

INCREASED FUNDING, INCREASED INFLUENCE

KOCH UNIVERSITY FUNDING UPDATE

MAY 2005 - 2019



EXECUTIVE SUMMARY

As the epicenter of modern-day lobbying veers farther away from Washington, D.C. and into our daily lives, college campuses are increasingly subject to the influence of private and corporate influence. There are many culprits we can point to in this arena, but one billionaire donor has distinguished himself for his aggressively coordinated spending and wielding of political influence through university grants.

Charles Koch, CEO of Koch Industries, has overseen over \$458 million in grants to over 550 universities and higher ed adjacent non-profits since 2005. Unlike other philanthropists backing higher education, Koch gives to schools with the explicit goal of creating intellectual fodder for his network of political interest groups, and recruiting and training students to integrate into that network.

Charles Koch himself admits that his funding of hundreds of universities across the country is intended to mainstream free-market ideas and approaches to public policy that support the Koch network's legislative goals at the state and federal levels:



“... there are basically four ways in which [the pro-capitalist businessman] can fight for free enterprise – through education, through the media, by legal challenges, and by political action... I do maintain, however, that the educational route is both the most vital and the most neglected... We should [support] only those programs, departments or schools that contribute in some way to our individual companies or to the general welfare of our free enterprise system.”

-- [Charles Koch, 1974.](#)

Using recently released tax records, we discovered that in 2019, Koch university funding totaled \$112,044,071. This is an increase of \$23.9 million from 2018. It's the second year in a row that Koch outspent it's previous annual total by over \$20 million. This one-year total

is over a hundred million dollars more than Koch foundations spent annually on universities a decade ago, at \$10.5 million in 2009.

George Mason University (GMU) in Virginia continues to eclipse all other schools that Koch funds. GMU, and the two Koch-controlled political organizations that are formally affiliated with GMU, the Mercatus Center and the Institute for Humane Studies (IHS), received a combined \$23.4 million in 2019. GMU, Mercatus, and the IHS have received \$179 million from Charles Koch's foundations since 2005. This represents about 40% of Koch's total \$458.4 million in expenditures at over 500 college and university campuses and programs since 2005.

Koch achieves his goals in education in three ways.

First, by funding campus centers and think tanks that produce research that endorses/ supports the Koch network's policy agenda. Second, by mainstreaming favorable ideas to the general public via curriculum and public relations strategies. And lastly, by identifying sympathetic students to recruit into the Koch network "talent pipeline."¹ Koch and his network provide large financial gifts with terms and conditions attached to the scope of research, curriculum taught, and faculty hired to mainstream ideas that validate their policy objectives.²

As seen by the drastic increase in donations, Koch's decades-long campaign to build intellectual capital for his political machine has escalated in recent years. Working in partnership with other millionaire and billionaire political donors, Charles Koch has taken advantage of schools suffering from dried-up state budgets, doling out grants to universities, some with the condition that his preferred economics theories are given more prominence in the curriculum. (In a self-reinforcing cycle, Koch's lobbying army is often the reason that state budgets fall short, opening up the opportunity for Koch

to privatize various cultural, educational and social institutions.)

Rather than trusting credentialed educators to use grants however they see fit, Charles Koch exerts control in the departments he funds using carefully-worded contracts, with specific objectives provided by Koch and frequently including mandates to tenure-track any professors financed by Koch. These controversial contracts --many of which are shrouded by a lack of transparency-- are widely regarded by professors as [a threat to academic freedom and shared governance](#), validating widespread student concerns of undisclosed corporate influence in higher education.

Koch-funded professors have helped legitimize Koch Industries' lobbying efforts by adding their name—and the institutional credibility of their employer universities—to Koch's efforts. One of the most recent examples is George Washington University's Regulatory Studies Center, which is [a case study in our recent Koch and Climate Report](#).



¹ Levinthal, Dave. "Koch Brothers Higher Ed Investments Advance Political Goals." Center for Public Integrity. 10 October 2015.

