

Koch-Funded Academics Bring Free-Market Ideology To The Trump Administration

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December 5, 2017

Things have changed since then-presidential candidate Donald Trump tweeted that the Koch brothers “cannot influence Trump!” in July 2015. Or in November of that year when he tweeted that Charles Koch was “looking for a new puppet” after Scott Walker’s and Jeb Bush’s campaigns failed. Or in February 2016, when Trump repeated his puppet claims in the context of Marco Rubio.

From choosing Koch favorite Mike Pence as his running mate in mid-2016 to filling his administration with Koch associates, Trump appears to have fully embraced the agenda of billionaire industrialist brothers Charles and David Koch, who run a private oil, chemical and manufacturing conglomerate, with the help of many of their allies by his side.

While the Kochs and their network continue to urge Congress to make big tax cuts, slash regulations, repeal Obamacare and crack down on unions, academics from Koch-funded college and university programs have, under Trump, earned posts in the budget office’s regulatory department, the Department of Labor, the EPA, and the renewable energy office in the Department of Energy, among other agencies, while others are special assistants advising the president on health care policy or energy issues.

A [new report](#) from the progressive consumer advocate Public Citizen identifies 44 Trump administration officials who have close ties to the Koch brothers and their network of political groups. Many come from Koch Industries, Koch-funded political organizations and independent think tanks financed by the Kochs like the Cato Institute and the Texas Public Policy Foundation. Still others, including additional officials identified by International Business Times, are academics who have either taught or studied at heavily Koch-backed programs at the public George Mason University (GMU) in Virginia.

Since the 1970s, the Kochs have considered higher education the foundation of their “[Structure of Social Change](#),” an effort to convert Americans to libertarianism and push through steep tax cuts and deregulation. Richard Fink, the Kochs’ close lifelong associate, said that higher education can provide the “intellectual raw materials” that think tanks can then repackage into policy ideas. Then, finally, advocacy groups can turn these ideas into distinct proposals that the public can understand and then rally those people to push for policy change.

Decades later, Koch family foundations, especially the Charles Koch Foundation, have given hundreds of millions of dollars to colleges and universities to further their libertarian ideology. “The [Koch] network is fully integrated, so it’s not just work at the universities with the students,

but it's also building state-based capabilities and election capabilities and integrating this talent pipeline," Kevin Gentry, then vice president of the Charles Koch Foundation, told a crowd of wealthy Koch network donors at a private 2014 gathering.

No academic institution has enjoyed more donations from the Koch family than GMU, where the Koch brothers have founded and funded multiple free-market centers with the hope of indoctrinating many young minds and raising the profile of libertarian professors. Some of these minds are now working the Trump administration, and still more occupy other roles in the conservative political ranks of Washington, D.C.

"When you see a Mercatus scholar working in the White House, [Charles] Koch's interests are being directly represented," Samantha Parsons, a campaign strategist with activist group UnKoch My Campus, which researches and organizes around the Kochs' higher education donations, told IBT. "Trump's appointments demonstrate the Koch network's highly effective manipulation of universities to achieve policy outcomes, even under an administration they claim no allegiance to."

Koch-sponsored Academics In The Trump Administration

On Oct. 26, Trump announced that **William Beach**, vice president of policy research at the Mercatus Center, would begin a four-year term as the commissioner of labor statistics at the Department of Labor. From 1991 to 1995, Beach was president of the Institute for Humane Studies, another free-market think tank at GMU that the Kochs have heavily funded for decades. At Mercatus, Beach published papers claiming that deregulation fuels economic growth, and earlier, as a fellow and head of data analysis at the conservative and partially Koch-funded Heritage Foundation, Beach co-authored a 2011 report on how to "fix the debt and cut spending" by slashing Medicare, Social Security and K-12 education funds while cutting taxes. In 1998, Beach argued in favor of private investment retirement accounts instead of social security for union workers and instead. Previously chief economist for the Republicans in the Senate Budget Committee, Beach will oversee the Bureau of Labor Statistics, an "independent statistical agency" within the Labor Department that "[measures] labor market activity, working conditions, and price changes in the economy."

