



## **Big men on campus: The Koch brothers' university donations are a veiled political weapon**

*How massive Koch donations to universities miraculously lead to legislation the billionaire brothers' support*

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Through his family foundations, billionaire industrialist and conservative political mega-donor Charles Koch gave \$108 million to 366 colleges and universities from 2005-14, and he's donated millions more since then.

Much of that money established free-market academic centers on campuses; dozens of Koch-funded centers exist, and in Arizona, where Koch's political money helped elect GOP Gov. Doug Ducey and conservative state legislators, three centers at public schools will now receive annual state funding.

The Koch money also installs professors who will publish libertarian-minded economics papers and teach students about the benefits of abolishing taxes and ending regulation, and it funds graduate students in these programs, grooming them to become the next great Koch scholars.

Universities, often stripped of general funding by Koch-backed lawmakers, enter into private grant agreements, some that give the Charles Koch Foundation (CKF) a say in hiring decisions and curriculum, introducing major ethical concerns: A politically polarized billionaire industrialist is using his family fortune to take over university departments and control what they're teaching and publishing.

For someone who so dearly loves the free market, what does he think about academic freedom?

The strategy originated in the late 1970s, when Koch and his right-hand man, Richard Fink, devised the "Structure of Social Change," a plan to turn America into a libertarian land free from taxes and regulation. The plot begins with the funding of free-market academic programs, where professors produce anti-tax and anti-regulation policy papers that, in step two, Koch-funded think tanks like the Cato Institute use to create easily digestible policy proposals. Next, "citizen activists" (in reality, Koch-funded political groups masquerading as "social welfare" nonprofits

such as Americans for Prosperity) rally support for the policies and pressure lawmakers to enact them.

Of course, since the plan hatched, Koch and his brother, David, have become known for their massive political spending operation, a vast web consisting of a Koch “central bank,” secret-money “social welfare” nonprofits, limited liability corporations, trusts and now a super PAC, all exchanging huge sums in order to make political expenditures benefiting conservative candidates for the presidency and all the way down to local school boards.

After several decades of implementing the “Structure of Social Change” and spending on politics, the plan is working. Koch-backed conservatives are U.S. senators, governors, and state legislators, who, along with sympathetic public utility commissioners and other officials, enact a Koch agenda that slashes public funds, strikes down regulations and cuts taxes, all to the benefit of petrochemical conglomerate Koch Industries, the reason the Koch brothers are worth \$43 billion a piece.

Studies by academic centers such as George Mason University’s Mercatus Center, a recipient of millions of dollars in donations from the Charles Koch Foundation, make their way into Republican-written legislation like this bill sponsored by U.S. Rep. Tom Price (R-GA), who has attended at least one of the Kochs’ donor summits and Americans for Prosperity events. Employees of Koch Industries and the company PAC have been top contributors to Price’s campaigns. Another bill, sponsored by U.S. Sen. Mike Enzi (R-WY), also cites Mercatus research. Enzi, too, has received campaign donations from the Koch Industries PAC.

In 2015, Price and Enzi teamed up to oust Doug Elmendorf from his position as director of the Congressional Budget Office, installing economist Keith Hall, who was a senior research fellow at Mercatus for over two years and also has a background in government. As one might expect, Hall thinks government spending won’t pull people out of poverty; raising the minimum wage even to \$10.10 per hour would increase income inequality; and the Affordable Care Act and regulation are both dangers to the labor force.

In an important June 7 piece for the Huffington Post, Democratic U.S. Sens. Elizabeth Warren, Charles Schumer and Sheldon Whitehouse explain this piece of the social change puzzle, one that Koch and Fink may not have anticipated decades ago: Koch-funded academic figures are skipping steps in the “Structure of Social Change,” making their way directly from a university center into the halls of government.

“The Kochs understand what many forget,” write the senators. “At all levels of government, personnel is policy. They are dumping enormous resources into placing their own ideological extremists who share their destructive worldview into state and local governments, Congress, and even federal agencies.”

The senators highlight Republican Charles Blahous, who is up for a second term as a public trustee for Social Security. The thing is: He’s “a prominent opponent” of the program, the Senators write, who tried to privatize it as he led a George W. Bush-appointed commission. Blahous is director of the Mercatus Center’s Spending and Budget Initiative and a senior

research fellow. There, he has published papers bemoaning “the fiscal consequences of the Affordable Care Act,” among other writings.