<https://publicintegrity.org/2015/10/30/18684/koch-brothers-higher-ed-investments-advance-political-goals>

² UnKoch My Campus. "Violations of Academic Freedom, Faculty Governance, and Academic Integrity: An Analysis of the Charles Koch Foundation." UnKoch My Campus. Dec, 2018.

<http://www.unkochmycampus.org/academic-violations>

KOCH FOUNDATION PAYMENTS TO COLLEGES, UNIVERSITIES, AND HIGHER ED PROGRAMMING, 2005-2019: \$458,482,015

THE UNKOCH MY CAMPUS CAMPAIGN

Unless we increase transparency and put policies in place to protect the classroom from outside ideological control, donor politics will take precedence over the education of tuition-paying students while the quality of higher education will continue to erode irreparably. In a nationwide push for transparency, students and professors at Koch-funded schools continue to amass evidence demonstrating Charles Koch's disregard for academic freedom in the classroom, an arena he considers to be up for sale to the highest bidder. We encourage all those at Koch-funded institutions of higher education to look into how this money is being used and at what cost to your job, education, reputation, and notion of academic freedom.

KOCH 2019 UNIVERSITY FUNDING TOTAL: \$112,044,071

This is an increase of \$23.9 million from the previous year, 2018. It's the second year in a row that Koch outspent it's previous annual total by over \$20 million.

This one-year total is over a hundred million dollars more than Koch foundations spent annually on universities a decade ago, at \$10.5 million in 2009.

In the fifteen year period from 2005 to 2019, there was only one year where Koch foundation

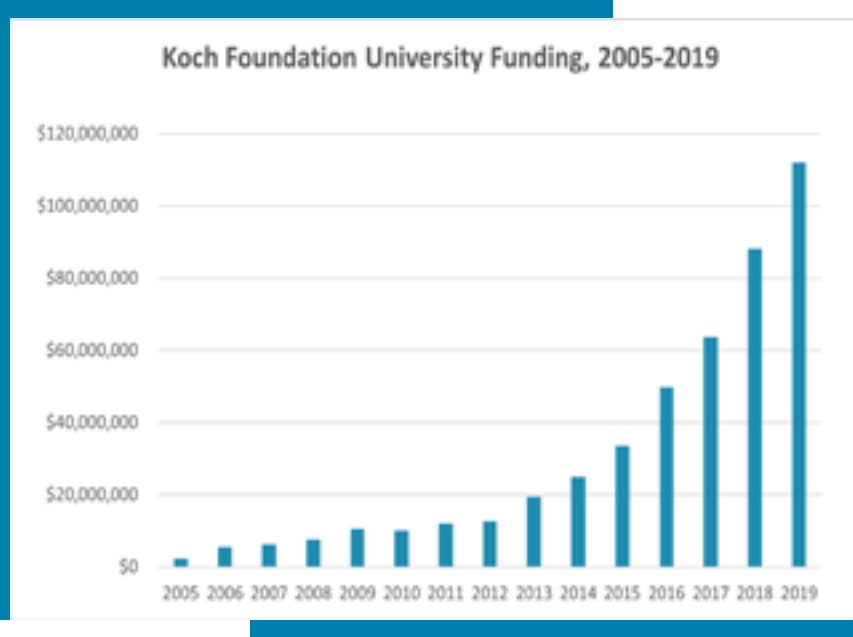
spending on universities did not increase (2009-2010).

GEORGE MASON UNIVERSITY IS KOCH U

George Mason University (GMU), and the two Koch-controlled political organizations that are formally affiliated with GMU, the Mercatus Center and the Institute for Humane Studies (IHS), received a combined \$23.4 million in 2019.

GMU, Mercatus, and the IHS have received \$179 million from Charles Koch's foundations since 2005. This represents about 40% of Koch's total \$458.4 million in

34 UNIVERSITIES & HIGHER EDUCATION ORGANIZATIONS RECEIVED OVER \$1MILLION IN 2019:



expenditures at over 500 college and university campuses and programs since 2005.

