be proud of. American universities are just that, American, and they should be proud to call themselves American.

Peter Mattis, Director of Research and Analysis, Special Competitive Studies Project

Background

Peter Mattis currently serves as the Director of Research and Analysis at the Special Competitive Studies Project in Washington, DC.

He formerly served on the Congressional-Executive Commission on China (CECC) as the Senate-appointed staff director and was part of the legislative team that passed landmark human rights legislation during the 116th Congress related to the People's Republic of China (PRC). Peter previously worked as a fellow at the Victims of Communism Memorial Foundation and The Jamestown Foundation, where he also edited the *China Brief*, a biweekly electronic newsletter on China-related political, foreign policy, and military developments. He began his career as a China specialist in the U.S. government and The National Bureau of Asian Research.

Peter has written and spoken widely about the Chinese Communist Party and PRC politics, foreign policy, internal security, intelligence, and political influence activities. He is the author of *Analyzing the Chinese Military: A Review Essay and Resource Guide on the People's Liberation Army* (2015) and coauthor of *Chinese Communist Espionage: An Intelligence Primer* (Naval Institute Press, 2019) for which he received the Naval Institute Press's [Co]author of the Year Award.

He received his M.A. in Security Studies from Georgetown University and Bachelor's degrees in Political Science and Asian Studies from the University of Washington.

Testimony

Peter Mattis provided an overview of the espionage and theft concerns in the university system. Mattis began his testimony by highlighting what he believed to be an important consideration for policymakers and university administrators, saying that it is "quite important to put the CCP, its intentions, and its activities at the forefront [of the discussion] because at the end of the day, or perhaps even the beginning, the first victims of the Chinese Communist Party have been the Chinese people." The people used by the CCP are often pressured to make the choice between

commitments to their universities, companies and the countries they chose to be in, and the potential risks for their friends and family, and even themselves, upon return to the PRC.

Mattis highlighted that the CCP is concerned about preemptive security which includes detailed monitoring of their population, even those abroad, to prove there are no threats to the party. The monitoring includes students and researchers on campuses abroad who might return with ideas hostile to CCP interests.

The second aspect to understand about the CCP's goals are as they relate to three areas of comprehensive modernization: economic modernization, agricultural modernization, and defense modernization. All of the areas serve to retake what the party views as China's rightful role on the international stage.

China has repeatedly utilized aspects of the intelligence apparatus to meet these goals including leveraging passports for university students and researchers, implementing talent recruitment programs, and exploiting computer networks.

In an effort to address these issues, Mattis identified three responses for lawmakers and universities. First, there should be clear security rules for U.S. research institutions who deal with China and the CCP. Second, universities should be required to perform due diligence for their admissions process relating to Chinese nationals with the previously discussed tactics and concerns in mind. Finally, universities should have a user-friendly reporting system for monitoring travel and ensuring compliance with these provisions, including clear supports for Chinese nationals who are threatened or pressured by the CCP to take part in research theft of espionage.

Emily Weinstein, Center for Security & Emerging Technology, Georgetown University

Background

Emily Weinstein is a Research Analyst at Georgetown's Center for Security and Emerging Technology (CSET), focused on Chinese innovation and domestic science and technology policies and development. Before joining CSET, Emily was an Analyst at Pointe Bello, a strategic intelligence firm, where she conducted research on Chinese domestic and foreign policy.

Independently, Emily has contributed to research projects at the Australian Strategic Policy Institute, including the China Defense Universities Tracker and the March 2020 "Uyghurs for sale" report.

Her writing has appeared in the University of Nottingham's Asia Dialogue, the Global Taiwan Brief, Jamestown Foundation's China Brief, and the Project 2049 Institute's Asia Eye Blog.

Emily holds an M.A. in Security Studies from Georgetown University and a B.A. in Asian Studies from the University of Michigan.

Testimony

Emily Weinstein focused her remarks on three core themes: Military Civilian Fusion (MCF) strategy, Chinese Talent Programs, and the Chinese education system.

Weinstein began by emphasizing the differences between U.S. and Chinese higher education systems, stating that the basic nature of those institutions in China departs from those of their global peers.

The role of Chinese universities fits within the CCP's broader MCF strategy. MCF seeks to fuse China's economic and security interest both domestically and abroad, and has blurred lines between the civilian and defense sectors in China. This has made it nearly impossible for other countries to decipher between military and civilian actors, particularly in the university space.

Connection between some universities in China and the nation's defense infrastructure is more readily apparent in some universities, like the PLA National Defense University or Ningbo University, than others. A second tier where this connection is almost as visible are in schools like the Seven Sons of National Defense, a group of seven Chinese universities under the auspices of the Ministry of Industry and Information Technology (MIIT) of the People's Republic of China. These universities have had stronger historical ties to the defense sector in China, including enterprises such as Aviation Industry Corporation of China, Chinese Aerospace Science and Technology Corporation, and China Aerospace Science and Industry Corporation.

Some of the larger, more ostensibly civilian, universities in China require a different approach in evaluation. Weinstein stressed a need to consider how U.S. institutions work with universities that are less overtly associated with the military and specifically consider separating technical or scientific research. For instance, a theater department's cost-benefit analysis for a partnership is significantly different than a lab of Computational Intelligence or an Engineering Department.

In addition, Weinstein stressed that Chinese Universities also act more akin to commercial actors when compared to peer institutions in the U.S. For example, six Chinese academic institutions sat within the top robotics patenting awardees worldwide, rivaling companies like LG, Samsung, etc. This reflects a different set of motivations for research compared with their American counterparts. The Chinese system's patent and commercialization focus is one of the areas where issues with IP theft arise.

Another issue that demonstrates the commercial side of Chinese universities is holding companies owned by the universities themselves, such as Tsinghua Holdings owned by Tsinghua University, which has been involved in buying U.S. semiconductor companies. Weinstein emphasized that while some American universities, like MIT and Stanford, help fund startups, the focus is not nearly the same as the Chinese system owning holding companies and investing in critical industries. In order to better understand the risks, historical activity and patterns should

be investigated, including where the universities are located and existing connections they have, which may indicate potential partners.

Weinstein concluded her testimony by focusing on Chinese talent programs, which have received growing awareness in recent years but the need remains to bolster understanding within universities.

Weinstein's experience in this realm has resulted in the Georgetown CSET Chinese Talent Program Tracker, which currently has approximately 40 talent recruitment programs in its database, with another 200 more to come. The programs range from the Thousand Talent Programs to local level programs which are becoming increasingly more important to understand, given the work the CCP has done to obfuscate these programs, in particular by eliminating TTP references from the internet.

Under current law, participating in a talent programs is not explicitly illegal but rather conduct under those programs has landed individuals into legal issues, such as wire and grant fraud. To address this, universities and governments should target the cause of the issues, rather than merely pursuing charges that result.

Weinstein noted that previous efforts have focused on strength of open and collaborative research in the U.S., but China recognizes and exploits that strength. In order to garner the support of researchers and universities, highlights the risk to the research itself, rather than national security risks, may be more effective. To address this issue Emily emphasized two considerations.

First, at the institutional level, a period of amnesty after new requirements are implemented would allow employees to approach the university with their issues, without fear of immediate reprisal, in examining their conduct. Rapid changes in research standards and legal reforms have resulted in a delayed ability to for researchers to make adjustments.

Second, universities and their Asian studies programs should provide additional supports with due diligence materials. Weinstein stated that it is often said that the Chinese language is the first level of encryption, but it is not just the language itself but fluency in their system that needs to be addressed, including the ability to access information on the Chinese internet and discern authoritative sources from propaganda. Additional translations, reports, and depositories of this information will help the FBI, DOJ, and grant awarding foundations to determine when specific responses are warranted.

Rachelle Peterson, Senior Research Fellow, National Association of Scholars

Background

Rachelle Peterson is the Senior Research Fellow of the National Association of Scholars (NAS). Rachelle joined NAS in 2013 as a research associate analyzing the campus sustainability

movement. She graduated from The King's College in May 2013 with a bachelor's degree in Politics, Philosophy, and Economics.

She is the author of several NAS reports, *Sustainability: Higher Education's New Fundamentalism*; *Inside Divestment*; *Outsourced to China: Confucius Institutes and Soft Power in American Higher Education*; and *Corrupting the College Board: Confucius Institutes and K-12 Education*.

Ms. Peterson's research and commentary has been published in outlets such as the *New York Times*, the *Wall Street Journal*, *National Review Online*, and *Commentary* magazine. She has discussed her research on the *Wall Street Journal's Opinion Journal* and on numerous radio shows.

Testimony

The following is written testimony by National Association of Scholars Senior Research Fellow Rachelle Peterson. In her testimony, Peterson details the many ways in which the Chinese government continues to exert soft power within American higher education, including how it has moved away from Confucius Institutes and toward other, more covert avenues of influence. She also suggests several means by which state legislatures may begin to curb this threat.

Good afternoon. My thanks to Senator Roger Roth for inviting me, and to this committee for taking so seriously the issue of international security in institutions of higher education.

My name is Rachelle Peterson, and I am a senior research fellow at the National Association of Scholars. I'm honored to be with you today. My research focuses on Confucius Institutes, most recently how they are morphing into new and increasingly sophisticated tools of Chinese government influence on American college campuses.

Confucius Institutes, as you may know, are Chinese government-sponsored centers that began appearing on American college campuses in 2004. In recent years, as these Confucius Institutes have sparked controversy, most have closed down. However, many have been replaced with other, extremely similar programs under new names. Although it may seem that we won the battle against Confucius Institutes, in reality Chinese government influence campaigns are merely shifting to new tactics and new programs.

I want to make three points in my testimony before you today.

First, American higher education is a target for the Chinese government, as shown by its vast investment into Confucius Institutes.

Second, Chinese government influence campaigns are becoming more sophisticated, more complex, and harder to track.

Third, there are ways that state legislators can act.

First, American higher education is a target for the Chinese government. As a case study, let me tell you a bit about Confucius Institutes. One hundred eighteen American institutions have hosted a Confucius Institute, a Chinese government-funded campus center that teaches Chinese language and culture. These Confucius Institutes popped up at prestigious universities, like Columbia and Stanford, but also at small local institutions, like the Community College of Denver. Christian colleges, historically black colleges and universities, top-tier research universities, liberal arts colleges—the Chinese government seemed interested in planting Confucius Institutes wherever a willing partner would accept them.

There was one Confucius Institute in Wisconsin, at the University of Wisconsin–Platteville, though it did close earlier this year, in May 2021. More on that later.

Ostensibly Confucius Institutes are benign goodwill gestures from the Chinese government, aimed at teaching Chinese language and culture. In fact, the Chinese government has sought to use these courses as a pretext for a more subversive political agenda. My 2017 report *Outsourced to China* examined this in greater detail.¹

A Chinese government agency called the Hanban set up Confucius Institutes. Typically, the Hanban would provide up to 3,000 books, give \$100,000 to \$150,000 per year (though sometimes far more) and select and pay both the Chinese teachers and the Institute’s Chinese co-director. This structure, with the Chinese government choosing the teachers and sending textbooks, gives China an advantageous position. In addition, the Hanban typically also reserved to itself the right to sign off on any course material and public events, to evaluate the teachers, and to prohibit transgressions of Chinese law.

From time to time both the Chinese government and the Chinese Communist Party have admitted to using this leverage over Confucius Institutes for political purposes.

In 2009, Li Changchun, then the head of propaganda for the Chinese Communist Party and a member of the party’s Politburo Standing Committee, called Confucius Institutes “an important part of China’s overseas propaganda set-up.”² Two years later, he said, “The ‘Confucius’ brand has a natural attractiveness. Using the excuse of teaching Chinese language, everything looks reasonable and logical.”³

In 2010, Xu Lin, the Hanban director general, accepted one of the World’s Most Influential Chinese People award. In her acceptance speech she noted, “Confucius Institutes are an important part of our soft power. We want to expand China’s influence.”⁴

The rapid growth of Confucius Institutes between their launch in 2004 and their peak in the United States in 2015, when 109 Confucius Institutes operated in the US, indicates that the Chinese government enjoyed a good deal of success.

However, Confucius Institutes have begun shutting down across the country, giving at least the first impression that Chinese government influence is waning in the American higher education.

Although certainly the United States as a whole is more aware of Chinese government influence campaigns, and many measures have been taken to protect American colleges and universities, the Chinese government remains highly motivated to seek alternative avenues of influence.

This is my second point: Chinese government influence campaigns are becoming more sophisticated, as shown in the case of Confucius Institutes.

Of the 118 Confucius Institutes that existed in the United States, 90 have shut down—76 percent of the total.⁵

In part, this may sound like a success story, an indication that a number of U.S. policies implemented in the last couple of years have worked. In just the last three years, the FBI announced it was probing potential espionage at Confucius Institutes. Secretary of State Mike Pompeo declared the Confucius Institute U.S. Center a “foreign mission,” urged colleges to close their Confucius Institutes, and cracked down on visa fraud at Confucius Institutes. Education Secretary Betsy DeVos, too, warned schools to beware Confucius Institutes. DeVos took another important step: for the first time since 1986, when Congress mandated that colleges report foreign gifts and contracts, DeVos enforced that law, leading to colleges and universities back-reporting some \$6.5 billion in foreign funding. Those new disclosures showed money coming not only from Confucius Institutes, but also from Russian cybersecurity firms and Huawei and ZTE, Chinese tech firms declared by the FCC to be national security threats.

Congress, too, sprung into action. Senator Ted Cruz attached an amendment to the 2018 National Defense Authorization Act, barring certain Department of Defense grants to universities with Confucius Institutes.

A number of state legislatures, too, began investigating and considering bills to bar Confucius Institutes in their state.

And yet, concern about Chinese government overreach is almost never the reason colleges and universities give when they close their Confucius Institutes. Instead, they praise the Hanban, the Chinese government agency that runs Confucius Institutes, and decry federal policies that “forced” them to close programs they deem valuable and important.

My colleagues and I are now working on a research project called “When Confucius Institutes Close.” We’re tracking what really happens when a Confucius Institute closes—particularly whether it gets replaced by a similar program under a new name. My colleagues and I have filed more than 100 Freedom of Information Requests at 80 public colleges and universities, resulting in more than 2,000 pages of documents—including some from the University of Wisconsin-Platteville.

We’re still tallying the final numbers, but we do know that the single most popular reason colleges give for closing their Confucius Institute is that they are replacing it with some other partnership with China. In the majority of these cases, that new partnership is

extremely similar to the old Confucius Institute. Sometimes it is even funded by the same Chinese government agency that runs Confucius Institutes.

There is no uniform name for this replacement program. Often it is called a Center for Language Exchange and Cooperation, a name that gives nod to the Chinese government agency Hanban, which also recently renamed itself the Center for Language Exchange and Cooperation. But other names circulate too, and it is clear that the Chinese government will not be so naïve as to replace Confucius Institutes with a single monolithic entity. The Chinese government's new strategy involves flexibility, subterfuge, and above all a desire to deepen its influence in a less visible way. It increasingly prefers partnerships that operate behind the scenes. China's participation is largely invisible unless you know exactly where to look or which FOIA requests to file.

For instance, our FOIA requests show that Georgia State University, the same month it closed its Confucius Institute, signed a new agreement with Beijing Language and Culture University, its partner in the Confucius Institute. The two are now operating the Chinese Language and Culture Program, whose programs closely duplicate those the Confucius Institute once ran.

Then there's the College of William and Mary, which entered a "sister university" relationship with Beijing Normal University, its partner in its Confucius Institute. The new "sister university" agreement took effect on July 1, 2021, one day after the Confucius Institute closed on June 30.

Michigan State University, too, plans that "many of the institute's programs will be transferred to other areas within the university," though not under the name Confucius Institute. The university told us by email, "While the university is closing the institute, it is not closing its doors to continued engagement with China or the partnerships formed through the institute."

The University of Michigan issued a press release announcing that it was not only closing its Confucius Institute, but also seeking to retain funding from the Hanban. James Holloway, vice provost for global engagement, said the university was "in communication with Hanban, exploring alternative ways to support the greater U-M community."⁶ Federal disclosures show the university did in fact receive more than \$300,000 from the Hanban in May and June 2019, just as the Confucius Institute was closing in June 2019. (An interesting side-note, though, is that under the Biden Administration, these disclosures have recently been scrubbed from the Department of Education's website.)

Northern State University even went so far as to negotiate a new agreement with the Center for Language Exchange and Cooperation (the new name for Hanban, the Chinese government agency that started Confucius Institutes). The agreement took effect in 2020, a year after it closed its Confucius Institute. Under this new agreement, CLEC will "dispatch Chinese language teachers" and pay their salaries and living expenses, exactly as it did under the Confucius Institute.

At least four colleges and universities have recruited a new host for their Confucius Institute, such that the Confucius Institute has not really closed, but merely changed locations. The University of Washington transferred its Confucius Institute to Pacific Lutheran University. Western Kentucky University recruited the local Simpson County Public School District. Pfeiffer University and San Diego State University, too, found new partners to pick up their cast-off Confucius Institute.

In the midst of all these changes, the Chinese government has used a multi-faceted approach to guard its relationships with colleges and universities. Early on, it openly sought to persuade the American public that Confucius Institutes are innocuous. The Confucius Institute U.S. Center paid for fourteen national press releases between 2018 and 2020. In 2018 it broadcast on DirectTV and on YouTube a ten-episode TV series featuring presidents of American universities and corporations praising Confucius Institutes.⁷

The Chinese government also arranged for platforms for American defenders of Confucius Institutes. In 2018 the Confucius Institute U.S. Center booked the National Press Club in DC and arranged for university administrators to sing the praises of Confucius Institutes. Arizona State University's Matt Salmon claimed the Confucius Institute was "a real blessing" co-funded by the Department of Defense (a claim that, as it turned out, was false—and also quickly resulted in legislation to bar collaboration between Department of Defense programs and Confucius Institutes).

At other times, the Chinese government has threatened the U.S. with hostility, as in July 2021, when Chinese Vice Foreign Minister Xie Feng delivered a list of "wrongdoings" it demanded the U.S. correct, including assaults on Confucius Institutes.⁸

For a time, Hanban sought to reassure its American partner universities of the value of a Confucius Institute, and to coach them in the art of defending their Confucius Institutes. Our Freedom of Information requests reveal that Hanban mailed to many American hosts of Confucius Institutes a 2019 letter rebutting "recent groundless criticism" and seeking suggestions "on how to better develop our Confucius Institute under such circumstances." The letter proceeded to "clarify the mission of the Confucius Institutes," provide a list of talking points, and urge "proactive" measures to improve the Confucius Institutes' public standing.⁹

The Chinese government's most effective strategy, though, has been one of rebranding—and it is this rebranding that colleges and universities are now mimicking when say they are closing their Confucius Institute but are in reality just renaming it. The Chinese government, for its part, has renamed the Hanban, which ran Confucius Institutes, the Center for Language Exchange and Cooperation. It has spun off a new nonprofit, the Chinese International Education Foundation, which now technically runs Confucius Institutes.

China's *Global Times* presented the rebranding as a way to "disperse the Western misinterpretation that the organization served as China's ideological marketing

machine.”¹⁰ Hanban’s transformation did, in fact, execute a plan the Chinese government had announced earlier that year to “reform” the image of Confucius Institutes, retooling them to “better serve Chinese diplomacy.”¹¹

This reorganization changes little about the substance of Confucius Institutes. CIEF is technically a nongovernmental nonprofit, which defenders of Confucius Institutes say makes null past criticisms that Confucius Institutes are run by the Chinese government. In reality, the line between the Chinese government and its offshoot organization is paper-thin. It is under the supervision of the Chinese Ministry of Education and funded by the Chinese government.

CLEC continues to handle most of the work the Hanban once did. Per China’s *Global Times*, it maintains responsibility to “coordinate Chinese language learning resources, make standards for teaching and support training for teachers and compilation of books.”¹²

Hanban’s reorganization has prompted a cascade of rebranding efforts at American universities. Many are eager to ditch the now-toxic name “Confucius Institute” but retain funding and close relationships with Chinese institutions. These institutions have sought to keep aspects of their Confucius Institute without using the name. They understand that the brand “Confucius Institute” has become a political liability, yet they hope to maintain their previous engagement with the Chinese government.

The United States is headed for a post-Confucius Institute world. That is not to say it is free from inappropriate Chinese government influence campaigns—only that those influence campaigns have become more sophisticated and complicated. Confucius Institutes are falling away like a scaffold, unneeded, now that the relationships between American universities and the Chinese government have already been built.

The University of Wisconsin-Platteville, for its part, did close its Confucius Institute earlier this year. It remains in a variety of partnerships with South-Central University for Nationalities, the Chinese university that had been its partner in the Confucius Institute. The two universities have partnered, for instance, in the Master of English Education Program, which trains Chinese students to teach English.

In a letter to the Chinese government announcing plans to close the Confucius Institute, University of Wisconsin Platteville Chancellor Dennis J. Shields indicated that the Chinese government agencies CLEC and CIEF may be involved in facilitating that partnership. He also wrote to these agencies, both of which are successors to the Hanban, that “I look forward to our continued partnership in offering the Master of Science in Teaching English as a Second Language, as well as other programs and projects in the future.”

The Wisconsin State Senate may want to inquire of Chancellor Shields what role the Chinese government plays in the Master of English Education program, as well as what

additional “programs and projects” Chancellor Shields hoped to pursue with CLEC and CIEF.

Finally, state legislatures can play a role.

Here are a few ideas. First, you can investigate. Ask Wisconsin colleges and universities about their relationships with Chinese institutions, and most important ask for details. Ask for copies of any agreements that have been signed, for dollar amounts and budgets, for the number of students participating in exchange programs, for the number of faculty engaged in joint research projects with Chinese institutions.

Second, you can consider legislation. There is an excellent model bill put forward by the Athenai Institute, a China-focused group founded by college students, and endorsed by the national leadership of both the College Republicans and the College Democrats. The bill is called the Athenai Act, and my organization, the National Association of Scholars, has endorsed it. The Athenai Act calls for Confucius Institutes and their successor organizations to close, on penalty of losing state funding.¹³

Third, you can step up transparency efforts. I briefly mentioned Section 117 of the Higher Education Act, which requires colleges to disclose to the Department of Education major gifts and contracts coming from foreign sources. Although the Trump administration made great progress on enforcing this law, it has historically been almost completely unenforced, and enforcement under the Biden Administration has been once again almost non-existent. At least one state, Florida, has put together a state version of Section 117 requiring disclosure under state law of foreign gifts and contracts. That Florida bill did pass and was signed into law by Governor DeSantis.¹⁴ I highly recommend instituting something similar in Wisconsin.

The Chinese government is sophisticated and calculating. It has already prepared for the demise of Confucius Institutes. We should prepare, too.

¹ Rachele Peterson, *Outsourced to China: Confucius Institutes and Soft Power in American Higher Education*, National Association of Scholars, 2017. <https://www.nas.org/reports/outsourced-to-china>.

² “A Message from Confucius,” *The Economist*, October 22, 2009. <https://www.economist.com/node/14678507>.

³ Wesley Rahn, “Why is the US targeting China's Confucius Institute?” *Deutsche Welle*, March 16, 2018. <http://www.dw.com/en/why-is-the-us-targeting-chinas-confucius-institute/a-43403188>.

⁴ *In the Name of Confucius*, Mark Media, 2016.

⁵ Rachele Peterson, “How Many Confucius Institutes Are in the United States?” National Association of Scholars, last updated September 8,

2021. https://www.nas.org/blogs/article/how_many_confucius_institutes_are_in_the_unit_ed_states.

⁶ Debing Su, “U-M to end agreement with Confucius Institute next year,” *The University Record*, December 10, 2018. <https://record.umich.edu/articles/u-m-end-agreement-confucius-institute-next-year/>.

⁷ Confucius Institute U.S. Center, “Making a World of Difference,” PR Newswire, June 1, 2018. <https://www.prnewswire.com/news-releases/making-a-world-of-difference-300657588.html>.

⁸ Jenni Fink, “China Issues List of 'Wrongdoings' to U.S., Demands Behaviors Must Stop,” *Newsweek*, July 26, 2021. <https://www.newsweek.com/china-issues-list-wrongdoings-us-demand-behaviors-must-stop-1613074>.

⁹ See, for example, March 18, 2019 letter from Ma Jianfei, Deputy Chief Executive, Confucius Institute Headquarters, to Michael Schill, President of the University of Oregon.

¹⁰ Chen Xi, “New NGO to operate China's Confucius Institutes, 'disperse misinterpretation,’” *Global Times*, July 5, 2020. <https://www.globaltimes.cn/content/1193584.shtml>.

¹¹ Yang Sheng, “Confucius Institutes to better serve Chinese diplomacy,” *Global Times*, January 24, 2018. <https://www.globaltimes.cn/content/1086405.shtml>.

¹² Xi, “New NGO to operate China's Confucius Institutes, 'disperse misinterpretation.’”

¹³ “NAS Applauds the Newly Drafted ATHENAI Act,” National Association of Scholars, August 25, 2020. <https://www.nas.org/blogs/statement/nas-applauds-the-newly-drafted-athenai-act>.

¹⁴ David Acevedo, “Florida Turns Up the Heat on Foreign Influence,” National Association of Scholars, June 15, 2021. <https://www.nas.org/blogs/article/florida-turns-up-the-heat-on-foreign-influence>.