John Graham, the dean of the School of Public and Environmental Affairs at Indiana University, was recently named to the EPA's Science Advisory Board. At Indiana, he has supported funding from the Charles Koch Foundation and recently had a doctoral student who earned both Mercatus and IHS fellowships. Earlier in his career, Graham founded the Harvard Center for Risk Analysis, which received funding from the Charles Koch Foundation along with other fossil fuel interests and tobacco companies. Graham collaborated with numerous Mercatus scholars on a regulation "hit list" while he was Administrator of the Office of Information and Regulatory Affairs (OIRA) at the Office of Management and Budget under George W. Bush. When Bush nominated Graham for OIRA, the nominee faced a deluge of opposition. Fifty-three academics signed a letter in 2001 opposing his nomination, writing that "Professor Graham has shown his willingness to over-ride health, safety, environmental, civil rights, and other social goals in applying crude cost-benefit tools...Graham's work has, overall, demonstrated a remarkable congruency with the interests of regulated industries."

Neomi Rao was named “regulatory czar,” the administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget in July, where she is helping the Trump administration with its deregulatory agenda. At GMU, Rao was a law professor and the founder of the law school’s Center for the Study of the Administrative State, which is benefiting from the recent \$10 million Charles Koch Foundation donation, according to the March 2016 grant agreement. “It’s going to be a game-changing donation and gift for the George Mason law school,” she told the Washington Post at the time.

Rao will scrutinize regulations the Trump administration proposes while being responsible for implementing Trump’s executive orders directing agencies to repeal two regulations for each significant one they issue, which Rao called “‘an important step’ in broadly reducing regulatory burden.” Rao has argued that independent government agencies like the Consumer Financial Protection Bureau, which issues regulations and enforces existing ones, should answer to the president.

A “deep critic of congressional overdelegation,” according to the Wall Street Journal, Rao issued a directive in September with the goal of a “net reduction in total incremental regulatory costs” in fiscal 2018. Also that month, Rao halted the requirement for certain private employers to report data on pay and work hours of various races, genders and ethnic groups to the U.S. Equal Employment Opportunity Commission. Women’s advocate Nita Chaudhary called the move “a thinly-veiled attempt to give corporations license to discriminate against their employees.”

Brian Blase was named a special assistant to the president on health care policy in February by National Economic Council Director Gary Cohn. He comes from the Mercatus Center, where he was a senior research fellow focusing on health care policy. In 2013, Blase earned his PhD in economics from GMU. His Mercatus paper supporting the repeal and replacement of the Affordable Care Act encourages cutting Medicaid by providing fixed grant amounts to the states and killing state and federal mandates on having health insurance.

As of May, **Daniel Simmons**, an opponent of renewable energy, has been the controversial Acting Assistant Secretary in the Office of Energy Efficiency and Renewable Energy in the Energy Department. Most recently, Simmons was vice president of policy at the Koch-funded Institute for Energy Research but before that, he was a research fellow at Mercatus. In a 2013 Heartland Institute podcast, Simmons said, “The most simple of all points is that no matter what the renewable guys say, what they will admit is that their type of power — the wind and solar — is more expensive and will increase the price of electricity...And in an economy that is struggling, it is critical that we do everything we can to keep prices low.”

Here are more Koch higher education alumni now in the White House administration.

- **Nathan Alexander Sales** became the State Department’s coordinator for counterterrorism was an assistant professor of law from 2008 to 2014 at GMU.