GMU received millions of dollars from Koch before 2005 as well, but Koch foundation IRS filings are not available from the 1980's and 1990's, so a definitive total is not possible to confirm.

In 2015, the Center for Public Integrity dubbed GMU "[Koch U.](#)" That clearly remains the case.

NEW RECIPIENTS OF KOCH FUNDS IN 2019:

Ten college and university campuses received their first Koch grants in 2019, along with three campuses that were pledged money in 2020:

Minerva Institute for Research and Scholarship - \$1,500,000

San Francisco, CA

The [Minerva Institute](#) is a nonprofit university that is indirectly [accredited](#) through its affiliation with the Keck Graduate Institute (KGI). The first students [enrolled](#) in 2014.

Miami University - \$264,000

Oxford, OH

CEVRO Institute - \$110,000

Prague, Czech Republic

Xavier University - \$100,000

Cincinnati, OH

Fordham University - \$40,548

New York, NY

University of Central Florida -

\$18,319

Orlando, FL

Bridgewater State University -

\$11,900

Bridgewater, MA

Indiana State University -

\$12,200

Terre Haute, IN

College Unbound - \$7,442

[College Unbound](#) is a non-profit educational institution in Providence, Rhode Island. College Unbound holds "initial accreditation status by the New England Commission of Higher Education," and is approved to issue degrees to its graduates.

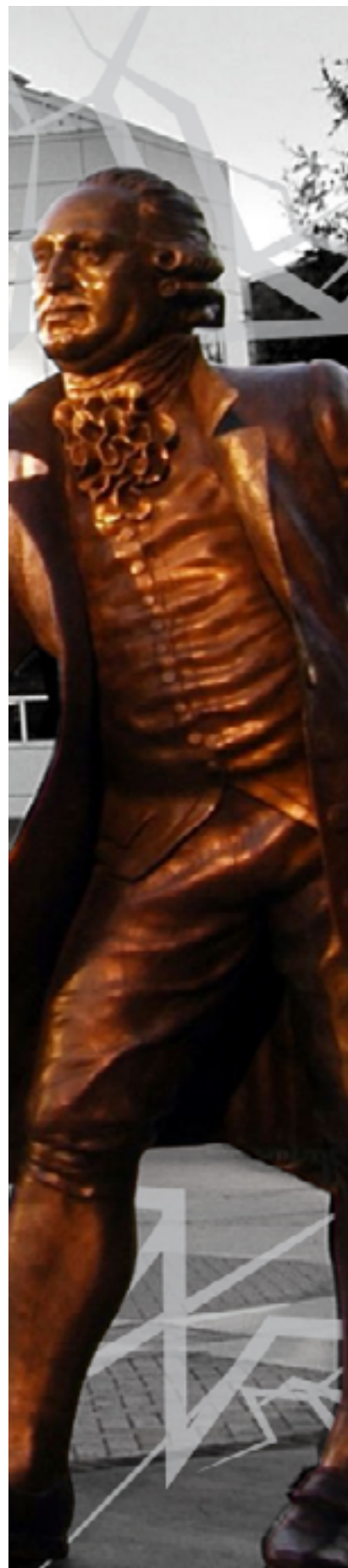
Pace University - \$4,000

New York, NY

The Charles Koch Foundation also pledged future payments to three new universities in 2019:

- **Kent State University** (Kent, OH) - \$54,200 pledge
- **Eastern Oregon University** (La Grande, OR) - \$33,000 pledge
- **University of Birmingham** (Birmingham, United Kingdom) - \$32,500 pledge

Pledged money is not included in any totals, because it was not money spent during the 2019 calendar year. These universities have been added to the database, but no payments will be added until future disclosure confirms exact dollar amounts paid.



Many political organizations financed by Koch compliment direct investments in campus programs. Most of these organizations work on many issues, but several of them are particularly focused on injecting the political preferences of Charles Koch and other prominent donors into higher education.