PROHIBITING PLA MEMBERS IN THE UW SYSTEM

Background

The Peoples Liberation Army (PLA) is the armed forces of the People’s Republic of China (PRC), held under the direction of Communist Party leadership. Espionage efforts are a key feature of the broader PLA apparatus. For example, the PLA conducts broad intelligence operations through its Second Department,¹³ which oversees large swaths of “military human intelligence (HUMINT) collection, widely exploits open source materials, fuses HUMINT, signals intelligence (SIGINT), and imagery intelligence data, and disseminates finished intelligence products to the Central Military Commission and other consumers.”¹⁴

Under the guidance of party leadership, the PLA pursues a strategy of military-civilian fusion which features the “elimination of barriers between China’s civilian research and commercial sectors, and its military and defense industrial sectors.”¹⁵

As part of this strategy, the CCP has pursued a variety of espionage initiatives¹⁶ to meet party goals, such as the China Belt and Road Initiative and the series of the PRC’s Five-Year Plans. As a method to reach their economic, political, and military goals, the PLA has implemented targeted research theft efforts by embedding PLA members in institutions around the globe. The Chinese military has sponsored an immense number of PLA scientists to travel internationally for the purpose of acquiring advanced research and returning that information to mainland China for use by the CCP and CCP held firms—a strategy explored in Alex Joske’s work, *Picking Flowers, Making Honey*.

This strategy differs from “standard military exchanges, in which military officers visit each other’s institutions,” which Joske notes provides a benefit for each actor. Instead “scientists sent abroad by the PLA have minimal or no interaction with military personnel in their host countries” and “have actively used cover to disguise their military affiliations.”¹⁷ This creates an uneven playing field for each party, allowing the CCP to disguise their military scientists as researchers looking to simply engage in civilian collaboration.

Over the past decade, U.S. institutions have been the top target for PLA scientists, with estimates of roughly 500 such individuals sent to the United States in the period of 2007–18.¹⁸

¹³ For a further discussion, see Mark Stokes, *The PLA General Staff Department Third Department Second Bureau: An Organizational Overview of Unit 61398* (Project 2049 Institute, July 27, 2015), <https://project2049.net/2015/07/27/the-pla-general-staff-department-third-department-second-bureau-an-organizational-overview-of-unit-61398/>.

¹⁴ Mark Stokes, *China’s Strategic Modernization: Implications for the United States* (Carlisle, PA: U.S. Army War College, September 1999), 33, <https://publications.armywarcollege.edu/pubs/1389.pdf>.

¹⁵ U.S. Department of State, *Military-Civil Fusion and the People’s Republic of China* (2020), <https://www.state.gov/wp-content/uploads/2020/05/What-is-MCF-One-Pager.pdf>.

¹⁶ For a historical analysis and discussion of CCP espionage, see Peter Mattis and Matthew Brazil, *Chinese Communist Espionage: An Intelligence Primer* (Annapolis, MD: Naval Institute Press, November 15, 2019).

¹⁷ Joske, *Picking Flowers, Making Honey*.

¹⁸ Joske, *Picking Flowers, Making Honey*.

Members of foreign militaries are required under U.S. law to disclose their affiliations in exchange for visa applications. PLA members have routinely obscured these connections in order to gain access to U.S. research institutions, including involvement in federally funded research projects for critical industries.¹⁹

The Problem

PLA members have been found to commit research theft and espionage while stationed abroad. This theft poses immense economic and national security concerns with stolen research leading to advances in Nuclear ICBM technology, documented as early as 1999 by Peter Grier,²⁰ and losses of up to \$600 billion annually.²¹ Experts have echoed that China's military growth and its capability to wage war in the new East Asia hotspots including Taiwan "is made possible by intellectual property theft."²²

One such instance provided by the U.S. Department of Justice in a January 28, 2020 news release is as follows:²³

Yanqing Ye

According to the indictment, Ye is a Lieutenant of the People's Liberation Army (PLA), the armed forces of the People's Republic of China and member of the Chinese Communist Party (CCP). On her J-1 visa application, Ye falsely identified herself as a "student" and lied about her ongoing military service at the National University of Defense Technology (NUDT), a top military academy directed by the CCP. It is further alleged that while studying at Boston University's (BU) Department of Physics, Chemistry and Biomedical Engineering from October 2017 to April 2019, Ye continued to work as a PLA Lieutenant completing numerous assignments from PLA officers such as conducting research, assessing U.S. military websites, and sending U.S. documents and information to China.

According to court documents, on April 20, 2019, federal officers interviewed Ye at Boston's Logan International Airport. During the interview, it is alleged that Ye falsely claimed that she had minimal contact with two NUDT professors who were high-ranking PLA officers. However, a search of Ye's electronic devices demonstrated that at the

¹⁹ U.S. Federal Bureau of Investigation, "[China's People's Liberation Army \(PLA\) Continues to Abuse U.S. Intellectual Freedom to Advance Its Military Capabilities](https://www.aplu.org)," *Office of Private Sector Academia Engagement Report* (June 5, 2020), <https://www.aplu.org>.

²⁰ Peter Grier, "The China Problem," *Airforce Magazine*, August 1, 1999

²¹ U.S. Federal Bureau of Investigation, [China: The Risk to Academia](#).

²² The Scholar's Stage, "[Transcript: 'Xi Jinping's New Era Should Have Ended U.S. Debate' with Peter Mattis](https://scholars-stage.org/transcripts/transcript-xi-jinpings-new-era-should-have-ended-u-s-debate-with-peter-mattis/)," May 8, 2020, <https://scholars-stage.org/transcripts/transcript-xi-jinpings-new-era-should-have-ended-u-s-debate-with-peter-mattis/>.

²³ U.S. Department of Justice, "[Harvard University Professor and Two Chinese Nationals Charged in Three Separate China Related Cases](https://www.justice.gov/opa/pr/harvard-university-professor-and-two-chinese-nationals-charged-three-separate-china-related)," news release, January 28, 2020, <https://www.justice.gov/opa/pr/harvard-university-professor-and-two-chinese-nationals-charged-three-separate-china-related>.

direction of one NUDT professor, who was a PLA Colonel, Ye had accessed U.S. military websites, researched U.S. military projects, and compiled information for the PLA on two U.S. scientists with expertise in robotics and computer science. Furthermore, a review of a WeChat conversation revealed that Ye and the other PLA official from NUDT were collaborating on a research paper about a risk assessment model designed to decipher data for military applications. During the interview, Ye admitted that she held the rank of Lieutenant in the PLA and admitted she was a member of the CCP.

PLA brazenly touts the information it acquires in the name of research collaboration, as evidenced in a publication run by China's Ministry of Education, which stated that the NUDT's collaboration with the University of Cambridge to train visiting PLA students will "greatly raise the nation's power in the fields of national defence, communications, anti-jamming for imaging and high-precision navigation."²⁴

As documented in several instances, universities often do not fully vet the applicants from international institutions for their military affiliations. Joske, Weinstein, and Mattis have noted, while PLA applicants can forge credentials and travel "abroad from non-existent PRC universities,"²⁵ U.S. universities often do not catch these issues even though they could through their admissions vetting process. This can be due to a lack of familiarity with the issue, inability to sift through the complex relationship that these domestic research institutions have with PLA and the CCP, and simply the prohibitive nature that decoding a foreign language.

PLA-associated Chinese universities, like the Seven Sons of National Defense,²⁶ historically linked to the PLA, and researchers consistently placed within the broader PLA research apparatus are a critical link to the broader military-civilian fusion efforts of the CCP. Because there is no true separation between the Party, State, and civilian researchers within mainland China, it can be prohibitively difficult for many universities and researchers to evaluate the security risks and independence of projects with partnering institutions from abroad.

Having adversarial nations' military scientists embedded within U.S. institutions degrades the value of a transparent exchange of information, and instead opts for a one-sided relationship that serves primarily to benefit the goals of the CCP and not of the research institutions. In addition, providing access to research opportunities in U.S. institutions not only provides an increased risk of theft and espionage, but also may run afoul of federal law and research grant requirements.

Finally, due to the nature of dual use technology, it is difficult for individuals and universities to determine which research activities hold military application. Even fundamental, rather than applied, military research contracts serve as targets for PLA research theft and military

²⁴ Yu Yang, "Guojia gongpai liuxue xinmoshi" (A new model of government-sponsored overseas study), *Shenzhou xueren*, 2017, 9:14-17, as cited in Joske, *Picking Flowers, Making Honey*.

²⁵ Mattis testimony; 1.34.29.

²⁶ Raised by Weinstein in hearing and explored further by Weinstein and Ryan Fedasiuk in "[Universities and the Chinese Defense Technology Workforce](#)," *CSET Issue Brief* (Washington, DC: Center for Security and Emerging Technology, December 2020), <https://cset.georgetown.edu>.

application, with the National Science Foundation (NSF) noting that “our academic fundamental research ecosystem is being taken advantage of by other countries.”²⁷

Collaboration with PLA scientists has not been found to lead to overall improvement in the talent of partnering institutions and countries.²⁸

Potential Responses

- Establish a framework for which type of foreign military officials should be allowed to attend or research in the UW System.
- Prohibit PLA members from attending UW campuses.
 - Consider pending federal legislation, like that offered by Representative Gallagher, as part of this effort.
 - Rachelle Peterson referenced in testimony that other states are considering or have passed legislation in this area.
- Prohibit members of PLA-affiliated schools from attending UW campuses.
 - As discussed by Emily Weinstein in testimony, some universities have significant overlap with PLA and certain metrics may be used to establish a level of interdependence as a threshold.

Recommendations

The committee realizes an obligation to take action the serious risks posed by PLA-affiliated researchers and institutions, and questionable legality issues. The committee therefore recommends legislation that statutorily bans the admittance of PLA members in the UW System.

Because the UW System oversees the administration of its own admissions standards and is best equipped to provide direct guidance, the committee has not chosen to specify the specific steps that the UW System should use to undertake this action.

Under the proposed legislation, it is the intent of the committee that the UW System consider the credentials and originating institutions²⁹ of applicants in China to determine if additional scrutiny

²⁷ JASON, *Fundamental Research Security* (McLean, VA: The MITRE Corporation, December 2019), 5, https://www.nsf.gov/news/special_reports/jasonsecurity/JSR-19-21FundamentalResearchSecurity_12062019FINAL.pdf.

²⁸ Joske, *Picking Flowers, Making Honey*.

²⁹ Emily Weinstein and Ryan Fedasiuk, “[Universities and the Chinese Defense Technology Workforce](#),” *CSET Issue Brief* (Washington, DC: Center for Security and Emerging Technology, December 2020), <https://cset.georgetown.edu>.

is needed. In this structure, the university may deny applicants or institute additional research protections as needed to ensure the integrity of its institution.

Proposal

Senate Bill 742: an Act to amend 36.11 (3) (a); and to create 36.11 (3) (am), 36.11 (60) and 36.65 (3m) of the statutes; relating to: prohibiting the admission or employment of Chinese People's Liberation Army members by the University of Wisconsin System.

Analysis by the Legislative Reference Bureau

This bill requires the Board of Regents of the University of Wisconsin System to take reasonable measures to ensure that a person who is or has been a member of, affiliated with, or funded by the Chinese People's Liberation Army is not accepted for admission to or employed by the UW System.

The bill also requires the Board of Regents, in an annual report to the legislature and governor required under current law, to include a description of all measures taken during the reporting period to satisfy this requirement.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

Committee Action

TRUST FUND INVESTMENTS

Background

The Board of Regents of the University of Wisconsin System is responsible for overseeing the operations of the UW System, including investments of system assets. To meet this goal, the Board of Regents formed the Trust Funds Office to provide “the support, information, and analyses they require to fulfill their oversight responsibilities as fiduciaries and trustees for UW System Trust Fund assets and for the UW System 403(b) supplemental retirement savings plan.”³⁰ Beginning in 2018, the State of Wisconsin Investment Board (SWIB) assumed the investment management of UW assets.

The total valuation of UW funds invested by SWIB totals roughly \$300 million and covers a variety of companies and industries housed in numerous nations, which includes companies owned wholly or in part by the Chinese Communist Party.

In August 2020³¹ the U.S. State Department began to request that American universities and colleges divest their holdings in Chinese companies, a total valuation exceeding \$600 billion³² nationwide. In the release, the State Department warned that Chinese entities and businesses faced potential delisting due to CCP human rights abuses stating that “endowment funds have a moral obligation, and perhaps even a fiduciary duty, to ensure that your institution has clean investments and clean endowment funds.”³³

Companies operating in China have not only faced political and economic scrutiny, but have also been linked with human rights abuses, particularly those in the Xinjiang Region.

Approximately 12 million Uyghurs³⁴ live in the Xinjiang Uyghur Autonomous Region, formerly the Xinjiang Region. The region is “roughly twice the size of Texas and holds China’s largest oil reserves.”³⁵ The Xinjiang region produces roughly 85 percent of China’s cotton exports, with the nation exporting nearly half of all cotton fabric worldwide.

The Uyghur ethnic minority speak their own language, primarily follow the tenants of Islam, and have historically represented half of the population of the region. Over the past several decades,

³⁰ Office of Trust Funds. University of Wisconsin System. (2020, September 16). Retrieved December 10, 2021, <https://www.wisconsin.edu/offices/office-of-finance/trust-funds/>.

³¹ Keith Krach (undersecretary for economic growth, energy, and the environment, U.S. Department of State), [letter to the governing boards of American universities](https://2017-2021.state.gov), August 18, 2020, <https://2017-2021.state.gov>.

³² See Chad Bray, Alison Tudor-Ackroyd, and Georgina Lee, “US Government Asks American College Endowments to Sell Chinese Stocks, Warning of ‘Wholesale Delisting,’” *South China Morning Post*, August 19, 2020, <https://www.scmp.com>; Dawn Lim, “State Department Urges Universities to Disclose China Stocks Held in Index Funds,” *Wall Street Journal*, August 21, 2020, <https://www.wsj.com>.

³³ Keith Krach (undersecretary for economic growth, energy, and the environment, U.S. Department of State), [letter to the governing boards of American universities](https://2017-2021.state.gov), August 18, 2020, <https://2017-2021.state.gov>

³⁴ “[Who Are the Uyghurs and Why Is China Being Accused of Genocide](https://www.bbc.com/news/world-asia-china-22278037),” *BBC News*, June 2021, <https://www.bbc.com/news/world-asia-china-22278037>.

³⁵ Peter S. Goodman, Vivian Wang, and Elizabeth Paton, “[Global Brands Find It Hard to Untangle Themselves From Xinjiang Cotton](https://www.nytimes.com/2021/04/06/business/global-brands-xinjiang-cotton.html),” *New York Times*, April 6, 2021.

“there has been a mass migration of Han Chinese into Xinjiang”³⁶ as part of the CCP’s broader effort to engage in “part of a policy experts say amounts to demographic engineering.”³⁷ At the same time, many Uyghurs are being moved out³⁸ of the region to factories in other parts of the country and more than one million Uyghur residents have been moved into government-controlled camps on the direction of the CCP, a move that the reports have said the CCP insists are “vocational training centers.”³⁹

The Problem

Congressman Mike Gallagher acknowledged in testimony that investments in Chinese firms not only fund CCP strategic challenges, but also pose a risk to university funds. Setting aside the potential delisting of these entities, Gallagher noted that “As the recent failed IPOs of Ant Financial and Didi demonstrate, the CCP can systematically destroy any firm it desires at any time. No prudent man would invest in this opaque environment. No prudent man would invest in genocide. And no American would invest in weapons for our greatest enemy.”

The CCP’s control over firms in China is unrivaled around the globe. The CCP operates both overt and covert control over both domestic and international firms operating within the country’s borders.⁴⁰ In the example of Didi, Chinese regulators blocked company access the day after the company went public, attempting to lock out access to Chinese markets in exchange for data and operations concessions to the party.⁴¹ The CCP establishes “personal and professional costs for opposing the party.”⁴²

Congressman Gallagher’s highlight of Ant Group Co is equally appropriate, with the company’s IPO offerings canceled “after a speech by its controlling shareholder, Jack Ma, infuriated government leaders and regulators.”⁴³

Most recently, SoftBank Group felt a \$50 billion economic hit⁴⁴ from Beijing as part of its broader corporate crackdown as “investors, analysts and company executives believe the

³⁶ “[Who Are the Uyghurs and Why Is China Being Accused of Genocide](#),” *BBC News*.

³⁷ “Subsidies for Han Settlers ‘Engineering Demographics’ in Uyghur-Majority Southern Xinjiang,” *Radio Free Asia*, April 13, 2020, <https://www.rfa.org/english/news/uyghur/settlers-04132020172143.html>.

³⁸ “Subsidies for Han Settlers ‘Engineering Demographics’ in Uyghur-Majority Southern Xinjiang,” *Radio Free Asia*.

³⁹ Lindsay Maizland, “China’s Repression of Uyghurs in Xinjiang,” Council on Foreign Relations, last updated March 1, 2021, <https://www.cfr.org>.

⁴⁰ Matt Schrader, “[Friends and Enemies: A Framework for Understanding Chinese Political Interference in Democratic Countries](#),” Alliance for Securing Democracy, April 22, 2020, <https://securingdemocracy.gmfus.org>.

⁴¹ Liyan Qi and Trefor Moss, “[Chinese Regulators Target Ride-Hailing Company Didi Just Days After IPO](#),” *Wall Street Journal*, July 2, 2021, <https://www.wsj.com>.

⁴² Matt Schrader, “Friends and Enemies.”

⁴³ Liyan Qi and Trefor Moss, “[Chinese Regulators Target Ride-Hailing Company Didi Just Days After IPO](#),” *Wall Street Journal*, July 2, 2021, <https://www.wsj.com>.

⁴⁴ Megumi Fujikawa, “SoftBank Suffers \$54 Billion Bruise from China’s Tech Crackdown,” *Wall Street Journal*, updated November 8, 2021?

government is just getting started.”⁴⁵ With a growing push by the CCP to ensure that “companies do more to serve the Communist Party’s economic, social and national-security concerns”⁴⁶ it is clear that these challenges are just beginning.

Numerous reports have documented severe human rights abuses conducted in China, most notably in the Xinjiang Region, resulting in declarations during the past two presidential administrations⁴⁷. Both domestic and internationally owned companies operating in and around the region have been documented as profiting from forced labor.⁴⁸ In fact, recent reports by the Australian Strategic Policy Institute have identified roughly 82 brands that have benefited from the use of Uyghur workers through the CCP’s “abusive labor transfer programs as recently as 2019”⁴⁹ including major companies like Apple, Nike, and Samsung.

Abuse of the workers by the CCP has included internment in reeducation camps, torture, political indoctrination, and forced sterilization.⁵⁰ The use of these minority populations for CCP interests is not hidden; rather it is actively advertised within the country, for example, a 2019 advertisement included a reference to roughly “1000 trainees from Xinjiang who have already passed political and medical training” and 16–18 year olds, “managed by government-appointed cadres.”⁵¹

Some companies have gone as far as to operate in the region adjacent to the concentration camps and thanked⁵² the government of the region, which sponsored 14 of these camps.⁵³ Many of these companies have also fundamentally altered their products for consumption in China as well.⁵⁴

Investments in the companies that are headquartered or operate in these markets serve only to reinforce to the CCP and economic actors that this conduct is appropriate as long as it proves

⁴⁵ Jing Yang, Keith Zhai, and Quentin Webb, “[China’s Corporate Crackdown Is Just Getting Started. Signs Point to More Tumult Ahead](https://www.wsj.com),” *Wall Street Journal*, April 5, 2021, <https://www.wsj.com>.

⁴⁶ Jing Yang, *China’s Corporate Crackdown is Just Getting Started*

⁴⁷ Colm Quinn, “[Blinken Names and Shames Human Rights Abusers](https://foreignpolicy.com),” *Foreign Policy*, March 31, 2021, <https://foreignpolicy.com>; Michael R. Pompeo, “[Determination of the Secretary of State on Atrocities in Xinjiang](https://2017-2021.state.gov/determination-of-the-secretary-of-state-on-atrocities-in-xinjiang/index.html),” press statement, January 19, 2021, <https://2017-2021.state.gov/determination-of-the-secretary-of-state-on-atrocities-in-xinjiang/index.html>.

⁴⁸ Vicky Xiuzhong Xu, Danielle Cave, Dr. James Leibold, Kelsey Munro, and Nathan Ruser, *Uyghurs for Sale: Re-education, Forced Labour and Surveillance beyond Xinjiang* (Barton, AUS: Australian Strategic Policy Institute, March 1, 2020), https://www.aspi.org.au/report/uyghurs-sale?_cf_chl_managed_tk_=AxmVFp74K1H.3y.NqR8gthGzQfT9ns4lahG4Bup1v4A-1636220820-0-gaNycGzNCP0.

⁴⁹ Vicky Xiuzhong Xu, et al, *Uyghurs for Sale*

⁵⁰ Maya Wang, “[More Evidence of China’s Horrific Abuses in Xinjiang: But Little Action Holding Beijing Accountable](https://www.hrw.org),” Human Rights Watch, February 20, 2020, <https://www.hrw.org>; the Associated Press, “[China Cuts Uighur Births with IUDs, Abortion, Sterilization](https://apnews.com),” June 28, 2020, <https://apnews.com>.

⁵¹ Vicky Xiuzhong Xu, et al, *Uyghurs for Sale* figure 1

⁵² BBC News, “[Disney Criticized for Filming Mulan in China’s Xinjiang Province](https://www.bbc.com),” September 7, 2020, <https://www.bbc.com>.

⁵³ Fergus Ryan, Danielle Cave, and Nathan Ruser, *Mapping Xinjiang’s ‘Re-education Camps,’* (Barton, AUS: Australian Strategic Policy Institute, November 1, 2018), <https://www.aspi.org.au/index.php/report/mapping-xinjiangs-re-education-camps>.

⁵⁴ Lexa Brenner, “[Rated C for Censored: Walt Disney in China’s Pocket](https://hir.harvard.edu),” *Harvard International Review*, October 29, 2021, <https://hir.harvard.edu>.

profitable to a university endowment. Universities that do not take a clear stand in this regard are complicit in what has been widely recognized as a genocide.

Chinese-based firms are subject to a marketplace whose volatility responds not to the changing market demand forces, responding to the Invisible Hand or dominating supply needs, but rather to the Party. “If there was any question as to who was in charge of the economy and business, Xi’s local and overseas critics alike only have to take the Chinese leader at his word, that in private enterprises, as with state-owned firms and every institution in China, the party is the ultimate authority.”⁵⁵

If universities are not proactive about the companies they invest in, endowments could be lost to market manipulation by the CCP or through a delisting of these entities by federal action. In addition, continuing state-sponsored investments in private index funds that bolster CCP efforts empowers a regime rife with human rights abuses and intent on building a dominant military force in a nation that is hostile to many of the open values held by our higher-education ecosystem.

As the conflicts between the China and the U.S., Taiwan, and the international community continue to build, it is critical to acknowledge in part, “that [the] military modernization has been made possible by U S investment.”⁵⁶

Potential Responses

- The legislature may wish to prohibit UW funds from being invested in CCP/Chinese held firms or firms with activities in certain regions.
- Divestment considerations:
 - Does investment in CCP firms pose a risk to the actual dollars of the investment due to market volatility at the hand of the party?
 - Does the investment in Chinese firms pose a risk to U.S. national interests and thus the interests of Wisconsin taxpayers?
 - Should investment prohibitions target party owned firms or firms held in China at large?
 - Investment type and threshold
 - Would investments apply to index funds or standalone stock investments?
 - Divestment may be considered for companies only with majority shares of CCP ownership

⁵⁵ Richard McGregor, “[How the State Runs Business in China](https://www.theguardian.com),” *The Guardian*, July 25, 2019, <https://www.theguardian.com>.

⁵⁶ The Scholar’s Stage, “[Transcript: “Xi Jinping’s New Era Should Have Ended U.S. Debate” with Peter Mattis.](#)”

- What is an appropriate timeline for divestment?
- Due to the complexity of divestment at the state level, the state legislature and the university may wish to support federal legislation.

Recommendations

The committee recommends that universities be prohibited from investing in CCP held firms. The committee finds that investment in Chinese held firms poses a significant risk to these funds. Volatility from party actions demonstrate that speculation of firms in the Chinese marketplace is more difficult than those in areas with broad, open, and transparent economies.

With increased federal focus on these companies, potential delisting initiatives, and the announcement by Congressman Gallagher of legislation prohibiting these investments, it may be wise to begin the process of divesting from these firms early as to ease out of dropping valuation of investments following the passage of federal legislation.

The committee believes that efforts should be pursued to remove university investment in the region and reinvest these funds in a more protective manner. The committee acknowledges that due to the sensitive and complex nature of market investments, these actions should be pursued with all responsible haste, while limiting the loss of value that immediate, blanket divestment could pose.

With recent reports⁵⁷ of human rights abuses throughout significant sections of the Chinese economy, the committee finds that funding genocide is not in line with the values or mission of the UW System.

The committee believes that prohibiting universities from investing funds in companies that pose both an economic and ethical risk to the mission of the UW System is a prudent approach given these concerns.

Proposal

Senate Bill 743: an Act to renumber and amend 36.11 (11m) (a); to amend 25.17 (9m) and 36.11 (11m) (b); and to create 36.11 (11m) (ag), 36.11 (11m) (c) and 36.65 (7) of the statutes; relating to: prohibiting the Board of Regents of the University of Wisconsin System from investing University of Wisconsin System trust funds in certain companies associated with the government of China. (FE)

⁵⁷ Xiuzhong Xu, et al., *Uyghurs for Sale: Re-education, Forced Labour and Surveillance beyond Xinjiang*.

Analysis by the Legislative Reference Bureau

This bill prohibits the Board of Regents of the University of Wisconsin System from investing UW System trust funds in certain companies associated with the government of China.

Under current law, the UW System may receive gifts, grants, and donations and the Board of Regents is responsible for overseeing and administering these gifts, grants, and donations, commonly referred to as UW System trust funds, subject to certain restrictions. The Board of Regents may elect to invest the UW System trust funds by employing a financial manager, contracting with the State of Wisconsin Investment Board, or selecting a private investment firm.