- **George David Banks** , who is a special assistant to the president for international energy and environment, got his law degree from George Mason University. Nominated by Trump, Banks previously worked for groups against wind power and sceptical of climate change, according to the Energy and Policy Institute.
- **Jonathan F. Mitchell** is now chairman of the Administrative Conference of the United States, an independent agency; he is a former law professor at GMU. In 2012, when Mitchell was a professor there, the law school's Law and Economics Center received \$52,000 from the Charles Koch Foundation.
- **Jerry Ellig** is a longtime Mercatus senior research fellow on leave to be the chief economist at the ostensibly independent Federal Communications Commission. FCC Chairman Ajit Pai, who is in the controversial process of undoing net neutrality, appointed Ellig.
- Vice President Mike Pence hired libertarian economist **Mark Calabria** to be his chief economist in February. Calabria comes from the Cato Institute, an independent think tank funded by the Kochs, but he also earned a doctorate in economics from GMU in 1995.
- **Christian Rodrick**, who participated in a summer Koch Internship Program, is special assistant at the Office of Congressional and Intergovernmental Affairs of the Environmental Protection Agency.
- **Adam Kissel**, deputy assistant secretary for higher education programs in the Department of Education — which is run by Betsy DeVos, a Koch network donor — didn't join the administration via academia, but from the Charles Koch Foundation, where, as a program officer for higher education, he helped fund the free-market economics initiatives from which other Trump officials came.
- Nominated, but not yet confirmed, for SEC commissioner is **Hester Peirce**, a senior research fellow and director of the Financial Markets Working Group at the Mercatus Center at GMU, where she has worked since 2012.

If OMB Director Mick Mulvaney doesn't last at the Consumer Financial Protection Bureau, first in line for the job is GMU law professor and Mercatus senior research fellow **Todd Zywicki** , whose research the Treasury recently cited in its effort to discredit a CFPB rule on forced arbitration. Todd Zywicki sits on the board of the Institute for Humane Studies, according to its website.

Other ex-Mercatus scholars hold powerful roles in Washington as well. **Keith Hall**, a former Mercatus research fellow, has been director of the Congressional Budget Office since 2015. The Mercatus Center comes up increasingly more often in congressional deliberations, appearing in the congressional record or committee reports 43 times in the 2015-16 session and already 23 times this year.

The Arlington, Virginia campus of George Mason University houses the law school, Mercatus Center and the Institute for Humane Studies, all funded in part by Koch family foundations.

‘Koch U’

Since 2005, Koch foundations have lavished GMU with over \$100 million in donations, including a recent \$10 million donation, along with \$20 million from an undisclosed donor, to rename the law school after the late conservative Supreme Court Justice Antonin Scalia. Fink, the man who helped Charles Koch devise his social change plan, brought his free-market program from Rutgers University to GMU in 1980, and it began to receive funding from Koch family foundations. Charles Koch is a Mercatus board member, as is Fink and Bryan Hooks, president of the Charles Koch Foundation and the Charles Koch Institute. Koch also sits on the board of the Institute for Humane Studies, and as of 2015, he was chairman. Two Charles Koch Foundation leaders are also directors, and Fink was until recently on the board.

The Kochs’ extensive sponsorship of GMU has led journalist Dave Levinthal to call the school “Koch U” in a review of the family’s 2013 higher education donations. But the Kochs’ higher education donations are by no means limited to GMU; in 2015, Koch foundations combined to dole out \$33 million to hundreds of colleges and universities.

Filling The Void

In the Public Citizen report, author Alan Zibel writes that Trump has betrayed the populist promises of his campaign. “In an administration that lacks a clear policy agenda or expertise, Koch aides have been happy to fill the void with specific ideas to enrich corporate interests and harm the public as a whole.”

Both chambers of Congress have passed their versions of the GOP tax cut plan, something for which the Koch political network has extensively lobbied and campaigned in recent months. Nonpartisan analysis points toward a massive windfall for the country’s richest families and for corporations while in fact raising taxes on the lowest earners. In order to pay for these major cuts at the top of the income ladder, Republicans in the House took away numerous tax deductions, including one on student loans, and added a tax on tuition waivers and on university endowments, which education leaders say will make higher education — especially graduate school — even more expensive.

Universities are already cash-strapped, and tuition is already exorbitant, leading to a mounting student debt crisis. With even less of a financial support system for aspiring students and university programs, educational institutions will have even more reason to rely on their rich donors to stay afloat.