As noted by the [Center for Media and Democracy](#), grants to colleges, universities, and nonprofits that coordinate programming with higher education institutions do not reflect the entirety of Koch's higher education influence:

"In addition to higher education funding, Koch has given to right-wing organizations that focus on youth movement building such as Young Americans for Liberty Foundation (\$364,907), Young Voices (\$92,423), Students for Liberty (\$12,929), and many more."

In 2019, Koch foundations also sent five to seven-figure grants to the following groups:

American Council of Trustees and Alumni (ACTA)	New Orleans Institute for Philosophy, Politics, and Economics
Arizona Council on Economic Education	Property and Environment Research Center (PERC)
Association of Private Enterprise Education (APEE)	Public Choice Society
Bill of Rights Institute (controlled by the Koch family)	Scala Foundation
Classical Liberals in the Carolinas	Scholars at Risk Network
Delaware Council on Economic Education	Sixth Amendment Center
Elm Institute	Student Free Press Association (publishes the College Fix)
Foundation on Individual Rights in Education (FIRE)	Students for Liberty (SFL)
International Center for Law and Economics	Virginia Council on Economic Education
James G. Martin Center	Young Americans for Liberty (YAL)
Leadership Institute (publishes Campus Reform)	Young Voices
Legatum Institute Foundation	Youth Entrepreneurs (controlled by the Koch family)

Additionally, there are a few “mainstream” (less political) organizations in the higher education community that are receiving funds from Koch:

Association of American Universities

National HBCU Speech and Debate Association

West Point Association of Graduates



TOTALS BY KOCH FOUNDATION

The Charles Koch Foundation remains the big spender.

The Charles Koch Foundation continues to be the primary vessel for financing universities, contributing \$108,118,214 to 211 colleges and universities, and the eight university-affiliated nonprofits listed below in the methodology.

More details on the Charles Koch Foundation’s spending on

colleges, universities, and higher education influence groups was previously published by the [Center for Media and Democracy](#).

See the [2019 Charles Koch Foundation IRS 990 here](#).

Stand Together Trust became a major source of funds.

The Stand Together Trust spent \$3,203,500 at 10 distinct colleges and universities.

This total includes two distinct payments to Koch-controlled think tanks at George Mason

University, the Mercatus Center and to the Institute for Humane Studies (more info in methodology, below).

As of 2019, this 501c3 nonprofit foundation was still named the [Seminar Network, Inc.](#) doing business as the [Stand Together Trust](#). The Seminar Network, Inc only provided funds to one university in 2018: \$333,333 to Rice University. It provided \$1.46 million to three universities in 2017.



This will likely change in future years, since [Charles Koch's privately-controlled nonprofit network](#) has fully adopted the Stand Together brand, and retired the previous brands of "Seminar Network" and "Freedom Partners."

Key organizations in this cluster of Koch-controlled nonprofits have changed names over the years, but the organizations' IRS-registered Employee Identification Numbers (EIN's) have remained consistent.

See the [2019 Stand Together Trust IRS 990 here](#).

Koch Family Foundation gave money in Kansas.

As of 2019, the Koch Family Foundation is the new name for this foundation. It was formerly known as the Fred C. and Mary R. Koch Foundation, named after Charles Koch's parents.

As with previous years, the Koch Family Foundation (KFF) continues to give grants to a few universities in the state of Kansas. The foundation has always been distinct, in terms of spending money almost exclusively in Kansas.

KFF grants to universities totaled \$680,000 in 2019, a small subset of the grand total.

See the [2019 Koch Family Foundation IRS 990 here](#).

Charles Koch Institute funding was down.

As with most years, the Charles Koch Institute (CKI) provided a relatively small amount of funding to college and university programs in 2019. Payments from CKI to three campus programs represented just \$42,357 of the 2019's record grant total of \$112 million.

See the [2019 Charles Koch Institute IRS 990 here](#).

David H. Koch Foundation goes dormant.