This bill prohibits the Board of Regents, directly or through a financial manager, SWIB, or private investment firm, from investing UW System trust funds in securities of any company 1) that is directly controlled by the Communist Party of China or other governmental unit or instrumentality of China (government of China) or in which the government of China maintains a majority ownership interest; or 2) that contracts with, or provides goods, services, or credit directly to, the government of China. If the Board of Regents maintains a prohibited investment on the effective date of the bill, the Board of Regents must divest itself of the investment within approximately one year. In determining whether an investment is prohibited, the Board of Regents may rely on information about a company available from a third-party screening service that utilizes criteria reasonably similar to the criteria described in 1) and 2), above. The bill also requires the Board of Regents to include, in an annual report that under current law the Board of Regents submits to the legislature and the governor, information relating to the Board of Regents' efforts to satisfy the requirements under the bill, including identification of companies in which investment is prohibited and, as applicable, the status of divestment from these companies.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

Committee Action

ENDING PARTICIPATION IN PROPAGANDA PROGRAMS

CONFUCIUS INSTITUTES

Background

On November 21, 2004, the People’s Republic of China established the first Confucius Institute in Seoul, South Korea, with the effort making landfall in the United States through the University of Maryland later that same month. This was the first domestic Confucius Institute established in the United States under the guidance of the Hanban (also known as the Office of Chinese Language Council International, the China National Office for Teaching Chinese as a Foreign Language, or as “The Headquarters” in contracts), a government entity of the PRC, overseen by the State Ministry of Education.⁵⁸

These entities were dispersed across the globe under the auspice of making “Chinese language and culture teaching resources and services available to the world.” Typically the entities include Chinese Language and Cultural Instruction Programs in universities, which either supplement or replace existing programs. While the structures of CFIs vary based on individual universities, U.S. universities typically sign a contract with the Hanban or a host university in China, establishing a CFI housed at the host institution with several key provisions.⁵⁹

From 2008 to 2021, the University of Wisconsin Platteville hosted a Confucius Institute on its campus.⁶⁰ During this time, UW-Platteville and its CFI were involved in establishing and hosting Confucius Classrooms to K-12 schools around Wisconsin.⁶¹

Curricular Content Control

Under a standard agreement, the Hanban or partnering organization will provide approximately 3,000 books to the university.⁶² These supplies are chosen by the Hanban, and the Hanban retains the right to determine final funding for any curricula taught within the CFI or advocated for by CFI instructors. The Hanban also exercises significant or, in most cases, final discretion over all events held at the CFI or with CFI resources.⁶³

⁵⁸ “[Confucius Says](https://www.economist.com),” *The Economist*, September 13, 2014, <https://www.economist.com>.

⁵⁹ Rachele Peterson, *Outsourced to China: Confucius Institutes and Soft Power in American Higher Education*, National Association of Scholars, April 6, 2017, <https://www.nas.org/reports/outsourced-to-china/full-report>.

⁶⁰ <https://uwpexponent.com/features/2013/04/18/confucius-institute-celebrates-5-years-at-uw-p/>

⁶¹ <https://www.wisconsin.edu/all-in-wisconsin/story/uw-platteville-to-administer-confucius-classroom-at-high-school-in-needah-wis/>

⁶² “[China’s Impact on the U.S. Education System](https://www.hsgac.senate.gov),” staff report, Permanent Subcommittee on Investigations, United States Senate (no date), 34, <https://www.hsgac.senate.gov>.

⁶³ Rachele Peterson, *Outsourced to China: Confucius Institutes and Soft Power in American Higher Education*, National Association of Scholars, April 6, 2017, <https://www.nas.org/reports/outsourced-to-china/full-report>.

Organization Structure and Hiring/Discipline Authority

The host institution shall provide a co-director to serve on the board of the CFI alongside a PRC official. These individuals ostensibly will share in the responsibility of guiding the direction of the institute and produce amicable relationships between the host nation and the instructors.⁶⁴

The Hanban shall provide for all faculty, typically sent from the PRC to the host university, for instruction within the PRC, and executes final hiring and disciplinary authority for these individuals.

In some cases, universities with CFIs serve as branching points for Confucius Classrooms in K–12 schools. This initiative is similar to the structure of CFIs in universities with materials provided by the Hanban through local university CFIs.⁶⁵

Financials and Liability

The Hanban typically provides an initial financial award of \$150,000 to the host university, although gift amounts can vary based on the size and scope of the agreement.⁶⁶ In exchange for providing in-kind supplies and a location, host universities are typically required to help sponsor visa or other needed applications for Hanban-sponsored instructors.

The Hanban typically covers all salaries for instructors within CFIs and pays for all books and instructional material. Courses can be taught for credit at CFIs without providing any overhead instructional costs to universities and can serve as an additional revenue stream for administrators. While some contracts with universities provide that the university itself is charged with the final approval of all curricula, the Hanban still retains the final authority over funding of these materials.

Instructors are often required to adhere to Chinese law and customs throughout their time abroad.⁶⁷

Contracts may also provide severance terms, including liability for the host university in gifts and material costs upon severance of the agreement.⁶⁸ These provisions also can include provisions for defamation of CFIs and reputational damages as well as provisions that prohibit disclosure of the nature of the contract between Hanban and U.S. schools.⁶⁹

While CFI initiatives are not unique to the United States, U.S. universities have hosted more of these institutions than any other nation, peaking in 2017, with approximately 114 such institutions hosted in the United States since 2004. The PRC has invested heavily in CFIs,

⁶⁴ Peterson, *Outsourced to China*, 31.

⁶⁵ Jeffrey Gill, [What Are Confucius Classrooms and Why Are They Being Reviewed in NWS?](https://www.sbs.com.au/news), SBS News, June 8, 2018, <https://www.sbs.com.au/news>.

⁶⁶ Peterson, *Outsourced to China*, 27. It should be noted that this initial payment is just the first installment of CCP investments into host campuses.

⁶⁷ Peterson, *Outsourced to China*, 50.

⁶⁸ Peterson, *Outsourced to China*, 11.

⁶⁹ Peterson, *Outsourced to China*, 10, item 4.

spending approximately \$2 billion globally and \$158 million in the United States alone on the project.⁷⁰

Over the past several years, CFIs have garnered increased attention and backlash both within the United States and abroad. This is due to both the conduct of the institutions on their host campuses as well as concerns related to propaganda and espionage outlets, resulting in the closure of roughly 90 of the 118 institutions within the United States.

Despite the reported closures, institutions, including the University of Wisconsin–Platteville, have indicated that they will continue their partnerships with the PRC through different initiatives. The Hanban and CFIs have begun a concentrated effort to rebrand themselves under different pseudonyms like the “Center for Language Exchange and Cooperation”⁷¹ in order to continue their operations within the United States while shelving the negative perception that the CFI brand has gained. The PRC has also begun to utilize intermediaries to fill the void left by CFIs, through what is purported to be privately held companies or non-governmental organizations (NGOs) based within the PRC. Research suggests⁷² that these entities retain the same operating structure and conditions as CFIs⁷³.

The Problem

CFIs and their successor programs have been well received by universities because of the incentive of hosting an international program, allowing for tuition credit funding to flow without providing the salary or instructional costs for the classes, and through exchange trips with university leaders; however CFIs are used by the PRC and CCP for far more than simple language exchange efforts.

It is important to note that in the PRC, all entities within the government are a part of the CCP organ. Members of Hanban or the Chinese Ministry of Education do not simply serve an administrative function, and efforts like CFIs are viewed as a mechanism to exert CCP influence abroad and even advance Military Civilian Fusion (MCF) efforts abroad. Senior CCP Politburo members have publically admitted that CFIs are “part of China’s foreign propaganda strategy”⁷⁴ and numerous individuals within the Hanban and Ministry of Education have been recognized for their national importance to the CCP or have been promoted to senior party leadership.⁷⁵

⁷⁰ Rachele Peterson, “[How Can State Legislatures Counter Chinese Influence in American Higher Education: Wisconsin State Senate Testimony](#),” National Association of Scholars (blog), October 20, 2021, <https://www.nas.org>.

⁷¹ David Acevedo, “[Confucius Institutes Get a Makeover](#),” *CounterCurrent* (blog), National Association of Scholars, March 23, 2021, <https://www.nas.org>.

⁷² <https://www.nas.org/blogs/article/chinas-confucius-institutes-might-be-closing-but-they-succeeded>

⁷³ <https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/>

⁷⁴ Will Wachter, “The Language of Chinese Soft Power in the US.” [Archived](#) from the original on October 11, 2014, retrieved October 26, 2014.

⁷⁵ See Rachele Peterson testimony in reference to Xu Lin.

University Autonomy

The UW System’s mission statement priorities the search for truth as the basic purpose of the university. Honest discussion of issues facing our world is critical to the success of the university and to the development of intelligent students within the state.

CFIs and their successors directly undermine the ability of a university to control curricula within its walls. While some CFI contracts allow universities to exercise the final decision over the content taught in the CFI, these contracts also stipulate that the Hanban controls the final funding decisions at CFIs.⁷⁶ These two concepts are inherently in tension and as acknowledged in numerous reports,⁷⁷ the Hanban is the entity that ultimately establishes and controls curricula at the universities. Further, host universities do not retain autonomy over the hiring and training of CFI instructors.⁷⁸ As documented in both private and government reports, Hanban hand-selected instruction materials and training for faculty have included a one-sided and distorted account of the Korean War, omission of key details about disputes with Tibet, accusations of violent terrorism by peaceful religious minorities, and implications that the Japanese were evil to bomb a Chinese ship during the Sino-Japanese War.⁷⁹

In addition to troubling curricula and training materials, Hanban’s control over the faculty is unique among university institutions. While most university faculty and instructors are subject to discipline and employment mechanisms by the institution, instructors provided by Hanban are handpicked from the PRC to serve in the United States. Instructor autonomy varies among universities, however the bulk of the selection process falls to the Hanban, eliminating key institutional oversight of faculty within its jurisdiction. U.S. schools retain “little to no visibility”⁸⁰ into the hiring processes in the PRC and receive only a pool of applicants from Hanban for hiring. Without a mechanism for verifying the quality and commitment to U.S. academic freedom principles for faculty, universities do themselves and their students a disservice by importing instructors whose host institutions cannot guarantee meet the standards of existing faculty and instructors.

The goal of open inquiry and the search for truth, or as the UW System defines it, “sifting and winnowing,” runs contrary to contractual commitments within CFI institutions for instructors to abide by “the laws and regulations both in the US and China.” Provisions promoting academic freedom have been noted by the United States Senate to be “an exception- and certainly not the norm” of CFI contracts.⁸¹

⁷⁶ See UW–Platteville contract included in appendix.

⁷⁷ “[China’s Impact on the U.S. Education System](#),” staff report, Permanent Subcommittee on Investigations, United States Senate (no date), 38, <https://www.hsgac.senate.gov>; Peterson, *Outsourced to China*.

⁷⁸ “China’s Impact on the U.S. Education System,” staff report, United States Senate, 43.

⁷⁹ Peterson, *Outsourced to China*, 65–66.

⁸⁰ “China’s Impact on the U.S. Education System,” staff report, United States Senate, 47.

⁸¹ “China’s Impact on the U.S. Education System,” staff report, United States Senate, 39.

Ceding autonomy over instructors, curricula, and events to an adversarial nation should be of the utmost concern to university administrators, students, and taxpayers. As Peter Mattis stated in his testimony, “Even if you keep the [CFIs] programming in check, the impact is to shape behavior of the university”⁸² ultimately to the benefit not of the system or its students, but to the benefit of the CCP. The goals of the Party are not one of sifting and winnowing in a search for truth but rather to “push further and further out to prove there are no threats [to Party Control . . . all the way down to individual Chinese students on university campuses [abroad];”⁸³ to prohibit what the CCP coins as “problems related to the current state of the ideological sphere,” which include western constitutional democracy, universal values including freedom democracy and human rights, and civil society.⁸⁴

Potential Responses

Legislators and university officials should consider the cost-benefits to hosting CFI and their subsequent iterations on university campuses. While these institutions may provide additional revenue or accolades to a school, the lack of transparency and instructor control available to host institutions undermine a broader commitment to academic freedom and equality through the system.

The ever-shifting nature of CFI, Hanban, or CLEC initiatives makes it difficult to tackle a problem with continually changing terminology. Recommendations received in the informational hearing largely focused on ending CFIs and their subsequent iterations as well as addressing the provisions that make these partnerships problematic, including:

- Ban partnerships with Hanban and prohibit the establishment of CFIs in the UW System
- Establish a broader scope of entities or instructions prohibited on campuses to include foreign missions of the PRC or soft power propaganda initiatives as designated by federal agencies
- Retain final faculty and hiring authority of instructors at its institutions.
- Introduce Atheni Institute Legislation
- Prohibit universities from entering into contracts which require visiting instructors to comply with the laws of their home nations while teaching in the United States
- Require the disclosure of all contracts with foreign missions in the UW System
- Prohibit UW System institutions from hosting all foreign missions
- Prohibit UW System institutions from contracting with foreign instructors for the purpose of providing instructors or faculty on campus.

⁸² Peter Mattis testimony.

⁸³ Peter Mattis testimony at 1.14.00.

⁸⁴ “[Document 9: A ChinaFile Translation: How Much Is a Hardline Party Directive Shaping China’s Current Political Climate?](#)” ChinaFile.com, November 8, 2013.

Recommendations

The committee recommends the adoption of legislation that would:

- Require the UW System to disclose all current foreign missions of the PRC, including CFI and its subsequent iterations, present at UW campuses as well as disclosing the contracts held with those institutions.
 - The committee acknowledges that many CFIs prohibit their host institutions from disclosing certain aspects.
 - The committee finds that the ability of campuses to monitor and conduct a robust oversight over the instructors, curricula, and learning materials vetted by PRC instructions is lacking.
 - The committee believes that allowing a mission of a foreign hostile nation to conduct educational efforts that distort historical events and lack significant rigor suited for a college curriculum lacks a significant positive impact on the UW System.
- Ban the UW System from hosting CFIs, subsequent CFI iterations, and designated foreign missions of the PRC moving forward.
 - The committee finds that although UW–Platteville has recently ended its CFI partnership, as discussed in this document, reporting has suggested that CFIs are rebranding to avoid public scrutiny.
 - Further the committee recognizes that UW–Platteville leadership have committed to continuing this partnership despite the recent closure of its CFI institute.⁸⁵
 - The committee recommends banning participation in state department-designated CCP soft power propaganda tools.

The committee has *declined* to recommend adopting legislation that would:

- Ban all foreign missions at UW System.
 - During testimony and subsequent research, the committee has not been made aware of similar initiatives conducted by nations other than the PRC that pose the same challenges as those with the PRC.
 - The committee leaves open the possibility that other foreign missions may exist on UW System campuses and recommends additional research.
- Prohibit UW System institutions from contracting with foreign instructors for the purpose of providing instructors or faculty on campus.

⁸⁵ See the UW-Platteville documents included in appendix.

- The committee recognizes that various exchange programs exist within the UW System and partnering institutions across the globe. Banning instructors from these institutions would be overly broad and does not serve to address the concerns stated within this report or committee testimony.
- The university should continue to provide a welcoming environment for instructors or faculty of all nationalities who comply with the broader goals of the UW System and who already provide exemplary instruction for the university community.

TALENT RECRUITMENT PROGRAMS

Background

In 2008, the CCP established the Overseas High-level Talent Recruitment Work Group to oversee the implementation of the Thousand Talents Plan, the most well-known of the CCP’s talent recruitment programs. The Work Group is administered by the Chinese Communist Party’s Central Committee’s Organization Department,⁸⁶ directly subservient to the commands of Party Leadership and part of the Party’s broader “united front” efforts.

The Thousand Talents Program (TTP) serves to recruit both ethnic Chinese nationals as well as non-ethnic Chinese for recruitment in key industries. These individuals do not need to be directly involved in researching classified or military materials as many recruits are involved in what can be considered dual-use technological research.⁸⁷ While PLA and military espionage efforts are not identical to TTP and other talent programs, experts have observed that talent programs “can at times involve professional intelligence officers.”⁸⁸

TTP participants receive a variety of benefits that are tailored to the individual participant and research projects, which typically include monetary stipends and employment at labs in mainland China. A translation of CCP notes about the program provides valuable insight on recruitment efforts:

- Targets 50–100 new foreign experts for recruitment each year, with the goal of focusing on long-term projects within China.
- Recruits will be provided work in labs in China after successful party recruitment efforts.⁸⁹
- Recruits will be provided a one-time subsidy of RMB 1 million (approximately \$156,448).

⁸⁶ Joske, *Hunting the Phoenix*.

⁸⁷ For a discussion of CCP targeting of dual-use technologies, see Meia Nouwens and Helena Legarda, *China’s Pursuit of Advanced Dual-Use Technologies* (London: International Institute for Strategic Studies, December 18, 2018), <https://www.iiss.org>.

⁸⁸ Joske, *Hunting the Phoenix*.

⁸⁹ Joske, *Hunting the Phoenix*.

Individuals participating in the TTP have been charged with a variety of crimes but “Chinese talent initiatives far exceed the scope and scale of Thousand Talents.”⁹⁰ Talent recruitment efforts are critical to the CCP as the party views “technological development as fundamental to its ambitions. Its goal isn’t to achieve parity with other countries, but dominance and primacy.”⁹¹ To this end, the Chinese Communist Party operates more than 200 different talent recruitment programs globally.⁹² These efforts serve not only to operationalize the Chinese diaspora for recruitment of ethnic Chinese, but also “to convince individuals to serve Chinese goals from within the Mainland and overseas in ways that promote the theft and exchange of critical information.”⁹³

As a part of this effort, recruited individuals can be used to either knowingly or unknowingly steal research, some of which does not appear to be valuable to U.S. national security interests on its face, but ultimately serves a dual-use purpose.

Talent recruitment programs ultimately operate in a gray area of the law. Participation in talent recruitment programs itself is not generally illegal for professors at state universities, however, disclosure requirements and additional federal provisions may apply when performing research funded by federal grants. When theft or fraud occurs, participants are often also charged with violating such requirements for their misconduct.

The Problem

Recruitment of scientists and researchers is an extension of China’s long history of espionage and should be viewed as such. As acknowledged by CCP intelligence expert Peter Mattis, when looking at CCP efforts: “The traditional methods of HUMINT apply, and this includes using diplomats, using journalists, using defense attaches, academics, both in terms of providing clandestine or cover for clandestine operations, as well as for open source collection, and efforts to recruit sort of young people or mid-career people who will then apply and go into U.S. national security agencies.”⁹⁴

Because individuals themselves are difficult to vet, with the “Chinese language often forming the first line of encryption,”⁹⁵ universities are often unaware or ill-equipped to deal with this issue

⁹⁰ Emily Weinstein, *Chinese Talent Program Tracker*, Center for Security and Emerging Technology, November 2020, <https://cset.georgetown.edu>.

⁹¹ Joske, *Hunting the Phoenix*.

⁹² For a working/developing resource identifying the scope and impact of current CCP programs, see Weinstein, *Chinese Talent Program Tracker*.

⁹³ Weinstein, *Chinese Talent Program Tracker*.

⁹⁴ Peter Mattis testimony before the U.S.-China Economic and Security Review Commission, [https://www.uscc.gov/sites/default/files/transcripts/June%2009,%202016%20Hearing%20Transcript.pdf](https://www.uscc.gov/sites/default/files/transcripts/June%202009,%202016%20Hearing%20Transcript.pdf) June 09, 2016,

⁹⁵ Emily Weinstein Testimony to the Committee

themselves. Government and universities have been slow to react to recruitment programs, which are difficult to track.

The CCP/PRC has routinely merged programs, engaged in rebranding initiatives (similar to those discussed in the Confucius Institute section), and even instructed PRC officials “not to discuss by name”⁹⁶ the Thousand Talents Program or other recruitment efforts.

Chinese intelligence officers may be involved in talent recruitment, and in some cases the Chinese government may even reward scientists caught stealing technology through talent recruitment programs.⁹⁷

The sections below outline some of the strategies and issues associated with these programs, which target not only recruiting ethnic Chinese abroad, but also non-ethnic Chinese.

Non-ethnic Chinese Recruitment

In January 2020, the Department of Justice announced that the chair of the Harvard University Chemistry and Chemical Biology Department, Dr. Charles Lieber, and two Chinese nationals were charged with aiding the PRC. Dr. Lieber, according to DOJ documents, received more than \$15 million in federal grant funding requiring disclosure of federal contracts. Lieber is not of Chinese ethnicity and is the most high-profile case of involvement within the TTP and relevant recruitment efforts.⁹⁸

As a part of his talent program contract, Lieber became a “strategic scientist” at the Wuhan University of Technology beginning in 2011 and was a documented participant in the TTP program. Under Lieber’s initial contract, he was funded at a salary of nearly \$50,000 monthly and awarded roughly \$1.5 million to help establish a lab at WUT. Lieber lied to federal authorities about his involvement in these programs in order to receive a research contract with NIH.

Individuals do not need to be high-ranking government officials or engaged in top-secret research to be recruited into these programs, which was acknowledged by a UW–Madison presentation on the issue in 2021⁹⁹. As Dr. Lieber’s case demonstrates, and as documented in the database of Georgetown CSET’s China Talent Program Tracker,¹⁰⁰ numerous recruitment programs specifically target non-ethnic Chinese for recruitment. Talent Recruitment programs pose a risk to national security and national economic interests with a competing nation.

⁹⁶ “China Hushes Up Scheme to Recruit Overseas Scientists, *Financial Times*, <https://www.ft.com/content/a06f414c-0e6e-11e9-a3aa-118c761d2745>, January 2019.

⁹⁷ Joske, *Hunting the Phoenix*, 10.

⁹⁸ U.S. Department of Justice, “[Harvard University Professor and Two Chinese Nationals Charged in Three Separate China Related Cases](https://www.justice.gov/opa/pr/harvard-university-professor-and-two-chinese-nationals-charged-three-separate-china-related),” news release, January 28, 2020, <https://www.justice.gov/opa/pr/harvard-university-professor-and-two-chinese-nationals-charged-three-separate-china-related>.

⁹⁹ See UW-Madison Powerpoint on Foreign Government Talent Recruitment Programs in the Appendix

¹⁰⁰ Weinstein, [Chinese Talent Program Tracker](#).

Ethnic Chinese Recruitment

China has utilized talent recruitment programs specifically targeting willing, or unwilling, individuals of Chinese heritage abroad spurred by a worldview that race and ethnic heritage¹⁰¹ are the prime drivers; or, as one PLA general put it to a U.S. military officer, ethnic Chinese recruits should remember “that blood is thicker than water. Chinese blood runs through you. You understand us, and know that no matter what flag you wear on your shoulders, you are Chinese first and foremost.”¹⁰²

As noted by senior CCP officials involved in the practice, “the real point of ‘diaspora ties’ isn’t in the ‘ties’ themselves but in the enormous use that can be made of these kind of ‘ties.’ ... The use of [overseas Chinese] lies in the advantages of all of their funds, technology, and human resources. Some are very well connected in their home countries and have strong commercial networks locally, regionally, and even globally.”¹⁰³

This effort has resulted in recruitment and operationalization of Chinese nationals abroad, present even here in Wisconsin¹⁰⁴—notably in a February 2013 incident with Zhao J Hua.¹⁰⁵

Zhao was serving as a research assistant at the Medical College of Wisconsin under the direction of Professor Marshall Anderson. During this time, Zhao stole several vials of a cancer research compound and hundreds of files of research data in order to conduct additional research studies at Zhejiang University. FBI briefs have attributed Zhao’s conduct to participation with talent recruitment programs, notably TTP.¹⁰⁶

To be clear, individuals of ethnic Chinese descent do not represent a risk that universities should address with impunity. The vast majority of Chinese students and researchers do not pose risks, which was acknowledged by speakers in the informational hearing and other members of the research community. Knowledge of the CCP’s use of the Chinese diaspora should be reflected as understanding the goals of the party, not the goals of the individuals themselves.

While monetary rewards have been used to recruit individuals into talent programs, experts like Peter Mattis have noted that the individual and their relatives may face consequences at home—as “people involved in technology theft or transfers are often pressured to participate and they are forced to make choices between what their commitments within the universities, their

¹⁰¹ Matt Schrader, “[China Is Weaponizing Globalization: The Chinese Communist Party Has Turned Global Ties into Its Own Tools](https://foreignpolicy.com),” *Foreign Policy*, June 5, 2020, <https://foreignpolicy.com>.

¹⁰² Eric Chan, “[Fifth Column Fears: The Chinese Influence Campaign in the United States](https://thediplomat.com),” *The Diplomat*, September 24, 2019, <https://thediplomat.com>.

¹⁰³ Weinstein, *Chinese Talent Program Tracker*.

¹⁰⁴ See discussion of Xi visit in Bethany Allen-Ebrahimian, “[China’s Long Arm Reaches into American Campuses](https://foreignpolicy.com),” *Foreign Policy*, March 7, 2018, <https://foreignpolicy.com>.

¹⁰⁵ Bruce Vielmetti, “[Researcher in Medical College Theft Case Is Sentenced](https://archive.jsonline.com),” *Milwaukee Journal Sentinel*, August 6, 2013, <https://archive.jsonline.com>.

¹⁰⁶ U.S. Federal Bureau of Investigation, Counter Intelligence, Strategic Partnership Intelligence Note (SPIN), Chinese Talent Programs, SPIN: 15-007 (September 2015), <https://info.publicintelligence.net/FBIChineseTalentPrograms.pdf>.

companies, the countries they chose to be in and their friends and family and perhaps themselves when they return to the PRC.”¹⁰⁷ Coercion is not unique to academic or IP theft, but consistent across CCP projects abroad,¹⁰⁸ where threats to family and friends in the mainland lead to coercion of U.S. residents.¹⁰⁹

Ultimately, “talent recruitment programs have been used to incentivize and reward economic espionage.”¹¹⁰ These talent recruitment efforts are significant and, as noted by the FBI, have contributed to \$225–600 billion in losses annually.¹¹¹ Universities and governments have a duty to ensure research security, particularly research security in relation to international adversaries, is taken seriously and espionage efforts are thwarted within these institutions.

Personal Research Security and Use

Aside from the economic and strategic defense concerns presented, researchers should be concerned with these partnerships due to the theft of their intellectual property. These programs, as shown in the 2013 Zhao Hua incident, represent not only a theft of significant economic magnitude, but also the theft and abuse of the personal work and dedication of Professor Marshall Anderson.

As Emily Weinstein noted in her testimony, researchers should be proud of their work. CCP talent recruitment partnerships do not operate under the same framework as those in the United States; researchers in these partnerships take “the IP that an [individual] has worked on in a university and bring it back to China.”¹¹² Weinstein noted that the CCP has built a patent system within their domestic universities.

Research institutions that do not help defend the property of their employees pose a risk of losing out not only on federal research grants, but also on key faculty and researchers who wish to ensure their work remains their own and not subject it to risk of theft—a concern that should unite lawmakers, institutions, and researchers.

Potential Responses

Legislators and universities should consider the value that participation in talent recruitment programs provides the professors and institutions. It is worthwhile to consider whether an examination of recruitment programs should specifically focus on the CCP or if the scope should be broadened to include other nations. Potential legislation could:

¹⁰⁷ Mattis testimony at 1:12-1:14 windows.

¹⁰⁸ Sebastian Rotella and Kirsten Berg, “[Operation Fox Hunt: How China Exports Repression Using a Network of Spies Hidden in Plain Sight](https://www.propublica.org/article/operation-fox-hunt),” *Pro Publica*, July 22, 2021, <https://www.propublica.org>.

¹⁰⁹ Sebastian Rotella, “[Even on U.S. Campuses, China Cracks Down on Students Who Speak Out](https://www.propublica.org/article/even-on-u-s-campuses-china-cracks-down-on-students-who-speak-out),” *Pro Publica*, November 30, 2021, <https://www.propublica.org>.

¹¹⁰ Joske, *Hunting the Phoenix*.

¹¹¹ U.S. Federal Bureau of Investigation, [China: The Risk to Academia](#).

¹¹² Weinstein testimony at ~2:14:00.

- Establish statutory framework for what, if any, participation in talent recruitment programs is allowed within UW System.
- Focus on talent recruitment programs that emphasize STEM research, programs with dual-use technology specifically, or develop a list of prohibited actions.
- Ensure that university programs that provide support for international students, visiting professors, and researchers provide appropriate relief and assistance should an individual be targeted with talent recruitment efforts or have their family members used as leverage in those efforts.

Recommendations

The committee acknowledges that participation in CCP-sponsored talent recruitment programs poses a significant threat to the national strategic interests of the United States, poses a threat to the reputation of institutions where IP or research theft has occurred, and should be appropriately addressed to ensure the vitality of the research community in Wisconsin.

- The committee recommends mandatory disclosure and banning participation in CCP talent recruitment programs for all members of the university community.

The committee believes that the risk of hostile foreign influence through the programs and the complexity of the ever-changing nature, both in the scope and names, of these programs would warrant eliminating specific programs. Universities might wish to consult with existing research on talent recruitment programs, including the Georgetown CSET tracker and materials published by ASPI, in order to ensure best compliance through this effort.

- The committee recommends that these provisions provide good-faith compliance requirements.

In order to best facilitate compliance, the committee recommends that implementation of these reforms provides a good-faith provision for compliance with these reforms. Many individuals might be unsure of how to faithfully comply with these provisions, and universities themselves will need to work through best practices to implement these programs. As such, the committee echoes the sentiments of Emily Weinstein when she encouraged a collaborative approach with a period of amnesty or good-faith efforts in the implementation of these provisions. The committee encourages UW institutions to consider this factor in implementing the legislation provided below.

- The committee recommends that the UW System continue to build on its present efforts to support international students, researchers, and faculty and include advice and supports for individuals coerced into participation within talent recruitment programs.

The committee believes that the UW System is best equipped to develop and improve current supports in this area as they best know the needs of their members. In an effort to pursue this recommendation, the UW System should work with federal agencies to determine which materials and resources have proven most useful in ensuring individuals with loved ones abroad are best protected from coercion into illegal or unwanted activities.

The committee believes that explicitly prohibiting participation in CCP talent recruitment programs will also provide a barrier to coerced participation; as noted by Peter Mattis in his testimony, students or researchers approached or coerced by the CCP can point out “here are the rules and here is what I agreed to.” Removing the gray area that talent recruitment programs operate under in current law provides an additional framework for targeted recruitment of these individuals and serves to combat the CCP’s weaponization of ethnic Chinese for exploitation by the party.

Proposal

Senate Bill 744: an Act to renumber and amend 36.65 (1); and to create 36.11 (61), 36.11 (62), 36.11 (63), 36.65 (1) (b) and 36.65 (2) (j) of the statutes; Relating to: prohibiting foreign missions of China at University of Wisconsin institutions and University of Wisconsin System involvement with Communist Chinese recruitment or propaganda programs and requiring the University of Wisconsin System to report funding received from foreign missions of China.

Analysis by the Legislative Reference Bureau

This bill requires the University of Wisconsin System to do all of the following:

1. Ensure that no designated foreign mission of China is established at or recognized by a UW institution after the bill's effective date. A “designated foreign mission of China” is defined as an entity or operation designated by the federal Office of Foreign Missions as a foreign mission of the People's Republic of China within the United States, including the Confucius Institute U.S. Center, the Asia Society Chinese Language Partner Network, and the Center for Language Exchange and Cooperation. If a designated foreign mission of China has already been established at or recognized by a UW institution on the bill's effective date, the UW System must develop and implement a plan to ensure that the designated foreign mission of China does not remain established at or recognized by the institution after approximately one year from the bill's effective date.
2. Annually identify the amount and source of funding received from a designated foreign mission of China. This information must be included in an annual report that current law requires to be submitted to the governor and the legislature. With respect to UW-Madison, the report must be submitted by the UW-Madison rather than the UW System.

3. Identify, end, and provide a report regarding any “cultural exchange” programs the UW System has that are consistent with those identified by the U.S. State Department as Chinese Communist Party propaganda tools.

The bill also prohibits UW System employees and students from participating in Communist Chinese recruitment programs. The bill defines “Communist Chinese recruitment program” as a program established by the government of China, including the Thousand Talents Program, the Overseas High-Level Talent Recruitment Program, and the National High-End Foreign Experts Recruitment Plan, to recruit or partner with scientists, scholars, and other experts by offering them benefits or privileges, such as concurrent or short-term appointments at Chinese institutions or Chinese research laboratories. Under the bill, participation means entering into a written agreement with a Chinese institution, Chinese research laboratory, or the government of China that confers upon a person benefits or privileges associated with, or membership in, a Communist Chinese recruitment program. The definition of “government of China” includes an instrumentality of the People's Republic of China or of the Communist Party of China. The bill creates certain disclosure requirements and requires any UW System employee or student who is participating in a Communist Chinese recruitment program on the effective date of the bill to terminate his or her participation within six months after the bill's effective date, subject to an extension of no more than six additional months if certain requirements are met.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

RESEARCH PROTECTIONS & FINANCIAL DISCLOSURES

Background

The U.S. government provides roughly \$138.9 billion annually in federal research funding (2019).¹¹³ Research grants are awarded through a variety of federal agencies including the Department of Health and Human Services (though the National Institutes of Health), National Science Foundation, Department of Defense, and Department of Energy. These contracts are provided under a series of conditions to grantees, with applications reviewed by the awarding agency. Most federal grants require disclosure of foreign supports or affiliations, for example, the NSD has required since 1978 the applicant to disclose “all current and pending support for ongoing projects and proposals” including those from foreign funds.

Generally, universities, and researchers participating in federal projects, are required to disclose certain gifts, funding, or outside contracts that might pose a conflict of interest.

In the case of universities, 20 U.S.C. § 1011f, disclosure of foreign gifts, requires universities that receive a gift or enter into a contract with a foreign entity valuing \$250,000 or more file a disclosure report to the Department of Education. Under this provision, state reporting requirements that are substantially similar may be filed with the Department of Education in lieu of adhering solely to the federal requirements. Wisconsin does not have an identical reporting requirement in statute, but an examination of UW System schools demonstrates that institutions provide some resources to staff on compliance with this requirement.¹¹⁴

In addition to DOE requirements, certain grant awarding agencies have additional financial interest reporting requirements for researchers. For example, NIH requires, under 42 CFR § 50.605, the reporting and management of financial interests for any grant awardee under which a management plan for significant conflicts of interest. Section 36.23 of the Wisconsin Statutes provides requirements for disclosure of conflicts of interest though not identical to federal statute.

36.23 Conflict of interest. No regent or officer or other person appointed or employed in any position in the system may at any time act as agent for any person or organization where such act would create a conflict of interest with the terms of the person's service in the system. The board shall define conflicts of interest and promulgate rules related thereto.

¹¹³ “[U.S. Research and Development Funding and Performance: Fact Sheet](#),” CRS Report no. R44307 (Washington, DC: Congressional Research Service, updated October 4, 2021, <https://sgp.fas.org/crs/misc/R44307.pdf>).

¹¹⁴ “[Foreign Gift and Contract Reporting](#),” University of Wisconsin–Madison, <https://businessservices.wisc.edu/accepting-payments/foreign-gift-and-contract-reporting/>.

In order to facilitate increased compliance with these initiatives, since 2018 a number of [NIH](#), [NSF](#), [DOE](#), and DOJ initiatives began to ensure appropriate research protections, disclosures, and grant compliance requirements were in place.

As Rachele Peterson testified before the committee, these requirements were often not followed until former Department of Education Secretary Betsy DeVos announced the enforcement of the federal requirement, and roughly \$6.5 billion in funds were unreported by universities. Testimony provided by Peterson indicated that enforcement efforts at the federal level have fallen in the transition to the current administration.¹¹⁵

The UW System is no stranger to these federal research dollars, with 2019 figures showing more than \$1 billion in support.¹¹⁶ As a part of existing policy, the UW System has established a variety of initiatives meant to assist with research security through its Office of Information Security and Information Security Program which oversees the “development and maintenance of an enterprise, system wide program designed to ensure the confidentiality, integrity and availability of UW System Administration and institutions’ information assets from unauthorized access, loss, alteration or damage while supporting the open, information sharing needs of the academic environment.”¹¹⁷

This issue has garnered increased federal and state attention in recent years, resulting in a number of legislative and analytical efforts to expand the understanding of and protections from the matter.

The Problem

The awarding of federal grants is not a standardized process, and recent congressional reports have highlighted this issue. As such, federal research contract grants are reviewed by the awarding entity for demonstrated compliance to the conditions of the grants. As noted in a United States Senate report, despite continued reforms to enforcement, “significant gaps in integrity efforts remain unaddressed.”¹¹⁸ These entities themselves have difficulty ensuring compliance due to the variety of non-standard requirements, personnel shortages, and the changing nature of foreign contracts, talent recruitment programs, and other CCP theft and espionage efforts.

¹¹⁵ Rachele Peterson, “[How Can State Legislatures Counter Chinese Influence in American Higher Education: Wisconsin State Senate Testimony](#),” National Association of Scholars (blog), October 20, 2021, <https://www.nas.org/blogs/article/testimony-for-the-wisconsin-state-senate-committee-on-universities-and-technical-colleges>.

¹¹⁶ UW Madison Budget in Brief 2020-2021, https://budget.wisc.edu/content/uploads/Budget-in-Brief_2020-21_Web.pdf

¹¹⁷ *Office of Information Security*. University of Wisconsin System. (2021, August 9). Retrieved December 10, 2021, from <https://www.wisconsin.edu/offices/office-of-administration/office-of-information-security/>.

¹¹⁸ “[Threats to the U.S. Research Enterprise: China’s Talent Recruitment Programs](#),” staff report, Permanent Subcommittee on Investigations, United States Senate (no date), <https://www.hsgac.senate.gov>.

Federal reports and experts indicate that research institutions themselves can serve as a partner to ensure compliance within their own institutions, even implementing their own requirements for researchers utilizing taxpayer dollars.¹¹⁹ Some university affiliate groups have reinforced this sentiment and suggested that: “Universities have the responsibility to inform researchers within their communities of the risks of foreign government interference and the researchers’ own individual responsibilities.” These same groups have echoed that universities should seek “to maintain appropriate physical and cyber security measures to protect all non-public research information and research materials.”¹²⁰

In addition, universities and the states that sponsor them can provide a valuable role in determining what types of additional employment or contracts might be allowed for employees; ensuring that their employees “fully disclose all external interests and activities relevant to conflicts of interest and conflicts of commitment.”¹²¹ An effort to both conform with federal law and the institutions own codes of conduct.

Employee Contracts

Through the use of both talent recruitment programs and independent foreign research contracts, researchers and university professors have been used to both knowingly and unknowingly transfer critical IP and work on projects of strategic importance to Chinese national security interests, something that runs contrary to the United States’ national security interests.

Contracts with the PRC contain a variety of troubling areas, including concealment of activities in China, acknowledgement that research conducted in China will likely comingle with separate research activities in the United States, requiring that researchers or professors hire and recruit additional post-doctoral students from which the PRC can recruit.¹²² In addition, foreign institutions themselves have concealed the nature of research and military affiliations from potential candidates.

Contracts or incentives that run contrary to the national interests of the United States have been identified as problematic by university affiliate groups as well. AAU and APLU issued a release stating that foreign government interference in research should be evaluated through a national security lens, and that university affiliates values include “Support of both national security interests and the economic security interests of the United States. This support is through the active pursuit of excellence in education, research and innovation, as well as the stewardship and protection of investments in the university enterprise.”¹²³ Protection of these interests and

¹¹⁹ [“Threats to the U.S. Research Enterprise.”](#)

¹²⁰ Association of American Universities and Association of Public and Land-Grant Universities, [Principles and Values to Guide Actions Relevant to Foreign Government Interference in University Research](#), May 2021, 6, <https://www.aau.edu>.

¹²¹ Association of American Universities and Association of Public and Land-Grant Universities, [Principles and Values to Guide Actions Relevant to Foreign Government Interference in University Research](#), 5.

¹²² See Committee Report discussion on Talent Recruitment Programs.

¹²³ Association of American Universities and Association of Public and Land-Grant Universities, [Principles and Values to Guide Actions Relevant to Foreign Government Interference in University Research](#).

adherence to these principles are supported not just among the national security and political apparatus, but acknowledged within these institutions as well.

In testimony before the committee and in additional writings, Emily Weinstein has noted that China’s university ecosystem fundamentally differs from that of the United States causing a number of issues for prospective partnerships.

While many U.S. universities and researchers are involved through DoD contracts, the nature of CCP control over both the university ecosystem and military organization differs fundamentally from the setup here in the United States. Where universities and researchers can say no to collaboration with the U.S. government and military, in mainland China there is no such independence.¹²⁴ When American-based researchers, professors, and universities choose to partner with PRC universities, it is critical to understand this difference.

For example, Weinstein noted, “the Seven Sons of National Defense are important feeders for China’s military and defense industry. However, it appears that the vast majority of civilian universities in China maintain at least some connection to the country’s defense industry.”¹²⁵ This concern echoes that over the Chinese Military-Civilian Fusion discussed earlier in this report and underscores the risk of establishing contracts with these institutions without carefully evaluating their costs. While researchers must be cognizant of their conduct with any institution abroad, some actors like the CCP pose an increased risk due to the unique operating environment within those systems of government.

University Gifts

While universities are required by federal law to disclose gifts under U.S. Code, it was not until enforcement of this policy was announced that universities complied with this provision,¹²⁶ showing that compliance efforts are reactive at best; responding not to the threat or potential risk that these issues pose the university, but to penalties issued for non-compliance. Experts have suggested a number of needed changes to bolster the reporting requirements under 20 U.S.C. § 1011f to better conform to the realities that foreign influence plays on the university system.¹²⁷

In some instances, lower gift thresholds, a lack of in-kind reporting requirements, and anonymity conditions from foreign actors provide universities with a mechanism to skirt the intent of U.S. law rendering it moot.¹²⁸ In fact, that “current law asks for this information only if the donor is a foreign government, [creates] a loophole that invites these governments to make gifts through third parties.”¹²⁹

¹²⁴ Emily Weinstein, committee testimony

¹²⁵ Fedasiuk and Weinstein, “[Universities and the Chinese Defense Technology Workforce](#).”

¹²⁶ Peterson in testimony.

¹²⁷ Rachelle Peterson, “[We Can’t Let Foreign Influence Compromise Our Universities](#),” *National Review*, September 7, 2021, <https://www.nationalreview.com>.

¹²⁸ National Association of Scholars, *Freedom to Learn: Amending the Higher Education Act* (New York: National Association of Scholars, January 7, 2021), <https://www.nas.org/reports/freedom-to-learn/full-report>.

¹²⁹ Peterson in testimony.

Indeed the CCP's use of third-party intermediaries for espionage efforts is widely documented, a staple of the party's use of political and economic force both domestically and abroad.

A law that renders its protections moot due to non-compliance and inconsistent enforcement means that regulations must be updated and adhered to strictly in order to ensure appropriate disclosure and transparency. This data will help universities, federal law enforcement, and policy makers create a full picture of the challenges and reach that the party extends into U.S. campuses.

Universities that do not provide significant transparency into the sources of their funding raise into question the amount of influence that this money can buy and who is controlling it. Given that the CCP and other hostile governments make use of numerous intermediaries in their dealings, it is not clear that simply taking donations from an outside source on the condition of anonymity is not a part of a broader strategy to influence domestic universities.

Potential Responses

- Establish transparency requirements similar to 20 U.S.C. § 1011f and 42 C.F.R. § 50.605 in state statute.
 - Under this consideration, the committee may wish to provide flexibility in reporting timelines for implementation of the provision.
 - The committee may decide to require these reports are provided to the legislature or to DoE exclusively.
- Adjust gift requirements to include disclosure of foreign gifts or prohibit gifts from certain foreign actors.
 - Considerations include anonymity conditions, in-kind requirements, or other concerns addressed in existing reports and testimony.
 - The committee may wish to consider approaches that other states have addressed through this initiative.
- Consider implementing contract restrictions for employees of the UW System in regards to foreign actors, governments, or institutions.
 - In considering this action the committee may wish to delineate certain nations that are either hostile to U.S. interests or have a history of research theft and abuse.
 - Emily Weinstein voiced support for establishing a broader coalition of nations through Countries of Concern language that federal initiatives have utilized.
 - Rachelle Peterson emphasized that Florida might serve as a model for implementing some of these considerations as well.

- Legislation under this provision may look to establish conditional prohibitions, such as prohibiting gag orders or requirements that conduct in the United States be allowable under the laws of the contracting nation.
- Require universities to ensure compliance with taxpayer-funded grants for research performed at their facilities.
 - As noted, federal grant awarding agencies often have difficulty vetting research grants: additional layers of security can serve to bolster the investment of taxpayer dollars in critical research functions.
 - UW System does provide some research protection initiatives; the committee may decide that these provisions are adequate in rule or guidance document and do not necessitate statutory equivalents.
 - The committee may wish to simply extend these to be best research practices generally across the system, ensuring a baseline of protection for all research, not just those that are at increased risk of theft.
- Require that the UW System provide notification, training, and support related to research security for researchers, professors, and students who study abroad.
 - This may include annual or onboard hiring training requirements, online resources, or hiring support staff tasked within this field.

Committee Recommendations

- The committee recommends codifying existing federal transparency requirements and conflict of interest requirements under state law. Given the information provided in committee by Peterson, that until DoE enforcement in the previous administration many universities did not comply with federal law, and the recognition that this effort seems to have fallen in recent years, the committee believes it valuable to ensure that all UW System institutions remain in compliance with this important provision regardless of enforcement preferences.

As a part of this recommendation, the committee has determined that given the inconsistency of federal oversight that copies of such reports shall also be submitted to the state legislature to ensure compliance with this requirement.

The committee has decided to also change the threshold of foreign gift disclosures under this section from \$250,000 to \$50,000 to comply with the recommendation presented to the committee by Rachelle Peterson. The committee has also chosen to expand the definition of “gifts” under this provision to include in-kind gifts and anonymous gifts from certain sources. The committee believes transparency in university funding is critical when it comes to foreign adversaries looking to influence conduct and programs on campuses.

- The committee has chosen to establish that all contracts with certain foreign governments by university officials must be disclosed to the hiring institution. Per the recommendations of Emily Weinstein, the committee has chosen to define a subset of countries of concern to which this condition will apply rather than to all foreign nations. The committee has drawn upon similar federal legislation and established that the abovementioned nations are the Peoples Republic of China, Russia, Cuba, Iran, North Korea, and Syria.

As a part of this provision, it is expected that the university will take appropriate research protection precautions if there is appropriate risk presented due to the nature of the contract. This includes evaluating whether or not conditional provisions in the contract would jeopardize the individual's commitment to the UW System's mission of "Sifting and Winnowing" and commitment to UW's standards of academic freedom and rigor.

Representative Gallagher suggested also that universities should consider a variety of "government blacklists relating to China,"¹³⁰ including the Commerce Department Entity List, the Defense Department Chinese Communist Military Companies and Military Civil Fusion contributor list, the Treasury's Non-SDN Civil Military Industrial Complex Companies list for types of affiliations to be prohibited within the UW System. The committee believes these suggestions are well taken and that the UW System should consider these lists when promulgating rules and guidance documents related to allowed research partnerships and use of its facilities.

The committee believes the direction provided by Peter Mattis that "there should be a user friendly reporting system for travel and compliance"¹³¹ is well taken and directs the university to work with its faculty, students, and researchers to ensure this process is accessible and clear for all participants and shares the importance and value that this transparency provides to the university and state.

- The committee has chosen to recommend that the UW System ensure that research performed with state or federal funds complies with all disclosure requirements. As a part of this effort, each institution shall prescribe best practices that further American scientific standards of transparency, reciprocity, merit-based competition, and integrity.¹³² The committee has chosen this guiding language from the NSF JASON report on research security as it believes these standards closely comport with the efforts of the UW System's research initiatives.

¹³⁰ Rep. Mike Gallagher committee testimony.

¹³¹ Peter Mattis testimony at 1.35.19.

¹³² National Science Foundation, "[NSF Releases JASON Report on Research Security](https://www.nsf.gov/news)," news release, December 11, 2019, <https://www.nsf.gov/news>.

In compliance with this provision, each institution shall be tasked with considering the best practice research requirements of research grant awarding agencies so that this baseline policy will allow for ease of modification for individual grant applications. As the UW System and its research teams are best equipped to develop more specific guidance in regards to this process, the committee has chosen to allow flexibility for the implementation of this process.¹³³

Proposal

Senate Bill 745: an Act to create 36.46 and 36.47 of the statutes; Relating to: research at University of Wisconsin System institutions, disclosure requirements relating to contracts with and gifts from foreign sources, and providing a penalty.

Analysis by the Legislative Reference Bureau

This bill creates institutional and individual disclosure requirements applicable to institutions of the University of Wisconsin System and to UW System employees and others relating to research and to contracts with and gifts from foreign governments, companies, and individuals. The bill also requires each UW institution that conducts research to have a research best practices policy.

Current law requires the Board of Regents of the UW System to report to the legislature annually on the number and outcome of certain classified research contracts and biennially on the purpose, duration, cost, and anticipated completion date of research projects funded with general purpose revenue. In addition, the chancellor of UW-Madison on behalf of UW-Madison, and the Board of Regents on behalf of the other UW institutions, must annually submit to the legislature an accountability report that identifies, among other economic-development-related data, the amount and source of research funds, the number of government contracts received, and the number of research projects in progress or completed.

Current law also prohibits any UW System employee from acting as an agent for another if it would create a conflict of interest with the terms of the employee's service in the UW System and also requires the Board of Regents to promulgate rules relating to conflicts of interest. These rules prohibit specified persons, including faculty and academic staff, from engaging in outside activities if doing so conflicts with his or her public responsibilities to the UW institution or to the UW System. In addition, the rules require such a person to annually report to his or her institution the following: 1) associations with organizations related to his or her fields of academic interest or specialization; 2) private remunerative relationships with nongovernmental sponsors of university research for which the person is a principal investigator; and 3) remunerative outside activities in his or her field of academic interest or specialization. The rules also require each UW institution to develop policies and procedures relating to outside activities,

¹³³ It is the expectation of this committee that these recommendations consider the goals outlined in this report as well as those provided by the AAU/APLU memo and NSF coalition.

including those relating to use of university facilities, absences from regular duties, and conflicts of interest.

Also under current law, with exceptions, it is a crime for a public employee to participate in a contract in both an official and private capacity if the employee has a private pecuniary interest and also an official function requiring the exercise of discretion. Among the exceptions, the provision does not apply to a contract between a research company and the UW System or a UW institution for the purchase of goods or services, including research, if the interest that a UW System employee has in the research company has been evaluated and addressed in a management plan for evaluating and managing potential conflicts of interest and this plan complies with the Board of Regents' policy for such management plans.

Federal law also requires each UW institution to annually submit to the federal Department of Education a publicly available disclosure report containing certain information if the institution receives a gift from or enters into a contract with a foreign source, the value of which is \$250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year. Federal law requires additional disclosures of gifts from or contracts with foreign sources that contain certain restrictions or conditions.

Under the bill, if a UW institution receives a gift from or enters into a contract with a foreign source, the value of which is \$50,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the UW institution must submit to the legislature and to the state Department of Justice an annual disclosure report containing 1) the aggregate dollar amount of the gifts and contracts by country and 2) the purpose of each gift or contract. A "foreign source" includes a foreign government, a foreign legal entity or its subsidiary or affiliate, and an individual who is not a U.S. citizen or national. A "gift" includes a gift of money or property. A "contract" is defined as an agreement for the acquisition by purchase, lease, or barter of property or services by a foreign source, for the direct benefit or use of either of the parties. The Board of Regents may submit one report on behalf of multiple UW institutions.

The bill also requires each UW institution to separately disclose any restricted or conditional gift or contract from a foreign source. A "restricted or conditional gift or contract" is defined as any endowment, gift, grant, contract, award, present, or property that includes provisions regarding the employment, assignment, or termination of faculty; the establishment of departments, centers, programs, or new faculty positions; the selection or admission of students; or the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion. The disclosure must include the dollar amount, the date, a description of the conditions or restrictions, and the applicable country.

Under the bill, if a UW System employee fails to act in good faith and with reasonable diligence to facilitate a UW institution's reporting of foreign-source gifts and contracts with an aggregate value of at least \$50,000 or of a restricted or conditional gift or contract, the employee may be

fined not more than \$5,000 for the first offense and not more than \$10,000 for each subsequent offense.

In addition to institutional disclosures, the bill requires each UW System employee who participates in research conducted at or sponsored by a UW institution, and each third-party researcher, to disclose all research contracts with and gifts from any foreign source associated with the People's Republic of China, Russia, Cuba, Iran, North Korea, or Syria to the extent the contract or gift involves the employee or third-party researcher. The bill defines a “third-party researcher” as a principal investigator, project director, collaborator, consultant, or other person who participates in the design, conduct, or reporting of research conducted at or sponsored by a UW institution and who is not a UW System employee or student. The disclosure must be made to the applicable UW institution and include the amount of the contract or gift; the date the contract was entered into or the gift received; the name and address of the foreign source; and a copy of any applicable agreement. Any person who willfully or with gross negligence violates these disclosure requirements may be fined an amount not exceeding 105 percent of the amount of the applicable contract or gift.

The bill also requires each UW institution to ensure that its employees and students who perform research supported by state or federal funds, and any other person who participates in such research at the institution, satisfy all disclosure requirements associated with the awarding of the research funding, including the reporting of financial conflicts of interest under federal rules governing the management and reporting of financial conflicts of interest in U.S. Public Health Service-funded research. Unless the UW institution already maintains such a policy or does not conduct research, each UW institution must create a policy of best practices for research projects, security, and collaboration that further American scientific standards of transparency, reciprocity, merit-based competition, and integrity. In developing this policy, the institution must consider best practice standards established by federal agencies and other entities that award research grants.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

APPENDIX



Opportunity from the start

February 1, 2021

RE: Confucius Institute

Dear Prof. Yang Wei, President of Chinese International Education Foundation, and Prof. MaJianfei, Director General of Center for Language Education and Cooperation:

The University of Wisconsin-Platteville's (UW-Platteville) partnership with SCUN began in the year 2000, and the history of this collaboration has included such initiatives as the establishment of a master's degree program in English Education for Chinese citizens, UW-Platteville hosting incoming J-1 students from SCUN, an Education Abroad program allowing UW-Platteville and other U.S. students to study at SCUN, the Confucius Institute at UW-Platteville, faculty exchanges, a summer program on immersion into U.S. culture for SCUN faculty, and an international conference on water quality and wastewater treatment.

Specifically, UW-Platteville's affiliation with the Confucius Institute has played an important role in helping UW-Platteville students, faculty, and local communities to increase access to the Chinese language and culture. This affiliation has opened pathways of better understanding and cultural awareness between Wisconsin students and communities, and Confucius Institutes' representative Chinese scholars. It has been successful in providing the intended exposure to this area and I am thankful for the relationship that UW-Platteville has had with SCUN.

Over the past two years, the United States of America and its Department of State have raised serious concerns as to the scope of the People's Republic of China and Beijing's influence over higher education institutions, both nationally and globally. In response, a large number of U.S. colleges and universities have closed their Confucius Institutes.

For those institutions that did not close their Confucius Institutes, such as UW-Platteville, the federal government and public officials have continued to question and scrutinize those relationships with China due to what is perceived as risks to research, threats to academic freedom, lack of transparency in foreign funding, and other matters. For example, the National Defense Authorization Act for Fiscal Year 2021 was passed, effective January 1, 2021, which restricts certain federal funds to institutions that host Confucius Institutes.¹ As a state entity, UW-Platteville is at risk of potentially losing federal funds as well as continued public scrutiny if it continues to operate a Confucius Institute.

Unfortunately, due to these recent and continued concerns raised by the United States federal government and public officials as well as the recently enacted legislation, I have reached the difficult decision to end the UW-Platteville Confucius Institute as of the end of this academic

¹ The National Defense Authorization Act for Fiscal Year 2021 (Section 1062 in HR 6395) was passed (effective January 1, 2021) which provides, in relevant part, that no funds authorized to be appropriated or otherwise made available for any fiscal year for the Department of Defense may be provided to an institution of higher education that hosts a Confucius Institute, other than amounts provided directly to students as educational assistance.

Office of the Chancellor

2508 Ullsvik Hall | 1 University Plaza | Platteville WI 53818-3099
608.342.1234 | www.uwplatt.edu/chancellor

year. This letter will serve as the University's 90-day notice of its intent to terminate pursuant to Article 9 of the 2018 Renewal of Agreement between Confucius Institute Headquarters of China and University of Wisconsin Platteville (attached). This decision was made neither in haste nor without much deliberation on my part. I have had multiple discussions with my administration, faculty and students, as well as local, regional and national public officials on this matter. Therefore, I am requesting that we work together to conclude the Confucius Institute program at UW-Platteville. With this change, both parties would be voluntarily ending the existing agreement between UW-Platteville and SCUN (attached). My hope is that we can work together to make this change in an amicable and respectful manner so that our partnership can continue many other important programs, projects, and engagements. For the details related to this change, I will have your staff work with my staff to ensure that this change is made with minimal impact on your staff and employees.

I stress that UW-Platteville's relationship with the Confucius Institute and SCUN has been positive, transparent, and engaging. I respect all that you have done to develop and maintain our partnership at UW-Platteville. I look forward to our continued partnership in offering the Master of Science in Teaching English as a Second Language, as well as other programs and projects in the future.

Please let me know your response to this letter so that we can work through all issues and details in light of this decision.

Sincerely,



Dennis J. Shields
Chancellor

Enclosure: 2018 Renewal of Agreement between UW-P and Confucius Institute Headquarters of China

CC: Dr. Tammy Evetovich, Provost and Vice Chancellor for Academic Affairs, UW-Platteville
Dr. Susan Hansen, Interim Dean of the Division of Professional Studies, UW-Platteville
Mr. Dean Stensberg, Interim Chief of Staff, Office of President, UW System
File

Office of the Chancellor

2508 Ullsvik Hall | 1 University Plaza | Platteville WI 53818-3099
608.342.1234 | www.uwplatt.edu/chancellor

May 19, 2021

Dear President Li,

Thank you for your message.

As you mentioned in your letter, we established a mutually beneficial relationship since our universities started working together in 2000. I am thankful that we were able to work together towards realizing increased cultural exchange, a newfound appreciation of global culture, and a new perspective on what it means to be global citizens in the modern world.

Our students, faculty, and staff members all benefit from fostering these relationships, which I continue to value despite our decision to end our formal relationship with the Confucius Institute.

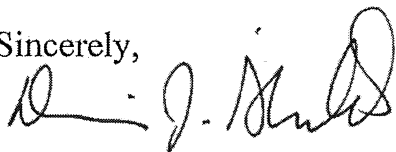
As you know, the decision to bring the Confucius Institute to a close was not an easy decision. It is our duty as administrators to make difficult decisions that we feel will best fit our vision of the future and support our institutional missions and personnel.

I am proud of the work that we were able to accomplish together and, as you mentioned, I share in your hope that the cooperation and friendship between our universities will last as long as the tenacity of the ox.

We are working to determine if my schedule will allow my attendance at the 70th anniversary celebration in November.

Thank you for your message—I look forward to hearing from you in the future.

Sincerely,



Dennis J. Shields

Chancellor

University of Wisconsin - Platteville

Office of the Chancellor



中南民族大学
SOUTH-CENTRAL UNIVERSITY FOR NATIONALITIES

地址：湖北省武汉市洪山区民族大道182号 邮编：430074
Minzu Avenue 182, Hongshan District, Wuhan, Hubei 430074 P.R. China
电话 Tel/传真 Fax: 027-87532233 <http://www.sccuec.edu.cn>

23 February 2021

Dear Chancellor Shields,

I hope this email finds you well. I am sorry to learn that our Confucius Institute will be ended at the end of this semester after I read your letter to the Chinese International Education Foundation.

As you mentioned, our universities have been working together since 2000. Over the past two decades, we have established a mutually beneficial relationship and trust with our joint efforts. The Confucius Institute at UW-Platteville was built upon both universities' vision for empowering our students to be globally competitive, culturally sensitive and multi-language speaker. It has not only offered Chinese language courses, but also organized annual China trip. Through this project, we have helped students and faculty members from both countries broaden their cultural perspectives. Many UW-Platteville faculty members and students have enjoyed their trip to visit China and SCUN and met Chinese scholars in their corresponding fields. Equally, many SCUN faculty have appreciated the collaborative opportunity with their UW-Platteville peers. In the past ten years of hard-working, the Confucius Institute has contributed immensely to our collaboration under your direct support. In our hearts, it has the same weight as our successful Master of English Education program, which has trained over 400 Chinese students to become distinguished English teachers who have a solid understanding of the culture of both countries.

I know that it is not easy for you to make this decision. I suggest we work together on a university level to continue to offer Chinese Language credit courses and Chinese Kungfu programs. SCUN will gladly continue funding this operation.

We just celebrated Chinese New Year. 2021 is the year of Ox. Ox is a symbol of strength, diligence, and resilience in Chinese traditional culture. I hope that the cooperation and friendship between our universities will last as long as the tenacity of an ox.

This year SCUN will celebrate its 70th anniversary in November. On behalf of SCUN, I sincerely invite you to join us for the celebration. At that time, we will continue to discuss the future cooperation between our universities.

I look forward to hearing from you.

Sincerely yours,

Prof. Jinlin Li
President
South-Central University for Nationalities



中国国际
中文教育基金会

Chinese International
Education Foundation

No. 15 Xueyuan Road, Haidian
District, Beijing, China 100083

尊敬的Dennis J. Shields校长：

您好！

我们很高兴收到您关于同意孔子学院转隶安排的回函，确认威斯康星普拉特维尔大学将与中国国际中文教育基金会和中南民族大学一道，继续履行《中国孔子学院总部与美国威斯康星-普拉特维尔大学关于继续合作建设威斯康星-普拉特维尔大学孔子学院的协议》，合作建设孔子学院。基金会将协调中南民族大学一道，认真履行好协议中的相关义务，为威斯康星-普拉特维尔大学孔子学院可持续、高质量发展提供有力保障。

孔子学院经过十六年的发展，为服务美国民众学习中文，推动中美人文交流，增进两国间友谊做出了重要贡献。虽然近期出现一些不同声音，但我相信广大美国民众希望学习中文的愿望不会变，希望中美两国相向而行、增进理解、友好合作的愿望不会变，中文教育在美国依然有十分广阔的前景。孔子学院能够在短时间成长为受全球民众欢迎的中文教学服务机构，正是由于它坚持了相互尊重、友好协商、平等合作的理念，坚持合法合规、公开透明运作，孔子学院的教学

内容和课程是中美双方共同协商，并由美国大学最终确定的。在美国的孔子学院作为大学的下设机构，以前没有、现在没有、今后也不会干涉所在大学的学术自由。我坚信，在我们的共同努力下，威斯康星-普拉特维尔大学孔子学院会越来越受到广大当地中文学习者的欢迎，全球孔子学院这个大家庭也将会更加充满活力，为帮助美国人学好中文、增进相互理解和友谊发挥更大的作用。

基金会作为由 27 家高校、企业及社会组织联合发起的公益性社会机构，最重要职能是通过募集资金，支持孔子学院和国际中文教育事业发展。基金会初建伊始，许多工作还在逐步探索中，衷心希望您和贵校的同仁们能够为基金会和全球孔子学院的发展多提宝贵意见。期待能在未来合适的时间与您会面。

随函附上由基金会杨卫理事长正式签署的授权书扫描件。纸质版将以适当方式转交。

如对函件所涉内容有任何意见，欢迎及时与我联系。

祝您和各位同仁工作顺利，身体健康！



赵灵山

中国国际中文教育基金会副理事长、秘书长

2020年9月21日



中国国际
中文教育基金会

Chinese International
Education Foundation

No. 15 Xueyuan Road, Haidian
District, Beijing, China 100083

September 21, 2020

Distinguished President Dennis J. Shields,
Warm greetings from Chinese International Education Foundation (“the Foundation”).

We are delighted to receive your letter informing us about your consent to the assignment of the role of Confucius Institute Headquarters under the *Renewal of Agreement between Confucius Institute Headquarters of China and State of Wisconsin, University of Wisconsin-System DBA University of Wisconsin-Platteville of the United States of America on Co-Development of Confucius Institute at University of Wisconsin-Platteville* to the Foundation, which will coordinate South-Central University for Nationalities to assume the obligations under that agreement, and about your confirmation of continued cooperation on Confucius Institute program with South-Central University for Nationalities and the Foundation. We hereby pledge our unwavering support for the sustainable and high-quality development of Confucius Institute at University of Wisconsin-Platteville.

In the past 16 years of development, Confucius Institute has made important contributions to serving the American people in learning Chinese, promoting the people-to-people exchanges and enhancing the friendship between China and the United States. Although there have been some different voices recently, I believe that the American people's desire to learn Chinese language will remain unchanged, and they will still hope that China and the United States can work in the same direction to deepen the understanding and cooperation. The prospect of Chinese language education is still very promising in the United States. The Confucius Institute can grow into an institution of Chinese language education with global popularity in a short period of time, precisely

because it adheres to the concepts of mutual respect, friendly consultation, and equal cooperation, and complies with laws and regulations with transparent and public operation. The teaching content and courses of Confucius Institutes are negotiated jointly by Chinese and American universities, and finalized by the latter. Confucius Institute in the United States, as a subordinate institution of the university, did not, does not, and will not interfere with the academic freedom of the university. We firmly believe that, with concerted efforts, the Confucius Institute at your esteemed university will enjoy increasing popularity among local Chinese language learners, while Confucius Institutes worldwide will be more vibrant with greater contributions to the mutual understanding and people-to-people bonds through Chinese language programs.

As a non-profit social organization jointly initiated by 27 universities, enterprises, and social organizations, the most important mission for the Foundation is to support the development of Confucius Institute and Chinese international education through fundraising. As the Foundation began to operate in June this year and started to explore new programs, we would like to have your valuable suggestions for better development of the Foundation and Confucius Institutes. We look forward to meeting you in person at an appropriate time.

Enclosed please find the copy of *Certificate of Authorization* signed by Prof. Yang Wei, President of Chinese International Education Foundation. The original will be delivered to you in an appropriate way. If you have any thoughts, suggestions, or questions with regard to the certificate, please do not hesitate to contact us.

We wish you and all the colleagues good health and great success.

Yours sincerely,

A handwritten signature in black ink, appearing to read '赵灵山' (Zhao Lingshan), written in a cursive style.

Zhao Lingshan
Vice President and Secretary-General
Chinese International Education Foundation

P UNIVERSITY OF WISCONSIN
PLATTEVILLE

Opportunity from the start

September 3, 2020

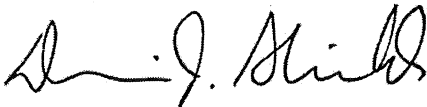
Re: Letter dated July 14, 2020

Dear Prof. Yang Wei, President of Chinese International Education Foundation, and Prof. MaJianfei, Director General of Center for Language Education and Cooperation:

Thank you for the letter dated July 14, 2020. I hereby acknowledge receipt of the letter and the change in certain operations. Specifically, it is my understanding that the Confucius Institute Headquarters of China has established the Chinese International Education Foundation ("Foundation") to assume the operations of the brand of the Confucius Institute and Confucius Classroom. However, this will not impact the current partnership and agreement between South Central University for Nationalities (SCUN) and the University of Wisconsin-Platteville's Confucius Institute under the *Renewal of Agreement between Confucius Institute Headquarters of China and State of Wisconsin, University of Wisconsin-System DBA University of Wisconsin-Platteville of the United States of America on Co-Development of Confucius Institute at University of Wisconsin-Platteville*.

We will continue to work closely with SCUN to ensure that all obligations under the existing agreement are fulfilled. I look forward to a continued prosperous partnership as we move forward promoting cultural exchanges and opportunities.

Sincerely,



Dennis J. Shields

Cc: Dr. Tammy Evetovich, Provost and Vice Chancellor for Academic Affairs
File

Office of the Chancellor

2508 Ullsvik Hall | 1 University Plaza | Platteville WI 53818-3099
608.342.1234 | www.uwplatt.edu/chancellor



中国国际
中文教育基金会
Chinese International
Education Foundation

授权书

编号：CI2020089

经审核，同意中国中南民族大学与美国威斯康星-普拉特维尔大学合作建设美国威斯康星-普拉特维尔大学孔子学院并授权其使用孔子学院品牌、名称和标识。未经中国国际中文教育基金会许可，此品牌、名称和标识使用的授权不得转让。

授权期限：2020年09月03日-2023年03月05日。

孔子学院旨在促进中文传播，加深世界人民对中国语言文化的了解，推动中外人文交流，增进国际理解。中南民族大学与威斯康星-普拉特维尔大学须合法合规使用孔子学院品牌、名称和标识，确保威斯康星-普拉特维尔大学孔子学院遵循孔子学院宗旨，在法律法规允许范围内开展活动，维护孔子学院权益声誉；为该孔子学院发展提供办公、教学场地等软硬件条件；向中国国际中文教育基金会提交年度报告；接受中国国际中文教育基金会组织开展的质量评估。如该孔子学院未达到质量标准，且未按评估意见进行整改，或经整改仍无法达到标准的，中国国际中文教育基金会会有权收回该授权。

特此授权。

中国国际中文教育基金会法定代表人

注：本授权书有中英文两个版本，以中文版本为准。



中国国际
中文教育基金会
Chinese International
Education Foundation

CERTIFICATE OF AUTHORIZATION

No.CI2020089

This is to certify that South-Central University for Nationalities, China and University of Wisconsin-Platteville, the U.S. are approved to cooperate to develop the Confucius Institute at The University of Wisconsin-Platteville in the U.S. and authorized the right to use the brand, name and logo of “Confucius Institute”. This authorized right shall not be transferred without the consent of Chinese International Education Foundation (hereinafter referred to as “the Foundation”).

Validity of this authorization is from September 3, 2020 to March 5, 2023.

Confucius Institutes devote themselves to promoting the international dissemination of the Chinese language, enhancing the understanding of Chinese language and culture among peoples around the world, facilitating cultural and people-to-people exchanges between China and other parts of the world and advancing mutual understanding among countries. South-Central University for Nationalities and University of Wisconsin-Platteville shall ensure full compliance when they use the brand, name and logo of “Confucius Institute”, guarantee that the Confucius Institute at The University of Wisconsin-Platteville fulfill the purpose of Confucius Institutes, operate by the laws and regulations, and safeguard its own rights, interests and repute; shall provide office and teaching space and facilities and other necessary conditions for Confucius Institute activities; shall submit an annual report to the Foundation and shall be subject to the quality evaluation by the Foundation. The Foundation has the right to revoke this authorization, should the Confucius Institute, if assessed to fall short of the quality criteria, take no remedial actions based on the assessment reviews or still fail to reach the assessment criteria after such actions are taken.

It is hereby authorized.

YANG Wei

Chinese International Education Foundation
Authorized Representative

ps. This certificate has Chinese and English versions. The Chinese version will prevail in case of inconsistency.



Implementation Agreement Between
South-Central University for Nationalities, China
and
University of Wisconsin-Platteville, USA
On the Continuation of Co-developing
Confucius Institute at the University of Wisconsin-Platteville

In accordance with the *RENEWAL OF AGREEMENT BETWEEN CONFUCIUS INSTITUTE HEADQUARTERS OF CHINA AND STATE OF WISCONSIN, UNIVERSITY OF WISCONSIN – SYSTEM DBA UNIVERSITY OF WISCONSIN-PLATTEVILLE OF THE UNITED STATES OF AMERICA ON CO-DEVELOPMENT OF CONFUCIUS INSTITUTE AT THE UNIVERSITY OF WISCONSIN-PLATTEVILLE*, authorized by the Confucius Institute Headquarters (hereinafter referred to as the Headquarters), South-Central University for Nationalities and the University of Wisconsin-Platteville, on the basis of equality, mutual benefits and friendly negotiations, hereby reach the following agreement on renewing co-development of the Confucius Institute at the University of Wisconsin-Platteville.

Article 1 Management Structure

The Institute shall adopt a Director Responsibility System under the leadership of the Board of Directors. The director and deputy director are recommended respectively by the University of Wisconsin-Platteville and South-Central University for Nationalities, and appointed by the Board of Directors. Both Directors are members of the advisory board. The director and deputy director, also named as American-side director and Chinese-side director, in consultation with each other, shall formulate regulations on daily administration of the Institute.

1. Structure of the Board of Directors

The Board of Directors consists of members nominated from two collaborating parties respectively. The Chairperson of the board is the Chancellor of the University

of Wisconsin-Platteville, while the Deputy Chairperson of the board is the President of South-Central University for Nationalities.

a. University of Wisconsin-Platteville members, by virtue of position

- Chancellor, Dennis J Shields,
- Associate Dean of College of Liberal Arts and Education, Kory Wein,
- Director of the Institute, Mei Reeder,
- Director of International Programs, Donna Anderson,

b. South-Central University for Nationalities members, by virtue of position

- President, Li Jinlin,
- Vice President for International Affairs, Du Dongyun,
- Director of International Affairs Office, Pang Jianhua,
- Deputy Director of the Institute, Sun Xiaoli.

c. If the above personnel have a job change, they do not continue to act as members of the board. Their position will be undertaken by the successors of their administrative position.

d. Additional members appointed by the University of Wisconsin-Platteville, in consultation with South-Central University for Nationalities.

2. Responsibilities of the Board of Directors

a. Undertaking the responsibilities for the overall administration of the Institute.

b. Formulating and amending the development plans, the annual working plans and the annual report, the program implementation plans, the budget and the final financial account of the Institute.

c. Formulating and amending development plans for teaching and training programs, and course design.

d. Formulating and examining the enrollment plans of the Institute.

e. Examining and approving the financial plan including fund raising, budget proposal and final financial accounts of the Institute.

f. Appointing the Director and Deputy Director of the Institute.

3. Operating System of The Board of Directors

a. Bridging the connections and communication between the Chairperson and the Deputy Chairperson of the board, and between the Director and Deputy Director of the Institute.

b. Assembling the Boarding Meeting once a year to provide advice on developing strategies and other important issues on the operation of the Institute.

c. Reviewing the annual working plan and annual report to the University of Wisconsin-Platteville, South-Central University for Nationalities and the Headquarters each year.

d. Consulting with both parties when difficulty of any kind occurs in the process of operating the Institute, and reporting to the Headquarters for advice when

necessary.

Article 2 Scope and Scale of Cooperation

The Institute concentrate its efforts as follows:

1. Providing information and consultative services concerning Chinese education, culture, economy, history and society;
2. Offering Chinese language instructions;
3. Offering courses in fields of Chinese language and literature, economy and management, Chinese culture (including ethnic minorities' cultures, folk customs and cultures);
4. Promoting research on Contemporary China;
5. Coordinating students and scholars' visit to China;
6. Operating the HSK Examination (Chinese Proficiency Test);
7. Training Chinese language teachers and providing them with Chinese language teaching resources;
8. Formulating teaching plans and arranging curriculum and teaching staff according to local demands.

Article 3 Obligations

The obligations of South-Central University for Nationalities:

1. To select and appoint qualified Deputy Director.
2. To support the Institute to offer and promote Chinese language teaching and Chinese cultural exchange activities, and to apply jointly with the University of Wisconsin-Platteville to the Headquarters for financial support.
3. To recommend faculty members annually to the University of Wisconsin-Platteville in accordance with the working plan.
4. To provide teaching modes, teaching plans and course arrangement according to the UW-Platteville curriculum guidelines.
5. To offer guidance on formulating the plans for the management, operation and development of the Institute.
6. To assist the Institute in organizing Summer or Winter Camp programs in China.
7. To fulfill other responsibilities specified by the Headquarters.

The obligations of the University of Wisconsin-Platteville:

1. To appoint a Director, and other staff when necessary.
2. To promote, publicize and enroll students for the programs of the Institute.
3. To budget teaching and transportation costs.
4. To organize cultural activities.
5. To provide offices and access to university facilities and resources for faculty and staff from South-Central University for Nationalities.
6. To provide offices, facilities, and teaching facilities and provide the related payment.

7. To operate the Confucius Institute Website.

Article 4 Sources and Uses of Funds

The operating funds of the Institute comes from the following four sources:

1. Financial support from the Headquarters.
2. Financial support from South-Central University for Nationalities.
3. Financial support from the University of Wisconsin-Platteville.
4. Tuition and fees collected for the training programs of the Institute.

Since the Institute is a non-profit educational institution, income generated from the Institute shall be used for the operation expenditures, and to finance the future development and expansion of the Institute.

The Institute shall submit annual settlement report of the previous year and the budget report of next year to the Headquarters for reviewing and to South-Central University for Nationalities for filing.

Article 5 Duration and Termination of the Institute

It is agreed that this agreement will be in effect for the duration of 5 (five) years upon being signed by the Chancellor and President of the respective universities. Upon agreement by both parties, the agreement will be extended for 5 (five) years. This agreement shall be subject to termination with either party notifying the other in writing at least 6 months in advance.

The Directors of Boards shall assemble once a year, called by American-side director and Chinese-side director, to discuss the work of the previous year and working plan of next year, and submit annual report to the Headquarters.

Article 6 Language Validity

This agreement is written in both Chinese and English. Both versions shall be equally valid. Each party shall keep one copy in Chinese and one copy in English of the signed Agreement.

Article 7 Miscellaneous Items

Other disputes, which are not included herein, shall be settled in accordance with the *RENEWAL OF AGREEMENT BETWEEN CONFUCIUS INSTITUTE HEADQUARTERS OF CHINA AND STATE OF WISCONSIN, UNIVERSITY OF WISCONSIN – SYSTEM DBA UNIVERSITY OF WISCONSIN-PLATTEVILLE OF THE UNITED STATES OF AMERICA ON CO-DEVELOPMENT OF CONFUCIUS INSTITUTE AT THE UNIVERSITY OF WISCONSIN-PLATTEVILLE*, or shall be settled through friendly consultation between both parties.

South-Central University for Nationalities

University of Wisconsin-Platteville

Li Jinlin

Dennis J Shields

President

Chancellor

Date:/...../.....
month day year

Date:/...../.....
month day year



**RENEWAL OF AGREEMENT BETWEEN
CONFUCIUS INSTITUTE HEADQUARTERS OF CHINA
AND
STATE OF WISCONSIN, UNIVERSITY OF WISCONSIN
– SYSTEM DBA UNIVERSITY OF
WISCONSIN-PLATTEVILLE OF THE UNITED STATES
OF AMERICA
ON CO-DEVELOPMENT OF
CONFUCIUS INSTITUTE AT THE UNIVERSITY OF
WISCONSIN-PLATTEVILLE**

In order to strengthen educational cooperation between China and the United States of America, support and promote the development of Chinese language education, and increase mutual understanding among people in China and in the United States of America, according to the *Constitution and By-laws of Confucius Institutes*, the Confucius Institute Headquarters of China (“the Headquarters”) and the University of Wisconsin-Platteville of the United States of America signed AGREEMENT BETWEEN THE CONFUCIUS INSTITUTE HEADQUARTER (HANBAN) AND STATE OF WISCONSIN, UNIVERSITY OF WISCONSIN – SYSTEM DBA UNIVERSITY OF WISCONSIN-PLATTEVILLE FOR THE ESTABLISHMENT OF THE CONFUCIUS INSTITUTE AT THE UNIVERSITY OF

WISCONSIN-PLATTEVILLE on 11/17/2007. Upon the end of ten-year term, after collegial consultation, both parties agree to renew the agreement on the Confucius Institute at the University of Wisconsin-Platteville, as follows:

Article 1 Purpose

The purpose of this agreement is to identify the rights and responsibilities of the Headquarters and the University of Wisconsin-Platteville in the development and management of the Institute.

Article 2 Character

The Institute shall be a non-profit educational institution.

Article 3 Executive Institution

The University of Wisconsin-Platteville is willing to continue cooperation with the South-Central University for Nationalities. The South-Central University for Nationalities will continue constructing the Confucius Institute with the State of Wisconsin, University of Wisconsin – System DBA, University of Wisconsin-Platteville as the Chinese executive institution. The University of Wisconsin-Platteville and South-Central University for Nationalities will sign the supplementary agreement on the details of cooperation. The supplementary agreement should be audited by the Headquarters before signing.

During the operation of the Confucius Institute, if South-Central

University for Nationalities is confirmed by the Headquarters to have failed to perform its responsibilities, the Headquarters can disqualify South-Central University for Nationalities and appoint another Chinese institution to be as the Chinese executive institution, and sign a new implementation agreement with the University of Wisconsin-Platteville. This Agreement will not need to be signed anew.

Article 4 Scope of Activities

The Institute can carry out the following activities according to the Constitution and By-laws of Confucius Institutes, as well as local circumstances:

1. Teaching Chinese language, providing Chinese language teaching resources and carrying out research on Chinese language teaching;
2. Training Chinese language instructors and developing Chinese language teaching materials;
3. Organizing the HSK examination (Chinese Proficiency Test) and tests for the Certification of the Chinese Language Teachers;
4. Providing information and consultative services concerning China's education, culture, and so forth;
5. Conducting language and cultural exchange activities;
6. Other activities with authorization and by appointment of the Headquarters.

Article 5 Organization, Operation and Management

1. The Institute at the University of Wisconsin-Platteville shall adopt

a Director Responsibility System under the leadership of the Board of Directors.

2. The Board of Directors consists of members nominated from two parties. The Board must include senior-level (university-level) leaders from both parties. Its duties include: formulating and amending the Constitution of the Institute; formulating development plans for the Institute; decision-making on the significant issues including teaching, research and operation; fund raising; appointing and dismissing the Director of the Institute; examining and approving the budget proposal and final financial accounts of the Institute; reporting to the two parties on the operation status and significant issues. The Board meeting should be held at least once a year.

3. Two collaborating parties appoint one Director respectively.

4. The Headquarters acknowledges that the University of Wisconsin-Platteville and its faculty ultimately have the right to determine the content of the curriculum and the manner of instruction for all programs administered by the University of Wisconsin-Platteville. The University of Wisconsin-Platteville acknowledges that the Headquarters ultimately has the right to determine the programs to which it provides funding.

5. Chinese citizens involved in activities of the Institute shall be subject to the laws and policies of the University of Wisconsin-Platteville and the United States of America. The United States of America citizens involved in activities of the Institute in China shall be subject to the laws and policies of China.

6. The Institute draws up annual budget proposals and final financial accounts independently. The University of Wisconsin-Platteville will be in charge of its daily operation and management. It should assume the sole responsibility to maintain a balance between income and expenditure by charging language course fees and other programs.

Article 6 Obligations

The obligations of the Headquarters:

1. To authorize the use of the title "Confucius Institute", logos and Institute emblems.
2. To provide teaching materials, courseware and other books according to the need, to authorize the use of online courses.
3. To provide a set amount of annual fund according to needs.
4. To send Chinese instructors or volunteer teachers based on the requirements of teaching, and pay for their air fares and salaries.
5. To provide support of Headquarters' programs, include the Confucius Institute Scholarship, Summer or Winter Camp in China, and Confucius China Studies Program, etc..

The obligations of the University of Wisconsin-Platteville:

1. To provide a fixed office place and appropriate sites for teaching and other activities of the Confucius Institute; To provide office and teaching facilities, and be responsible for their installment, management and maintenance.
2. To provide necessary administrative personnel and teaching staff

(full time or part-time) and provide the related payment.

3. To assist the Chinese party on the visa application and residence procedures, and provide necessary working facilities and life conveniences.

4. To open a special account for the Confucius Institute or set up a separate account for independent accounting in the Institution's financial system. To submit financial audit report of Confucius Institute to Headquarters every 2 years.

5. To provide a set amount of annual fund, which should not be less than the amount provided by the Headquarters. The Headquarters and the University of Wisconsin-Platteville agree that the University has met this obligation by providing administrative oversight for the Director and University facilities and technology to operate the administrative components of the Confucius Institute at the University of Wisconsin - Platteville.

6. To accept the project assessment by the Headquarters.

Article 7 Intellectual Property

The Headquarters exclusively owns the title of "The Confucius Institute", its related logo, and emblem as its exclusive intellectual property. The University of Wisconsin-Platteville cannot continue applying or transfer the title, logo, and emblem in any form, either directly or indirectly, after this Agreement has been terminated.

The provider owns the intellectual property of the concrete program implemented by the Institute. And the two parties can consult on the IP

ownership in collaborative programs. In the events of dispute, the two parties should consult with each other in a friendly, cooperative manner or submit to the jurisdictional authority according to the related laws and regulations.

Article 8 Revision

With the consent of both parties, this Agreement may be revised during its implementation and all revisions will be made in writing, both in English and Chinese, and will take effect as signed by authorized representatives of the parties.

Article 9 Term

The Agreement shall be in effect on the date of both parties signing. The Agreement shall have a period of 5-year validity. If either party wishes to terminate the Agreement, it must notify the other in writing 90 days before the end of the Agreement, otherwise it will automatically be extended for another 5 years.

This Agreement supersedes all prior agreements between the Headquarters and the University of Wisconsin – Platteville.

Article 10 Force Majeure

Parties will be released from their obligations under this Agreement in the event of a national emergency, war, prohibitive government regulation or any other cause beyond the control of the parties that

renders the performance of this Agreement impossible. In the event of such a circumstance, the party under the situation shall inform the other party in writing that the program may be delayed or terminated, and duly take effective measures to mitigate the loss of the other party.

Article 11 Termination

This Agreement can be terminated in one of the following cases:

1. This Agreement can be terminated according to Article 9, if the two parties have no intention to continue their cooperation on the expiration of the Term.

2. This Agreement can be terminated according to Article 10, if the two parties reach consensus on the impossibility of performance due to force majeure.

3. The Headquarters has the right to terminate this Agreement, if according to assessment, the Institute has not reached the standard and made no remediation or failed to reach the Headquarters' requirement after remediation.

4. Either party can terminate this Agreement, if the other party does not meet its obligations as identified under Article 6.

Apart from the above cases, neither party can request for terminating this Agreement ahead of time; Or the default party must compensate for all the damages incurred to the other party, which include but not are limited to all the investment made under this Agreement, the legal expense and the indemnity for defamation.

When this Agreement terminates, the two parties should both

adopting rehabilitation measures, with aim to avoiding negative impact on either party. The measures include, but not limit to:

1. Upon termination, the funds of the collaborative program provided by the Headquarters will be automatically frozen and returned to the Headquarters after the confirmation of both parties on the amount and settlement of any outstanding invoices or obligations.

2. The termination of this Agreement shall not affect other separate agreements, contracts or programs between the two parties.

3. Upon termination, the University of Wisconsin-Platteville should make proper arrangements of the enrolled students and other matters.

4. After termination, the implementation agreement will be terminated automatically.

Article 12 Dispute Settlement

In the events of any dispute, the two parties agree to attempt to engage in a good faith to find a solution. In the event such an attempt appears unsuccessful, the parties agree to submit the dispute to a third party trusted by the both parties.

Article 13 Other Terms

The parties to this Agreement will treat this Agreement as confidential and will not, without prior written consent, publish, release or disclose, or permit any other party to publish, release, or disclose, any materials or information which come to the knowledge of either party as a result of this Agreement except insofar as such publication, release or

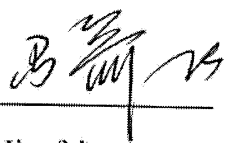
disclosure is necessary to enable each party to fulfill their obligations under this Agreement.

Other matters not settled by this Agreement shall be solved through friendly, cooperative consultations between the two parties.

The undersigned hereby are duly authorized by each institution to execute this Agreement.

This Agreement is written in Chinese and English. Each party shall keep one copy in Chinese and one copy in English of the signed Agreement. The Agreement, in both languages, shall have the same effectiveness.

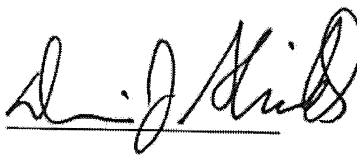
Confucius Institute
Headquarters (HANBAN)
Deputy Chief Executive



MA Jianfei

Date: 2018.03.06

University of Wisconsin-Platteville
Chancellor



Dennis J. Shields

Date: 2018.01.29

Agreement Between Confucius Institute Headquarters and University of Wisconsin-Platteville to Jointly Set Up a Confucius Institute Core Teacher Position

Party A: Confucius Institute Headquarters

Address: No.129, Deshengmenwai Street, Xicheng District, Beijing P.R. China,
100088

Legal representative: Xu Lin

Party B: University of Wisconsin-Platteville

(Name of University)

Address: 1 University Plaza, Platteville, WI

Postal code: 53818

Legal Representative: Dennis J Shields

Telephone Number: 608.342.1234

Fax:

With the purpose of further strengthening the building of Confucius Institutes' teachers team , improving the teaching quality and level of Confucius Institutes and ensuring their sustainable development, through consultation, Party A and Party B decide to jointly set up one Confucius Institute Core Teacher Position at the Confucius Institute in University of Wisconsin-Platteville and agree as follows.

ARTICLE 1

The Core Teacher Position shall be set up in accordance with the principle of voluntary application. The Confucius Institute that sets up such a position shall be running for at least two years, and have over 200 registered students.

ARTICLE 2

Requirements for the Core Teacher

(1) The Core Teacher shall be passionate about Teaching Chinese to Speakers of Other Languages and for the cause of Confucius Institutes, and shall abide by relevant laws of the host country and China.

- (2) The Core Teacher shall hold at least a master's degree, be proficient in Chinese and the language of the host country, and have strong cross-cultural communication ability.
- (3) Core Teachers, who are native Chinese speakers, shall attain Grade A (Level 2) in Mandarin test held by China's State Language Work Committee. Core Teachers, who are non-native Chinese speakers, shall reach new HSK level 6 in Mandarin test.
- (4) The Core Teacher shall have at least five years of experience in Chinese language teaching or have taught Chinese for more than two years in Confucius Institutes.
- (5) The Core Teacher shall be in good health and strong.
- (6) The Core Teacher shall meet relevant requirements of the *Standards for Teachers of Chinese to Speakers of Other Languages*.
- (7) The term of the Core Teacher is five years, and for Core Teachers who pass the evaluation at the end of the term, their contracts may be renewed upon expiration.

ARTICLE 3

Main duties of the Core Teacher are as follows

- (1) The Core Teacher shall take full responsibility for organizing and managing Chinese language teaching of the Confucius Institute.
- (2) The Core Teacher shall develop teaching plans based on the Chinese language needs of the host country, the host university and the local community.
- (3) The Core Teacher shall select teaching materials and formulate teaching outline based on actual needs.
- (4) The Core Teacher shall train and guide teachers and volunteers of the Confucius Institute, and carry out teaching assessments.
- (5) The Core Teacher shall conduct teaching-demo for at least 8 hours each week.

(6)The Core Teacher shall establish and manage teaching archives of the Confucius Institute.

ARTICLE 4

Party A's rights and obligations

(1) Upon establishment of the Core Teacher Position, Party A shall be responsible for the full salary of the teacher over the first 5-year period and 50% of the salary over the second 5-year period; or be responsible for 50% of the teacher's salary over the first, second and third 5-year period. (The funding which you select will be presented in the formal agreement.)

(2) Party A shall be responsible for the qualification review and appointment approval of the Core Teacher.

(3) Party A shall provide the Core Teacher with regular training in China or with local training among others.

(4) Party A shall provide necessary teaching materials, reference books and teaching aid.

(5) Party A shall recommend to Party B outstanding graduates of the Master's degree scholarship program in Teaching Chinese to Speakers of other Languages (MTC SOL).

ARTICLE 5

Party B's rights and obligations

(1) Upon establishment of the Core Teacher Position, Party B shall recommend candidates for the Core Teacher Position based on the needs of the Confucius Institute.

(2) Party B shall integrate the Core Teacher Position into the university's employment position system, and pledge to maintain this position over the long-term.

(3) Party B shall ensure that the Core Teacher meet teacher's qualifications in accordance with relevant laws of the host country.

(4) Upon establishment of the Core Teacher Position, Party B shall be responsible for 50% of the salary of Core Teacher over the second 5-year period, and the full salary over the third 5-year period; or 50% of the salary over the first, second and third 5-year period. (**The funding which you select will be presented in the formal agreement.**)

(5) Party B shall be responsible for the recommendation and appointment of the Core Teacher for Party A's approval.

(6) Party B shall provide the Core Teacher with benefits, medical insurance and pension according to relevant regulations of the university.

(7) Party B shall provide the Core Teacher with necessary office space and equipments.

(8) In the program's implementation process, Party B shall abide by the laws of the host country (region) and China.

ARTICLE 6

Other provisions

(1) The salary of the Core Teacher shall be set in reference to the salary standard of teachers in local universities that have the same condition.

(2) Party B shall be responsible for conducting annual assessment of the Core Teacher based on the assessment criteria for the Core Teachers. For Core Teachers who fail the assessment, and after consultation with Party A, Party B may decide to terminate the

employment contract. For Core Teachers who completed a 5-year term, the employment contract may be renewed if they pass the assessment.

ARTICLE 7

Liabilities for breach of contract

- (1) Over the program's implementation period, if Party B undergoes one of the following situations, Party A shall reserve the right to terminate the contract and put an end to funding the salary for the Core Teacher. In case of damages caused by Party B to Party A, Party B shall be held responsible for compensating these damages.
 - Violation of the laws of the host country (region) or China;
 - Failure to fulfill the obligations as stipulated in the agreement or violation of the agreement terms;
 - The Core Teacher Position being vacant for one year or more;
 - The usage of funds for the Core Teacher Position violates the terms of the agreement.
- (2) Over the program's implementation period, if Party A fails to fulfill its obligations as stipulated in the agreement or violates the terms of the agreement, it should be held responsible for compensating the damages.
- (3) Either party, if it wishes to terminate the agreement, must notify the other in writing 3 months before the end of the agreement, and the agreement shall be terminated once a consensus is reached between both parties. Over the time specified, both parties shall fulfill their rights and obligations according to the agreement. Before a consensus is reached, neither party can unilaterally terminate the agreement.

(4) In case of termination of the Confucius Institute, this Agreement will be automatically terminated.

ARTICLE 8

Dispute resolution

In case of any dispute arising from the content of the agreement or its implementation, the parties shall first try to solve the dispute through friendly consultation. In case no settlement can be reached, the parties shall take the case to the People's Court where Party A is located and China's laws shall be applied.

ARTICLE 9

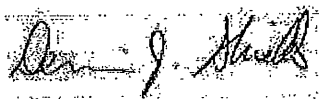
This agreement has been drawn up in duplicate copies, both in Chinese and English. In case of discrepancy in interpretation, the Chinese version shall prevail. Each party shall hold one original copy of the agreement.

ARTICLE 10

This agreement shall take effect after it is signed and sealed by the parties.

Party A

Party B



Chief Executive

Dennis J. Shields
University president

Confucius Institute Headquarters

美国威斯康星大学普拉特维尔校区
关于合作建设威斯康星大学普拉特维尔校区
孔子学院的协议

为进一步加强中国与美国在教育领域的合作，支持并促进汉语教学的发展，增进两国人民的相互理解和友谊，孔子学院总部（以下简称总部）与美国威斯康星大学普拉特维尔校区就合作建设威斯康星大学普拉特维尔校区孔子学院达成如下协议：

第一条 宗旨

本协议的宗旨在于规定在合作成立和运作威斯康星大学普拉特维尔校区孔子学院过程中总部和威斯康星大学普拉特维尔校区的权利和义务。

第二条 孔子学院的性质

威斯康星大学普拉特维尔校区孔子学院系非营利教育机构，通过教授汉语和中国文化增进美国人民对中国的了解。

第三条 执行机构

鉴于威斯康星大学普拉特维尔校区与中南民族大学已达成合作共识，经总部授权和委托，中南民族大学将作为具体执行机构与威斯康星大学普拉特维尔校区合作建设孔子学院，合作双方可就该协议未尽事宜另行签订补充协议。补充协议签署前，须报总部审核。

第四条 业务范围

根据当地实际情况，威斯康星大学普拉特维尔校区孔子学院可开展以下项目或其他与汉语教学及中国文化相关的活动：

- 1、使用包括多媒体和网络在内的多种方式进行汉语教学；

全宗号		年度	2007
保管期限	永久	页数	10
室编件号	94	馆编件号	
机构或问题	孔子学院协议		

- 2、为小学、中学和大学培训汉语教师；
- 3、实施汉语考试及汉语作为第二语言教学能力的考试；
- 4、为社会各界人士开设多类型、多领域的汉语课程；
- 5、举办学术活动和其他与汉语及中国文化有关的竞赛；
- 6、放映中国电影和电视节目；
- 7、为有意到中国留学的个人提供咨询服务；
- 8、为教育界及其他职业的人士提供参考资源。

第五条 组织和管理

双方将推荐人选组成理事会对孔子学院进行管理。

第六条 双方义务

总部义务：

- 1、授权使用孔子学院名称，提供孔子学院标识；
- 2、提供多媒体课件和其他教材、辅助教材和音像材料，授权使用网上课程；
- 3、提供 10 万美元启动经费，汇至威斯康星大学普拉特维尔校区在当地银行为孔子学院开设的专门帐户；
- 4、提供 3000 册图书、音像及多媒体教学资料；
- 5、提供 2 名汉语教师，并负担其国际旅费、工资等。

威斯康星大学普拉特维尔校区义务：

- 1、提供适合的场所供孔子学院开展教学、办公和其他活动，配备必备的办公设备并负责安装、管理和维护；
- 2、为孔子学院配备必要的行政人员（可由相关人员兼职），并提供相关费用，并在当地中国银行为孔子学院开设专门帐户；
- 3、为中方派遣人员提供必要的工作条件；
- 4、协助办理中方人员进入该国境内从事教学活动所需的手续；
- 5、同意就孔子学院的其他需求与总部进行协商。

第七条 经费

威斯康星大学普拉特维尔校区孔子学院的运营经费由双方共同筹措，最终将通过孔子学院项目的实施和授课的收入实现自负盈亏。

第八条 知识产权

“孔子学院”及相关标识和徽章的知识产权为总部独家拥有。本协议终止后，威斯康星大学普拉特维尔校区不得以任何形式继续直接或间接使用和转让。威斯康星大学普拉特维尔校区孔子学院开展的有知识产权的具体项目，其知识产权由提供方拥有，合作开发的项目由双方协商确定知识产权。若双方在知识产权方面产生争议，应在友好协商的基础上进行协商。协商不成的，按照相关法律规定及国际惯例提交有管辖权的机构裁定。

第九条 协议的修改

经双方同意，本着合作和友好的精神，本协议可以在谈判和商讨过程中进行修改，所有的修改均以中英文两种语言书面做出，应经双方授权代表签字。

第十条 协议的有效期

本协议经双方签字生效。本协议有效期为五年，如在本协议有效期截止前九十天内，双方均未书面通知对方不延长本协议的有效期，则本协议有效期自动延长五年。

第十一条 不可抗力

协议方在以下不可抗力情况下可免除履行本协议规定义务：国家突发事件、战争、政府禁令或其他超出协议方控制范围的使协议方不能继续履行协议规定义务的事件。如发生此类事件，协议当事方须通知另一方，将项目延期或取消，将协议另一方的损失降至最低。

第十二条 协议终止

有下列情况之一的，本协议终止：

- 1、协议一方在至少提前六个月书面通知对方后，可以终止本协议；

- 2、协议期限届满，双方无继续合作的意愿；
- 3、履行该协议的条件已丧失，协议无法履行或继续履行无法达到预期目的；
- 4、协议一方有严重损害孔子学院声誉与形象的行为的，一经发现，另一方可立即解除本协议并追究对方的违约责任；
- 5、因不可抗力致使该协议无法履行的。

本协议的解除不影响双方正在执行的单独协议、合同或项目；
本协议解除时，威斯康星大学普拉特维尔校区应妥善安排孔子学院学生及相关工作。

第十三条 争议的解决

双方在协议履行过程中若发生纠纷及争议，应本着友好的态度协商解决，协商未果的，向协议签订地法院提起诉讼。

第十四条 协议语言

本协议一式两份，分别以中、英文书就。双方各持中、英文本各一份，两种文本有同等效力。

第十五条 其他事项

本协议未尽事宜由双方通过友好协商加以解决。

孔子学院总部

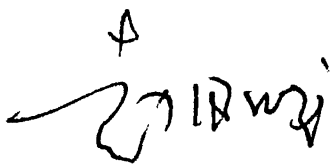
美国威斯康星大学普拉特维尔校区

副总干事

校 长

赵 国 成

David Markee



日期： 2007. 11. 17

日期：

**AGREEMENT BETWEEN
THE CONFUCIUS INSTITUTE HEADQUARTER(HANBAN)
AND
THE UNIVERSITY OF WISCONSIN-PLATTEVILLE
FOR THE ESTABLISHMENT OF
THE CONFUCIUS INSTITUTE AT THE UNIVERSITY OF
WISCONSIN-PLATTEVILLE**

In order to strengthen educational cooperation between China and the United States, support and promote the development of Chinese language education, and increase mutual understanding between the peoples of China and the United States, the Confucius Institute Headquarters (“the Headquarters”) and the University of Wisconsin-Platteville hereby agree as follows:

Article 1 Purpose

The purpose of this agreement is to identify the rights and responsibilities of the Headquarters and the University of Wisconsin-Platteville in the establishment of the Confucius Institute at the University of Wisconsin-Platteville.

Article 2 Character

The Confucius Institute at the University of Wisconsin-Platteville shall be a non-profit institute with the purpose of enhancing intercultural understanding in the United States by sponsoring courses of Chinese language and culture.

Article 3 Executive Institution

Whereas, the University of Wisconsin-Platteville and South-Central University for Nationalities agree to work together and with the authorization and appointment of the Headquarters, South-Central University for Nationalities will construct the Confucius Institute with the University of Wisconsin-Platteville as the executive institution. The two parties of cooperation can sign the supplementary agreement on the matters not settled by this Agreement. The supplementary agreement should be audited by the Headquarters before signing.

Article 4 Scope of Activities

The Confucius Institute at the University of Wisconsin-Platteville can serve the following Chinese teaching courses and programs according to the local instance:

1. Teach Chinese using a variety of methods including multimedia and the Internet;
2. Train teachers to teach Chinese in primary schools, high schools and colleges;
3. Administer the Chinese Proficiency Test and tests to certify ability to teach Chinese as a foreign language;
4. Teach Chinese courses of various types in various areas for all circles of person;
5. Sponsor academic activities and Chinese competitions;
6. Show Chinese movies and TV programs;
7. Provide consulting services for individuals wishing to study in China;
8. Provide reference materials for the educational and other professional individuals.

Article 5 Organization

The Confucius Institute shall have a Board of Advisors and the two parties nominate members of the Board of Advisors. The Board of

Advisors shall have the responsibility for the operation of the Confucius Institute.

Article 6 Obligations

The obligations of the Headquarters:

1. To authorize the use of the title "Confucius Institute", and provide logos and institute emblems;
2. To provide multimedia coursewares and other teaching materials, supplementary materials, and audio-visual materials authorized by the Headquarters; and to authorize the use of online courses;
3. To provide 100,000 US Dollars as a start-up fund, payable to the special account opened by the University of Wisconsin-Platteville in the local Bank;
4. To provide 3,000 volumes of books, audio-visual, and multimedia materials.
5. To send two Chinese instructors and pay for their air fares and salaries.

The obligations of the University of Wisconsin-Platteville

1. To provide an appropriate site for the Confucius Institute to carry out its activities; to provide the necessary conditions and facilities management to establish the Confucius Institute and take charge setting, management and maintenance and open the special account for the Confucius Institute in the local Bank of China;
2. To provide necessary administrative personnel (full time or part-time) and provide the related payment;
3. To provide necessary working conditions for the Chinese instructors;
4. Assist the Chinese party at the Institute with all immigration procedures;
5. Agree to discuss with the Headquarters any further requirements of the Confucius Institute.

Article 7 Financial Support

The Confucius Institute will be jointly funded by the University of Wisconsin-Platteville and the Headquarters, and it should finally assume sole responsibility for its profits or losses by charging language course fees and other programs.

Article 8 Intellectual Property

The Headquarters exclusively owns the title of “The Confucius Institute”, its related logo, and plaque (or badge) as its exclusive intellectual property. The University of Wisconsin-Platteville cannot continue applying or transfer the title, logo, and plaque (or badge) in any form, either directly or indirectly, after this agreement has been terminated. The provider owns intellectual property of the certain program. The two parties can consult the owner of the co-operated programs. In the events of any dispute, the two parties should consult with each other friendly or submit to the jurisdictional organ according to the related laws and regulations.

Article 9 Revision

With the consent of both parties, this Agreement may from time to time be revised through a process of negotiation and discussion in a spirit of cooperation and good will and any revisions will be made in writing, in both English and Chinese, and signed by authorized representatives of the parties.

Article 10 Term

The Agreement shall be effective on the date when the two parties sign below. The Agreement shall have a period of validity of 5 years. If, during the 90 days before the end of the Agreement, neither party notifies the other in writing that it wishes to terminate the Agreement, then it will automatically be extended for another 5 years.

Article 11 Force Majeure

Parties hereto will be released from their obligations under this agreement in the event of a national emergency, war, prohibitive government regulation or any other cause beyond the control of the parties hereto that renders the performance of this agreement impossible. In the event of such circumstance, the party under the situation shall inform the other party so the program may be delayed or terminated in order to mitigate the loss of the other party.

Article 12 Termination

This Agreement shall be terminated in one of the following cases:

1. Either party may terminate this Agreement upon giving written notice at least six months in advance of their intention to terminate.
2. The two parties have no aspiration of cooperation at the expiration of the term.
3. The Agreement can not go through or can not achieve the anticipated aim because of comedown of the condition.
4. If the act of one party of the Agreement severely harms the image and reputation of the Confucius Institute, the other party will terminate the Agreement immediately and reserve the right of claiming.
5. The Agreement can not go through because of force majeure.

The termination of the Agreement can not affect some other agreement, contract and program between the two parties.

Before the Agreement is terminated, the University of Wisconsin-Platteville should make appropriate arrangements on the enrolled students and other works.

Article 13 Dispute Settlement

In the events of any dispute, the two parties should consult with each

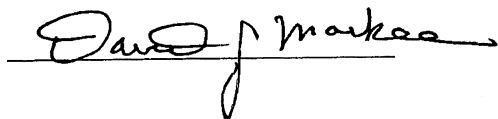
other friendly or submit to the jurisdictional organ at the place this Agreement signed.

Article 14 Agreement Language

This Agreement is written in Chinese and in English. Each party shall keep one copy in Chinese and one copy in English of the signed Agreement. The Agreement, in both languages, shall have the same effect.

Article 15 Other Terms

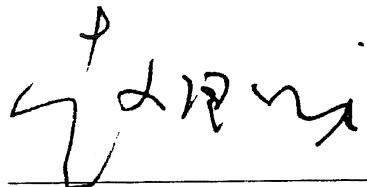
Other matters not settled by this Agreement shall be solved through friendly, cooperative negotiations between the two parties.



David Markee
Chancellor

The University of Wisconsin-Platteville
USA

Date:



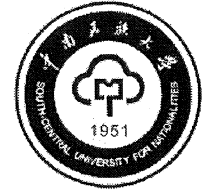
Zhao Guocheng
Deputy Chief Executive

The Confucius Institute
Headquarters(Hanban)

Date:



AGREEMENT FOR EDUCATIONAL COOPERATION
between
The Board of Regents of the University of Wisconsin d/b/a the
UNIVERSITY OF WISCONSIN-PLATTEVILLE
Platteville, Wisconsin, USA
and
SOUTH CENTRAL UNIVERSITY FOR NATIONALITIES
Wuhan, CHINA



The University of Wisconsin-Platteville agrees to implement a One-Way Linkage Agreement to allow students from South Central University for Nationalities (SCUN) to study at the University of Wisconsin-Platteville (UW-Platteville) in accordance with the principles and guidelines set forth below. The purpose of this agreement is to enhance the educational experiences and the cultural understanding of the involved students.

Student Linkage

It is agreed that:

1. The purpose of the linkage is to enable students to take classes but not to study for a degree at UW-Platteville. Courses passed at UW-Platteville will normally be accepted for credit towards the degree at SCUN. It will be the responsibility of each student in the linkage program to obtain official approval from SCUN for courses taken at UW-Platteville.
2. Academic year in the context of UW-Platteville means September - December for the fall semester and January - May for the spring semester. An English Language Program (ELP) will be held during the fall and spring semesters as well as during the summer semester (June - August). Students will be allowed to participate in the academic program during the fall and/or spring semesters or in the ELP during the fall, spring, or summer semesters. Students may participate in one semester or up to one-year in the linkage.
3. Students in the linkage program from SCUN initially may take credit-bearing courses in the following programs at the University of Wisconsin-Platteville:
 - a. College of Liberal Arts & Education - All programs except for criminal justice.
 - b. College of Business, Industry, Life Science & Agriculture - Horticulture, reclamation, biology, media studies, business and accounting, industrial studies.
 - c. College of Engineering, Math & Science - Computer science, mathematics, engineering physics, industrial engineering, sustainable and renewable energy, and MEMS/NANO.

4. Students not meeting the English language proficiency requirement may participate in the English Language Program (ELP). This program offers non-credit-bearing courses and is available during the fall, spring, and summer semesters.
5. UW-Platteville will not accept guest students from SCUN except under the provisions of this agreement. This provision will not be in effect for students wishing to transfer from one institution to the other.
6. Student will be screened for eligibility for admission by SCUN. SCUN shall respect the admission requirements and enrollment constraints of UW-Platteville. Students will be subject to the standard rules, regulations, and enrollment constraints of UW-Platteville in the selection of courses. This includes requirements of language proficiency. UW-Platteville shall have final authority on admission decisions.
7. The obligations of the two institutions under this agreement are limited to linkage students only and do not extend to spouses and dependents.
8. Students will register at UW-Platteville and pay all academic fees and tuition to UW-Platteville. Students will remain registered at SCUN and will pay any fees required by SCUN.
9. Beginning in 2015, and continuing for each year during the term of this Linkage, SCUN will send to the University of Wisconsin-Platteville a group of students not to exceed 5 students per semester or 10 for an academic year for students taking credit-bearing courses. An unlimited number of students may participate in the English Language Program (non-credit-bearing courses).
10. The language of instruction, as determined by UW-Platteville, is English.
 - a. For enrollment in regular credit-bearing coursework, it is agreed that students must have one of the following:
 - i. a minimum IELTS score of 6.0 with at least a 5.5 in all sub-scores;
 - ii. a minimum TOEFL score of 75 iBT;
 - iii. a minimum TOEFL-ITP score of 550;
 - iv. official evidence of passing the TEM-4, plus evidence of passing UW-Platteville's ELP proficiency test; OR
 - v. official evidence of passing the CET-6, plus evidence of passing UW-Platteville's ELP proficiency test
 - b. For enrollment in the English Language Program (ELP), it is agreed that students must have one of the following:
 - i. a minimum IELTS score of 4.5 with at least a 4.0 in all sub-scores;

- ii. a minimum TOEFL score of 45 (iBT);
- iii. a minimum TOEFL-ITP score of 460; OR
- iv. official evidence of passing the CET-4

11. Neither the University of Wisconsin-Platteville nor SCUN will be responsible for the costs of room, board, travel, insurance or other personal expenses. The parties acknowledge that they will require the students to pay these costs.
12. UW-Platteville will assist arriving students to secure suitable on-campus housing for the period of time that they will be on campus.
13. Students in the linkage program will be automatically enrolled in and billed for the required health/medical insurance for the time period of their experience. It is recommended that students remain enrolled in their home insurance policies for dental, optical and supplemental coverage.
14. Students in the linkage program will be enrolled as non-degree "special" students at UW-Platteville.
15. The departments/divisions involved in the linkage program at SCUN will provide academic counseling to ensure that the academic courses taken at UW-Platteville are acceptable to SCUN. The academic departments at UW-Platteville will provide course descriptions and syllabi to aid SCUN in course equivalency evaluation. The academic departments at UW-Platteville will determine if students have met pre-requisite requirements for each course.
16. Students will be subject to the rules and procedures specified by UW-Platteville for the semester or academic year in which they are enrolled at UW-Platteville. If in the course of a student's studies the student is found to be unable to carry the academic program or behaves in a way detrimental to fellow students, UW-Platteville reserves the right to modify the student's program and/or dismiss the student from the program. Any expense incurred by the student in regard to program modification and/or dismissal shall be borne by the student. UW-Platteville will consult with SCUN before finalizing such action.
17. Students may request to have their academic transcript released to SCUN at the conclusion of each semester. UW-Platteville will cover the cost of one official transcript. Subsequent transcript requests will be the financial responsibility of the student.

18. Students may apply for the Conger Memorial Scholarship. Highly qualified students may be awarded a scholarship for their study at UW-Platteville although a scholarship is not guaranteed.
19. UW-Platteville will assist students, to the fullest extent possible, in obtaining visas and other documents required by the U.S. government. In order to comply with U.S. government regulations, students will be required to provide documentation of their ability to meet all financial obligations for the duration of their study at UW-Platteville.
20. There shall be no indemnities, reimbursements for expenses, or sharing of fees or profits arising from the linkage.

Duration and Amendment of Agreement

This agreement shall be in force and be binding upon the parties hereto for a period of five (5) years from the date of this agreement. This agreement may be amended prior to the expiration of the foregoing period only by mutual consent.

Termination/Review Clause

This agreement will be subject to termination within 12 months advance notice on either side. A review will be initiated by both institutions at least 12 months prior to the expiration of this agreement to ascertain if the program should be continued and, if so, how it might be improved.

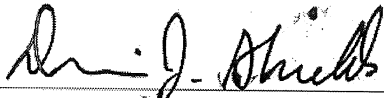
Equal Opportunity


Both institutions subscribe to the policy of Equal Opportunity and will not discriminate on the basis of race, gender, age, sexual orientation, disability, ethnicity, religion, or national origin. Both institutions shall abide by these principles in the administration of this agreement and neither institution shall impose criteria for students which would violate the principles of non-discrimination.

Indemnification

Each party warrants that it maintains sufficient indemnification coverage for error, omission and general liability. Each party to this agreement shall be solely responsible for any and all actions, suits, damages, liability or other proceedings brought against it as a result of the alleged negligence, misconduct, error or omission of any of its officers, agents or employees. Neither party is obligated to indemnify the other party or to hold the other party harmless from costs or expenses incurred as a result of such claims; and each shall continue to enjoy all rights, claims and defenses available to it under law.

IN WITNESS WHEREOF the parties hereto have set their corporate seals over the hands of the proper officers:


Dennis J. Shields
Chancellor
University of Wisconsin-Platteville


Li Jinlin
President
South Central University for Nationalities

June 21, 2014
Date

06/21/2014
Date

Export Control Program

Foreign Government Talent
Recruitment Programs



University of Wisconsin – Madison

Tom Demke – Export Control Officer
Bethany Nelson – Export Control Coordinator



Why Do We Care?

Participation in Foreign Government Talent Recruitment Programs can lead to:

- Use of U.S. federal funding to further technology in other countries
- Conflicts of interest or commitment
- Lack of reporting conflicts to institutions and federal agencies when proposing for grants
- IP theft
- Violations of U.S. open research standards
- Contract clauses may not be legal
- Disclosure in Other Support/Current & Pending Support documents
- Updates to Research Performance Progress Reports (RPPR)
- DOE National Labs may require reporting if the UW knows or has reason to believe that someone is part of a FGTRP



Definitions

Definition – Foreign Government Talent Recruitment Program (TRP)

Per DOE Order 486.1 – In general, such programs include any foreign-state-sponsored attempt to acquire U.S. scientific-funded research or technology through foreign government-run or funded recruitment programs that target scientists, engineers, academics, researchers, and entrepreneurs of all nationalities working or educated in the United States. These recruitment programs are often part of broader whole-of-government strategies to reduce costs associated with basic research while focusing investment on military development or dominance in emerging technology sectors.

Distinguishing features:

- (1) Compensation provided by the foreign state to the targeted individual in exchange for the individual transferring their knowledge and expertise to the foreign country.
- (2) Recruitment in this context refers to the foreign-state-sponsor's active engagement in attracting the targeted individual to join the foreign sponsored program and transfer their knowledge and expertise to the foreign state.
- (3) Many, but not all, programs aim to incentivize the targeted individual to physically relocate to the foreign state.



Definitions

Per “*Recommended Principles to Guide Academy-Industry Relationships*” from the American Association of University Professors

Conflict of Interest

A set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest.

- Could directly or significantly affect the way an employee’s performs their institutional responsibilities*
- Impair the employee’s judgment*
- Might require the employee to disclose confidential or proprietary information*

* Reference from University of Texas-Austin policy and Fundamental Research Security (JASON)



Definitions

Per “*Recommended Principles to Guide Academy-Industry Relationships*” from the American Association of University Professors

Conflict of Commitment

A Conflict of Commitment arises whenever a faculty member’s or administrator’s outside consulting and other activities have the potential to interfere with their primary duties, including teaching, research, time with students, or other service and administrative obligations to the university.

- Time or effort that a university employee devotes to an outside activity directly or significantly interfere with the employee’s fulfillment of university responsibilities*

* Reference from University of Texas-Austin policy and Fundamental Research Security (JASON)



Background

Foreign countries have talent programs to recruit scholars in the US to work for them both here and abroad

- China
 - China has over 200 TRPs
 - Largest and most well-known program - 1000 Talents Program
 - Others:
 - Changjiang Scholars Program
 - Young 1000 Talents Program
 - Hundred Talents Program (Chinese Academy of Sciences)
 - National High-End Foreign Expert Award
 - Chinese Government Friendship Award
 - Sino-US Fulbright Program
 - Program for Overseas Talents Aggregation
 - Inner Mongolia Steed Award
 - A more full list can be found at: https://s3-ap-southeast-2.amazonaws.com/ad-aspi/2020-08/Hunting%20the%20phoenix.pdf?_hmt7IHn_3msI2y7ZTxVYuGIC8oIO8EH
- Russia, India, and Iran have their own programs



Background

Purpose of Programs

- Acquire technology and research cheaply and quickly
- Targets critical technologies, such as:
 - Core electronic devices, high end chips
 - Large-scale IC manufacturing
 - Next Gen broadband wireless mobile communication
 - High end machine tools
 - Drug development
 - Major infectious disease prevention
 - Oil and gas field development
 - Water pollution and control
- However just because you don't work in one of these areas doesn't mean you won't be a target



How to Identify a TRP

They recruit persons with ties to the foreign country and scholars who have never been there

- Be suspicious of offers of:
 - Large stipends
 - Fully operational labs with staff
 - Multiple trips to a country
 - Extended stays in a country
- Compensation can take several forms, such as:
 - Cash
 - Research funding
 - Honoric titles
 - Career advancement opportunities
 - Promised future compensation
 - Other types of remuneration or consideration



How to Identify a TRP

Usually require:

- Time in the foreign country
- Setting up a lab
- Publishing papers listing a foreign institution

May require:

- Participant to spend a certain amount of time in the foreign country
- Participant to recruit others for the program
- Not to report the TRP participation to research sponsors

Need to sign a contract

- Oftentimes contracts will be in a foreign language, and, if translated, may not be translated correctly
- Contracts may not be terminated without the foreign government's agreement
- Contracts may include language that violate UW policies as well as federal law



Government Actions

Some TRPs are alleged to be connected w/ information gathering and outright spying

- **Recent U.S. government actions**
- NSF – Does not allow employees to be participants in TRPs
 - Does not apply to NSF-funded researchers
 - Requires disclosure of all current and pending support (since 1978)
- DOE – Does not allow employees to be participants in TRPs (DOE O 486.1)
 - Thus far not a requirement of awardees
- These requirements are becoming more prevalent in DOD, DOE, NIH and NSF agreements/awards



Government Actions

Aug 2019, Feng Tao, a University of Kansas researcher, was indicted for fraud for failing to disclose a COI w/ a Chinese university.

Early 2019, NIH discovered an NIH-sponsored researcher was under contract to the 1000 Talents Program, had two faculty appts. at Jianghun and Wuhan Universities and rec'd Chinese gov't funding. The researcher spent 6 months a year working in China. None of this was reported to NIH.

Yanqing Ye (an alleged lieutenant in the People's Liberation Army) conducted research for the National University of Defense Technology while she attended Boston University (BU) between Oct 2017-Apr /2019.

- She was also charged with granting a Chinese military researcher access to her BU VPN so the researcher could conduct web searches from overseas without detection.
- She is believed to be in China.



Government Actions

James Lewis, tenured professor in Physics at West Virginia University, pled guilty to fraud in Mar 2020

- Signed a contract w/ the 1000 Talents Program in 2017
- Obligated him to work full time in China for 3 years (at least 9 months a year)
- Scheduled to receive ~\$800K in living & research subsidies & salary
- Was granted a leave request to care for his newborn child, but used it to work in China

Charles Lieber, chair of Harvard's Dept. of Chemistry and Chemical Biology was charged with not disclosing:

- Involvement with 1000 Talents Program to DOD
- Salary of \$50K/month from Wuhan Univ. of Tech.
- Receipt of \$158K in living expenses
- Award of \$1.74M to set up a lab in China
- Making false statements to NIH about his involvement with the talent program and affiliation with Wuhan Univ. of Tech.



Actions

- It is not illegal to participate in a TRP
- However, you have to make sure you need to address the following:
 - Report all conflicts of interest and conflicts of commitment on your OAR (Outside Activities Report), *even if no money is changing hands*
 - Report all foreign funding, sponsorships and/or positions on proposals for U.S. gov't funding, as required
 - Make sure your department chair is aware of your situation, and accepts the commitments you have with the TRP
- Ramifications of withholding information
 - Withholding information on your OAR can result in penalties from the university up to and including dismissal
 - Not reporting foreign funding or commitments on U.S. gov't proposals can lead to loss of funding and/or federal prosecution

If you ever have any doubt, please contact the COI, Legal Affairs or Export Control offices



UW Resource

[International Research Collaborations website](https://rsp.wisc.edu/internationalresearchcollaborations/)

<https://rsp.wisc.edu/internationalresearchcollaborations/>

- Contains guidance about relationships with foreign entities
- Communications from government agencies
- FAQ:

<https://rsp.wisc.edu/internationalresearchcollaborations/IRCFAQs.cfm>

RESEARCH COLLABORATIONS FREQUENTLY ASKED QUESTIONS

International Research Collaborations Frequently Asked Questions

Page Updated July 27, 2020

The following answers to frequently asked questions represent the best information RSP currently has. As the federal sponsors provide additional information or guidance, we will update these questions and answers as necessary. If you have questions, please contact RSP at irc@sp.wisc.edu.

Note: These FAQs often use "Other Support." Keep in mind this term is generally used by NIH. Other agencies use the term "Current and Pending Support." These terms refer to the same requirements.

Expand All

General

1. What are the concerns regarding "foreign influence" related to sponsored programs?

Last Updated April 30, 2020

2. What are areas of concern for federal sponsors that researchers need to be aware of?

Last Updated July 27, 2020

3. What are foreign government talent recruitment programs and why are they concerning?

Last Updated April 30, 2020

4. Given the federal government's concerns, should I decrease the amount of my international collaborations or stop welcoming foreign students and visitors in my lab?

Last Updated April 30, 2020

5. What is UW-Madison doing to address these issues?

Last Updated April 30, 2020

RELATED LINKS

[Interactions with Foreign Institutions & Scholars](#)
[IRC Assistance Protocol](#)



Contact Information



For Additional Information, Contact:

- *Tom Demke, UW-Madison Export Control Officer*
tom.demke@ssec.wisc.edu 262-8659
- *Bethany Nelson, UW-Madison Export Control Coordinator*
bcnelson2@wisc.edu 261-1128
- *Ben Griffiths, UW Senior Legal Counsel*
ben.griffiths@wisc.edu 263-7400
- *Or e-mail: exportcontrol@grad.wisc.edu*

UW Export Control Website:

<https://research.wisc.edu/integrity-and-other-requirements/export-control/>



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-4032/1
ARG:cdc

2021 SENATE BILL 742

November 30, 2021 - Introduced by Senators ROTH and DARLING, cosponsored by Representatives MURPHY, ARMSTRONG, GUNDRUM and ALLEN. Referred to Committee on Universities and Technical Colleges.

1 **AN ACT to amend** 36.11 (3) (a); and **to create** 36.11 (3) (am), 36.11 (60) and 36.65
2 (3m) of the statutes; **relating to:** prohibiting the admission or employment of
3 Chinese People's Liberation Army members by the University of Wisconsin
4 System.

Analysis by the Legislative Reference Bureau

This bill requires the Board of Regents of the University of Wisconsin System to take reasonable measures to ensure that a person who is or has been a member of, affiliated with, or funded by the Chinese People's Liberation Army is not accepted for admission to or employed by the UW System.

The bill also requires the Board of Regents, in an annual report to the legislature and governor required under current law, to include a description of all measures taken during the reporting period to satisfy this requirement.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

5 **SECTION 1.** 36.11 (3) (a) of the statutes is amended to read:

SENATE BILL 742**SECTION 1**

1 36.11 (3) (a) The Subject to par. (am), the board shall establish the policies for
2 admission within the system and within these policies each institution shall
3 establish specific requirements for admission to its courses of instruction. No
4 sectarian or partisan tests or any tests based upon race, religion, national origin of
5 U.S. citizens or sex shall ever be allowed in the admission of students thereto.

6 **SECTION 2.** 36.11 (3) (am) of the statutes is created to read:

7 36.11 (3) (am) The board shall take reasonable measures to ensure that no
8 applicant who is or has been a member of, affiliated with, or funded by the Chinese
9 People's Liberation Army is accepted for admission as a system student.

10 **SECTION 3.** 36.11 (60) of the statutes is created to read:

11 36.11 (60) **EMPLOYMENT OF CHINESE PEOPLE'S LIBERATION ARMY MEMBERS.** The
12 board shall take reasonable measures to ensure that no individual who is or has been
13 a member of, affiliated with, or funded by the Chinese People's Liberation Army is
14 employed by the system.

15 **SECTION 4.** 36.65 (3m) of the statutes is created to read:

16 36.65 (3m) **MEASURES TO PREVENT ADMISSION OR EMPLOYMENT OF CHINESE**
17 **PEOPLE'S LIBERATION ARMY MEMBERS.** The board shall include in the report required
18 under sub. (2) a description of all measures taken under s. 36.11 (3) (am) and (60)
19 during the reporting period to prevent the admission or employment of any
20 individual who is or has been a member of, affiliated with, or funded by the Chinese
21 People's Liberation Army.

22 **SECTION 5. Initial applicability.**

23 (1) The treatment of s. 36.11 (3) (am) and (60) first applies to individuals who
24 apply for admission to or employment by the University of Wisconsin System on the
25 effective date of this subsection.



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-3721/1
ARG:ekg&cjs

2021 SENATE BILL 743

November 30, 2021 - Introduced by Senators ROTH and DARLING, cosponsored by Representatives MURPHY, ARMSTRONG, GUNDRUM and ALLEN. Referred to Committee on Universities and Technical Colleges.

1 **AN ACT** *to renumber and amend* 36.11 (11m) (a); *to amend* 25.17 (9m) and
2 36.11 (11m) (b); and *to create* 36.11 (11m) (ag), 36.11 (11m) (c) and 36.65 (7) of
3 the statutes; **relating to:** prohibiting the Board of Regents of the University of
4 Wisconsin System from investing University of Wisconsin System trust funds
5 in certain companies associated with the government of China.

Analysis by the Legislative Reference Bureau

This bill prohibits the Board of Regents of the University of Wisconsin System from investing UW System trust funds in certain companies associated with the government of China.

Under current law, the UW System may receive gifts, grants, and donations and the Board of Regents is responsible for overseeing and administering these gifts, grants, and donations, commonly referred to as UW System trust funds, subject to certain restrictions. The Board of Regents may elect to invest the UW System trust funds by employing a financial manager, contracting with the State of Wisconsin Investment Board, or selecting a private investment firm.

This bill prohibits the Board of Regents, directly or through a financial manager, SWIB, or private investment firm, from investing UW System trust funds in securities of any company 1) that is directly controlled by the Communist Party of China or other governmental unit or instrumentality of China (government of China) or in which the government of China maintains a majority ownership interest; or 2) that contracts with, or provides goods, services, or credit directly to,

SENATE BILL 743

the government of China. If the Board of Regents maintains a prohibited investment on the effective date of the bill, the Board of Regents must divest itself of the investment within approximately one year. In determining whether an investment is prohibited, the Board of Regents may rely on information about a company available from a third-party screening service that utilizes criteria reasonably similar to the criteria described in 1) and 2), above. The bill also requires the Board of Regents to include, in an annual report that under current law the Board of Regents submits to the legislature and the governor, information relating to the Board of Regents' efforts to satisfy the requirements under the bill, including identification of companies in which investment is prohibited and, as applicable, the status of divestment from these companies.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 25.17 (9m) of the statutes is amended to read:

2 25.17 **(9m)** If contracted to do so by the Board of Regents of the University of
3 Wisconsin System, invest the moneys specified in s. 36.11 (11m) in accordance with
4 the terms of the contract ~~and~~, the board's standard of responsibility specified in s.
5 25.15 (2), and the restrictions in s. 36.11 (11m) (c).

6 **SECTION 2.** 36.11 (11m) (a) of the statutes is renumbered 36.11 (11m) (am), and
7 36.11 (11m) (am) (intro.), as renumbered, is amended to read:

8 36.11 **(11m)** (am) (intro.) The Subject to par. (c) and s. 36.29 (1), the board may
9 invest revenues from gifts, grants, and donations by doing any of the following:

10 **SECTION 3.** 36.11 (11m) (ag) of the statutes is created to read:

11 36.11 **(11m)** (ag) In this subsection:

12 1. "Company" has the meaning given for "business entity" in s. 13.62 (5).

13 2. "Government of China" means any of the following:

14 a. The Communist Party of China.

SENATE BILL 743

1 b. Any governmental unit of the People's Republic of China or of a province,
2 region, or other political subdivision of the People's Republic of China.

3 c. Any instrumentality of the People's Republic of China or the Communist
4 Party of China.

5 **SECTION 4.** 36.11 (11m) (b) of the statutes is amended to read:

6 36.11 **(11m)** (b) Notwithstanding ss. 25.14 (1) (a) and 25.17 (1) (g), the board
7 is not required to deposit revenues from gifts, grants, and donations in the state
8 investment fund if the board invests these moneys as provided in par. (a) (am).

9 **SECTION 5.** 36.11 (11m) (c) of the statutes is created to read:

10 36.11 **(11m)** (c) 1. Subject to subds. 2. and 3., after the effective date of this
11 subdivision [LRB inserts date], the board may not invest revenues from gifts,
12 grants, and donations in any equity or debt securities of any of the following:

13 a. Any company that is directly controlled by the government of China or in
14 which the government of China maintains a majority ownership interest.

15 b. Any company that contracts with, or provides goods, services, or credit
16 directly to, the government of China.

17 2. Subject to subd. 3., if the board, on the effective date of this subdivision
18 [LRB inserts date], maintains any investment prohibited under subd. 1., the board
19 shall divest itself of the investment not later than the first day of the 13th month
20 beginning after the effective date of this subdivision [LRB inserts date].

21 3. In determining whether an investment is prohibited under subds. 1. and 2.,
22 the board may rely on 3rd-party information about a company available from any
23 reputable research or screening service, pension fund, institutional investor, or
24 investment adviser, if the 3rd-party information utilizes criteria reasonably similar
25 to the criteria specified in subd. 1. a. and b.



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-5212/1
ARG&JAM:km/eg/an/cs

2021 SENATE BILL 744

November 30, 2021 - Introduced by Senators ROTH and DARLING, cosponsored by Representatives MURPHY, ARMSTRONG, GUNDRUM and ALLEN. Referred to Committee on Universities and Technical Colleges.

1 **AN ACT to renumber and amend** 36.65 (1); and **to create** 36.11 (61), 36.11 (62),
2 36.11 (63), 36.65 (1) (b) and 36.65 (2) (j) of the statutes; **relating to:** prohibiting
3 foreign missions of China at University of Wisconsin institutions and
4 University of Wisconsin System involvement with Communist Chinese
5 recruitment or propaganda programs and requiring the University of
6 Wisconsin System to report funding received from foreign missions of China.

Analysis by the Legislative Reference Bureau

This bill requires the University of Wisconsin System to do all of the following:

1. Ensure that no designated foreign mission of China is established at or recognized by a UW institution after the bill's effective date. A "designated foreign mission of China" is defined as an entity or operation designated by the federal Office of Foreign Missions as a foreign mission of the People's Republic of China within the United States, including the Confucius Institute U.S. Center, the Asia Society Chinese Language Partner Network, and the Center for Language Exchange and Cooperation. If a designated foreign mission of China has already been established at or recognized by a UW institution on the bill's effective date, the UW System must develop and implement a plan to ensure that the designated foreign mission of China does not remain established at or recognized by the institution after approximately one year from the bill's effective date.

2. Annually identify the amount and source of funding received from a designated foreign mission of China. This information must be included in an

SENATE BILL 744

annual report that current law requires to be submitted to the governor and the legislature. With respect to UW-Madison, the report must be submitted by the UW-Madison rather than the UW System.

3. Identify, end, and provide a report regarding any “cultural exchange” programs the UW System has that are consistent with those identified by the U.S. State Department as Chinese Communist Party propaganda tools.

The bill also prohibits UW System employees and students from participating in Communist Chinese recruitment programs. The bill defines “Communist Chinese recruitment program” as a program established by the government of China, including the Thousand Talents Program, the Overseas High-Level Talent Recruitment Program, and the National High-End Foreign Experts Recruitment Plan, to recruit or partner with scientists, scholars, and other experts by offering them benefits or privileges, such as concurrent or short-term appointments at Chinese institutions or Chinese research laboratories. Under the bill, participation means entering into a written agreement with a Chinese institution, Chinese research laboratory, or the government of China that confers upon a person benefits or privileges associated with, or membership in, a Communist Chinese recruitment program. The definition of “government of China” includes an instrumentality of the People’s Republic of China or of the Communist Party of China. The bill creates certain disclosure requirements and requires any UW System employee or student who is participating in a Communist Chinese recruitment program on the effective date of the bill to terminate his or her participation within six months after the bill’s effective date, subject to an extension of no more than six additional months if certain requirements are met.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 36.11 (61) of the statutes is created to read:
2 **36.11 (61) DESIGNATED FOREIGN MISSIONS.** (a) In this subsection, “designated
3 foreign mission of China” means any entity or operation designated by the office of
4 foreign missions in the federal department of state as a foreign mission, as defined
5 in 22 USC 4302 (a), of the People’s Republic of China within the United States,
6 including the Confucius Institute U.S. Center, the Asia Society Chinese Language
7 Partner Network, and the Center for Language Exchange and Cooperation.

SENATE BILL 744**SECTION 1**

1 (b) Subject to par. (c), the board shall ensure that no designated foreign mission
2 of China is established at or recognized by any institution after the effective date of
3 this paragraph [LRB inserts date].

4 (c) If any designated foreign mission of China has been and continues to be
5 established at or recognized by any institution on the effective date of this paragraph
6 [LRB inserts date], the board shall develop and implement a plan to ensure that
7 the designated foreign mission of China does not remain established at or recognized
8 by the institution after the first day of the 13th month beginning after the effective
9 date of this paragraph [LRB inserts date].

10 **SECTION 2.** 36.11 (62) of the statutes is created to read:

11 **36.11 (62) PROHIBITION OF CHINESE COMMUNIST PARTY PROPAGANDA PROGRAMS.**
12 The board shall identify, report on, and immediately end any cultural exchange
13 programs consistent with those identified by the federal department of state as
14 Chinese Communist Party propaganda tools.

15 **SECTION 3.** 36.11 (63) of the statutes is created to read:

16 **36.11 (63) COMMUNIST CHINESE RECRUITMENT PROGRAMS.** (a) In this subsection:

17 1. "Communist Chinese recruitment program" means a program established
18 by the government of China, including the Thousand Talents Program, the Overseas
19 High-Level Talent Recruitment Program, and the National High-End Foreign
20 Experts Recruitment Plan, to recruit or partner with scientists, scholars, and other
21 experts by offering them benefits or privileges, such as concurrent or short-term
22 appointments at Chinese institutions or Chinese research laboratories.

23 2. "Government of China" means any of the following:

24 a. The Communist Party of China.

SENATE BILL 744**SECTION 3**

1 b. The People's Republic of China or any governmental unit of the People's
2 Republic of China or of a province, region, or other political subdivision of the People's
3 Republic of China.

4 c. Any instrumentality of the People's Republic of China or of the Communist
5 Party of China.

6 3. "Participate" means a person's entering into a written agreement with a
7 Chinese institution, Chinese research laboratory, or the government of China that
8 confers upon the person benefits or privileges associated with, or membership in, a
9 Communist Chinese recruitment program.

10 (b) Subject to par. (c), after the effective date of this paragraph [LRB inserts
11 date], no system employee or student may participate in a Communist Chinese
12 recruitment program.

13 (c) 1. Except as provided in subd. 2., not later than 6 months after the effective
14 date of this subdivision [LRB inserts date], any system employee or student who
15 is participating in a Communist Chinese recruitment program on the effective date
16 of this subdivision [LRB inserts date], shall terminate the employee's or student's
17 participation in the Communist Chinese recruitment program.

18 2. The chancellor of an institution may provide an extension of the deadline
19 under subd. 1. for no more than 6 months for employees assigned to the institution
20 and students enrolled in the institution to terminate participation in the Communist
21 Chinese recruitment program if the chancellor believes that these employees and
22 students are attempting to comply with the termination requirement under subd. 1.
23 and the chancellor is confident that participation in the Communist Chinese
24 recruitment program for the period of the extension will not pose a risk to research
25 or reputational interests of the system.

SENATE BILL 744

1 **SECTION 4.** 36.65 (1) of the statutes is renumbered 36.65 (1) (intro.) and
2 amended to read:

3 **36.65 (1) ~~DEFINITION~~ DEFINITIONS.** (intro.) In this section, ~~“chancellor”~~:

4 (a) “Chancellor” means the chancellor of the University of Wisconsin–Madison.

5 **SECTION 5.** 36.65 (1) (b) of the statutes is created to read:

6 **36.65 (1) (b)** “Designated foreign mission of China” has the meaning given in
7 s. 36.11 (61) (a).

8 **SECTION 6.** 36.65 (2) (j) of the statutes is created to read:

9 **36.65 (2) (j)** *Funding from certain designated foreign missions.* The amount
10 and source of funding received from any designated foreign mission of China.

11 **SECTION 7. Nonstatutory provisions.**

12 (1) **REPORT IDENTIFYING CHINESE PROPAGANDA PROGRAMS.** No later than the first
13 day of the 7th month beginning after the effective date of this subsection or the
14 beginning of the next academic year after the effective date of this subsection,
15 whichever is earlier, the Board of Regents of the University of Wisconsin System
16 shall submit a report to the chief clerk of each house of the legislature for distribution
17 to the appropriate standing committees under s. 13.172 (3). The report shall identify
18 any institution program consistent with those identified by the U.S. state
19 department as Chinese Communist Party propaganda tools and the methods that
20 the board has used to comply with s. 36.11 (62). If the board concludes that no
21 institution has, or has had, a program consistent with that described in s. 36.11 (62),
22 the report shall state this.

23 (2) **COMMUNIST CHINESE RECRUITMENT PROGRAMS.**

24 (a) In this subsection:



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-4153/1
ARG:emw

2021 SENATE BILL 745

November 30, 2021 - Introduced by Senators ROTH and DARLING, cosponsored by Representatives MURPHY, ARMSTRONG, GUNDRUM and ALLEN. Referred to Committee on Universities and Technical Colleges.

1 AN ACT *to create* 36.46 and 36.47 of the statutes; **relating to:** research at
2 University of Wisconsin System institutions, disclosure requirements relating
3 to contracts with and gifts from foreign sources, and providing a penalty.

Analysis by the Legislative Reference Bureau

This bill creates institutional and individual disclosure requirements applicable to institutions of the University of Wisconsin System and to UW System employees and others relating to research and to contracts with and gifts from foreign governments, companies, and individuals. The bill also requires each UW institution that conducts research to have a research best practices policy.

Current law requires the Board of Regents of the UW System to report to the legislature annually on the number and outcome of certain classified research contracts and biennially on the purpose, duration, cost, and anticipated completion date of research projects funded with general purpose revenue. In addition, the chancellor of UW-Madison on behalf of UW-Madison, and the Board of Regents on behalf of the other UW institutions, must annually submit to the legislature an accountability report that identifies, among other economic-development-related data, the amount and source of research funds, the number of government contracts received, and the number of research projects in progress or completed.

Current law also prohibits any UW System employee from acting as an agent for another if it would create a conflict of interest with the terms of the employee's service in the UW System and also requires the Board of Regents to promulgate rules relating to conflicts of interest. These rules prohibit specified persons, including

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faculty and academic staff, from engaging in outside activities if doing so conflicts with his or her public responsibilities to the UW institution or to the UW System. In addition, the rules require such a person to annually report to his or her institution the following: 1) associations with organizations related to his or her fields of academic interest or specialization; 2) private remunerative relationships with nongovernmental sponsors of university research for which the person is a principal investigator; and 3) remunerative outside activities in his or her field of academic interest or specialization. The rules also require each UW institution to develop policies and procedures relating to outside activities, including those relating to use of university facilities, absences from regular duties, and conflicts of interest.

Also under current law, with exceptions, it is a crime for a public employee to participate in a contract in both an official and private capacity if the employee has a private pecuniary interest and also an official function requiring the exercise of discretion. Among the exceptions, the provision does not apply to a contract between a research company and the UW System or a UW institution for the purchase of goods or services, including research, if the interest that a UW System employee has in the research company has been evaluated and addressed in a management plan for evaluating and managing potential conflicts of interest and this plan complies with the Board of Regents' policy for such management plans.

Federal law also requires each UW institution to annually submit to the federal Department of Education a publicly available disclosure report containing certain information if the institution receives a gift from or enters into a contract with a foreign source, the value of which is \$250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year. Federal law requires additional disclosures of gifts from or contracts with foreign sources that contain certain restrictions or conditions.

Under the bill, if a UW institution receives a gift from or enters into a contract with a foreign source, the value of which is \$50,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the UW institution must submit to the legislature and to the state Department of Justice an annual disclosure report containing 1) the aggregate dollar amount of the gifts and contracts by country and 2) the purpose of each gift or contract. A "foreign source" includes a foreign government, a foreign legal entity or its subsidiary or affiliate, and an individual who is not a U.S. citizen or national. A "gift" includes a gift of money or property. A "contract" is defined as an agreement for the acquisition by purchase, lease, or barter of property or services by a foreign source, for the direct benefit or use of either of the parties. The Board of Regents may submit one report on behalf of multiple UW institutions.

The bill also requires each UW institution to separately disclose any restricted or conditional gift or contract from a foreign source. A "restricted or conditional gift or contract" is defined as any endowment, gift, grant, contract, award, present, or property that includes provisions regarding the employment, assignment, or termination of faculty; the establishment of departments, centers, programs, or new faculty positions; the selection or admission of students; or the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students

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of a specified country, religion, sex, ethnic origin, or political opinion. The disclosure must include the dollar amount, the date, a description of the conditions or restrictions, and the applicable country.

Under the bill, if a UW System employee fails to act in good faith and with reasonable diligence to facilitate a UW institution's reporting of foreign-source gifts and contracts with an aggregate value of at least \$50,000 or of a restricted or conditional gift or contract, the employee may be fined not more than \$5,000 for the first offense and not more than \$10,000 for each subsequent offense.

In addition to institutional disclosures, the bill requires each UW System employee who participates in research conducted at or sponsored by a UW institution, and each third-party researcher, to disclose all research contracts with and gifts from any foreign source associated with the People's Republic of China, Russia, Cuba, Iran, North Korea, or Syria to the extent the contract or gift involves the employee or third-party researcher. The bill defines a "third-party researcher" as a principal investigator, project director, collaborator, consultant, or other person who participates in the design, conduct, or reporting of research conducted at or sponsored by a UW institution and who is not a UW System employee or student. The disclosure must be made to the applicable UW institution and include the amount of the contract or gift; the date the contract was entered into or the gift received; the name and address of the foreign source; and a copy of any applicable agreement. Any person who willfully or with gross negligence violates these disclosure requirements may be fined an amount not exceeding 105 percent of the amount of the applicable contract or gift.

The bill also requires each UW institution to ensure that its employees and students who perform research supported by state or federal funds, and any other person who participates in such research at the institution, satisfy all disclosure requirements associated with the awarding of the research funding, including the reporting of financial conflicts of interest under federal rules governing the management and reporting of financial conflicts of interest in U.S. Public Health Service-funded research. Unless the UW institution already maintains such a policy or does not conduct research, each UW institution must create a policy of best practices for research projects, security, and collaboration that further American scientific standards of transparency, reciprocity, merit-based competition, and integrity. In developing this policy, the institution must consider best practice standards established by federal agencies and other entities that award research grants.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SENATE BILL 745**SECTION 1**

1 **SECTION 1.** 36.46 of the statutes is created to read:

2 **36.46 Disclosure of foreign sources of funding. (1) DEFINITIONS.** In this
3 section:

4 (a) “Attributable country,” with respect to a foreign source, means the
5 following:

6 1. For a foreign source who is an individual, the country of citizenship or, if
7 unknown, the principal residence.

8 2. For a foreign source that is a legal entity, but not including a foreign
9 government, the country of incorporation or, if unknown, the principal place of
10 business.

11 (b) “Contract” means any agreement for the acquisition by purchase, lease, or
12 barter of property or services by a foreign source, for the direct benefit or use of either
13 of the parties.

14 (c) “Country of concern” means the People’s Republic of China, Russia, Cuba,
15 Iran, North Korea, or Syria.

16 (d) “Foreign source” means any of the following:

17 1. A foreign government, including an agency of a foreign government.

18 2. A legal entity, governmental or otherwise, created solely under the laws of
19 a foreign state.

20 3. An individual who is not a citizen or a national of the United States or of a
21 trust territory or protectorate of the United States.

22 4. An agent, including a subsidiary or affiliate of a foreign legal entity, acting
23 on behalf of a foreign source.

24 (e) “Gift” means any gift of money or property.

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1 (f) "Restricted or conditional gift or contract" means any endowment, gift,
2 grant, contract, award, present, or property of any kind that includes provisions
3 regarding any of the following:

- 4 1. The employment, assignment, or termination of faculty.
- 5 2. The establishment of departments, centers, research or lecture programs,
6 or new faculty positions.
- 7 3. The selection or admission of students.
- 8 4. The award of grants, loans, scholarships, fellowships, or other forms of
9 financial aid restricted to students of a specified country, religion, sex, ethnic origin,
10 or political opinion.

11 (g) "Third-party researcher" means a principal investigator, project director,
12 collaborator, consultant, or other person who participates in the design, conduct, or
13 reporting of research conducted at or sponsored by an institution and who is not a
14 system employee or student.

15 (2) INSTITUTIONAL DISCLOSURE. (a) If an institution receives a gift from or enters
16 into a contract with a foreign source, the value of which is \$50,000 or more,
17 considered alone or in combination with all other gifts from or contracts with that
18 foreign source within a calendar year, the institution shall submit under s. 13.172
19 (3) to the standing committees of the legislature with jurisdiction over higher
20 education matters, and to the department of justice, an annual disclosure report as
21 provided in pars. (b) and (c).

22 (b) 1. A report required under par. (a) shall be submitted no later than January
23 31 after the calendar year to which the report applies.

SENATE BILL 745**SECTION 1**

1 2. In lieu of submitting a report under par. (a), an institution may provide all
2 applicable information to the board and the board may submit a report on behalf of
3 multiple institutions containing all information required from these institutions.

4 (c) Each report required under par. (a) shall contain all of the following:

5 1. For gifts received from or contracts entered into with a foreign source other
6 than a foreign government, the aggregate dollar amount of the gifts and contracts,
7 disclosed according to each attributable country.

8 2. For gifts received from or contracts entered into with a foreign government,
9 the aggregate dollar amount of the gifts and contracts received from each foreign
10 government.

11 3. For each gift received from or contract entered into with any foreign source,
12 the purpose of the gift or contract.

13 (d) 1. In addition to the requirement under par. (a), if an institution receives
14 a restricted or conditional gift or contract from a foreign source within a calendar
15 year, the institution shall disclose all of the following:

16 a. For gifts received from or contracts entered into with a foreign source other
17 than a foreign government, the dollar amount, the date, a description of the
18 conditions or restrictions, and the attributable country.

19 b. For gifts received from or contracts entered into with a foreign government,
20 the dollar amount, the date, a description of the conditions or restrictions, and the
21 name of the foreign government.

22 2. If an institution is required to submit a report under par. (a), the disclosure
23 required under this paragraph shall be included in the report under par. (a) for the
24 same calendar year. If an institution is not required to submit a report under par.
25 (a) for a calendar year but is subject to the disclosure requirement under this

SENATE BILL 745

1 paragraph for that calendar year, the disclosure shall be submitted in the manner
2 and by the deadline described in pars. (a) and (b).

3 **(3) INDIVIDUAL DISCLOSURE.** (a) Each system employee who participates in
4 research conducted at or sponsored by an institution, and each 3rd-party researcher,
5 shall disclose all research contracts with and gifts from any foreign source associated
6 with a country of concern to the extent the contract or gift involves the employee or
7 3rd-party researcher.

8 (b) The disclosure required under par. (a) shall be made to the applicable
9 institution immediately upon execution of the contract or receipt of the gift. The
10 disclosure shall be made in the form and manner prescribed by the board but shall
11 include all of the following:

- 12 1. The amount of the contract or gift.
- 13 2. The date the contract was entered into, along with the contract start and end
14 date, or the date the gift was received.
- 15 3. The name and address of the foreign source.
- 16 4. A copy of any applicable agreement.

17 **(4) PENALTIES.** (a) Any system employee who fails to act in good faith and with
18 reasonable diligence to facilitate an institution's compliance with the requirements
19 under sub. (2) may be fined not more than \$5,000 for the first offense and not more
20 than \$10,000 for each subsequent offense.

21 (b) Any person who willfully or with gross negligence violates the requirements
22 under sub. (3) may be fined an amount not exceeding 105 percent of the amount of
23 the applicable contract or gift.

24 **SECTION 2.** 36.47 of the statutes is created to read:

SENATE BILL 745**SECTION 2**

1 **36.47 Basic research standards.** (1) Each institution shall ensure that
2 system employees assigned to and students enrolled in the institution who perform
3 research supported by state or federal funds, and any other person who participates
4 in such research at the institution, satisfy all disclosure requirements associated
5 with the awarding of the research funding, including the reporting of financial
6 conflicts of interest under 42 CFR 50.605, as applicable.

7 (2) (a) Each institution shall create a policy of best practices for research
8 projects, security, and collaboration that further American scientific standards of
9 transparency, reciprocity, merit-based competition, and integrity. In developing the
10 policy, the institution shall consider best practice standards established by federal
11 agencies and other entities that award research grants. This paragraph does not
12 apply if, on the effective date of this paragraph ... [LRB inserts date], the institution
13 maintains a policy consistent with the requirements of this paragraph.

14 (b) Each institution shall provide resources, developed by the institution, for
15 preparing grant proposals to system employees assigned to and students enrolled in
16 the institution who are involved in research activities.

17 (c) This subsection does not apply to an institution at which no research is
18 conducted.

SECTION 3. Nonstatutory provisions.

19 (1) INDIVIDUAL DISCLOSURE FOR EXISTING CONTRACTS AND PRIOR GIFTS.

20 (a) In this subsection:

21 1. “Contract” has the meaning given in s. 36.46 (1) (b).

22 2. “Country of concern” has the meaning given in s. 36.46 (1) (c).

23 3. “Foreign source” has the meaning given in s. 36.46 (1) (d).

24 4. “Gift” has the meaning given in s. 36.46 (1) (e).

25

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1 5. "Institution" has the meaning given in s. 36.05 (9).

2 6. "System" has the meaning given in s. 36.05 (12).

3 7. "Third-party researcher" has the meaning given in s. 36.46 (1) (g).

4 (b) Each system employee who participates in research conducted at or
5 sponsored by an institution, and each 3rd-party researcher, shall disclose all
6 research contracts and gifts specified in par. (c) to the extent the contract or gift
7 involves the employee or 3rd-party researcher.

8 (c) Paragraph (b) applies to all of the following:

9 1. All research contracts with any foreign source associated with a country of
10 concern that are in effect on the effective date of this subdivision.

11 2. All gifts received from any foreign source associated with a country of
12 concern within 2 years immediately preceding the effective date of this subdivision.

13 (d) The disclosure required under pars. (b) and (c) shall be made to the
14 applicable institution not later than 6 months after the effective date of this
15 paragraph. The disclosure shall include all of the information specified in s. 36.46
16 (3) (b) 1. to 4.

17 **SECTION 4. Initial applicability.**

18 (1) The treatment of s. 36.46 (2) and (3) first applies to contracts entered into
19 and gifts received on the effective date of this subsection.

20 **SECTION 5. Effective date.**

21 (1) This act takes effect on the 30th day after the day of publication.

22

(END)