It's unclear if this foundation will remain open following the death of David Koch in August, 2019. It spent no funds on grants in 2019. It is controlled by Julia Flesher Koch, David Koch's widow.

See the [2019 David H Koch Foundation IRS 990 here](#).



METHODOLOGY:

Our list of Koch-funded universities is generally a straight-forward reflection from the source documents, when Koch foundation 990s list the schools receiving funds by name. Many of these gifts are administered to nonprofit foundations that exist solely to support a specific university, such as the George Mason University Foundation.

A few other universities are listed in Koch tax forms without obvious names, such as the “Agora Institute,” which is at the Templeton Honors College at Eastern University, or the “University Enterprises Corporation” at California State University, San Bernardino. We do our best to identify programs that are hosted by campuses, but are not listed as such in Koch tax filings.

When possible, law schools are listed as separate line items from their host universities, due to the unique programming and degrees they provide for enrolled students. This distinction is limited by how grants are reported in Koch foundation IRS filings. Some law schools are listed separately (such as Stanford, Cornell, and New York University). Others are not distinguished, but Koch is a confirmed donor to a university’s law school (such as George Mason University’s law school).

We include eight nonprofits because of their exceptionally close relationship with Koch-funded programs at certain universities:

THE MERCATUS CENTER

The Mercatus Center at GMU is located on GMU's Arlington, VA campus and is branded by the university. Charles Koch co-founded Mercatus and has directed it since its inception. Mercatus was established in [1980](#) by Koch and Richard Fink, a longtime Koch Industries and Koch family foundations executive. Mercatus was first [named](#) the Center for the Study of Market Processes, and it was moved to George Mason University after faculty at Rutgers University [rejected](#) the establishment of a program so closely controlled by a single CEO, Charles Koch. The Mercatus Center sometimes grants money to universities, specifically to GMU. These payments are not included in the data, to avoid potential double-counting.

THE ALEXANDER HAMILTON INSTITUTE

The Alexander Hamilton Institute, which was established just off-campus of Hamilton College in Virginia after Hamilton professors rejected a proposal for a campus center similar to those established by donors like Koch. The AHI staff include a few Hamilton professors. (See [p.13 & p.20 of this 2015 report](#) from by the Koch-funded James G. Martin Center).

STRATA POLICY

Strata Policy, now defunct. Strata was run out of an [office near the campus](#) of Utah State University in Logan, Utah. This nonprofit was set up by USU's primary Koch-funded professor, Randy Simmons. Strata frequently co-branded reports with Simmon's on-campus operations at USU.

ACADEMY ON CAPITALISM AND LIMITED GOVERNMENT FOUNDATION (ACLG)

The Academy on Capitalism and Limited Government Foundation (ACLG) is a non-profit that is directly [affiliated](#) with the University of Illinois, Urbana-Champaign. The [affiliation](#) has been [controversial](#) for many [years](#). Recent ACLG [publications](#) indicate how grants can be directed to one of two addresses: the Academy's main office, in Champaign, IL, or the University of Illinois Foundation, in Urbana, IL.

THE JACK MILLER CENTER

The Jack Miller Center passes a majority of its funds to university programs that are financed by Charles Koch, the BB&T Foundation, and other donors who frequently coordinate higher ed spending with Koch foundations. (See IRS 990s via [ProPublica](#), and [p.17 of this 2015 report](#) from the Koch-funded James G. Martin Center).

THE INSTITUTE FOR HUMANE STUDIES (IHS)

The Institute for Humane Studies (IHS) at George Mason University is located on GMU's Arlington, VA campus and is branded by the university. Charles Koch has [controlled](#) the IHS since 1973, after the death of F.A. Harper, and brought the organization to GMU in [1985](#). The IHS often sends four- to five-figure grants to universities. These payments are not included in the data, to avoid potential double-counting. The combined sums are far smaller than the amounts Koch gives to IHS each year.

THE THURGOOD MARSHALL COLLEGE FUND (TMCF)

The Thurgood Marshall College Fund (TMCF) passes a substantial portion of its outgoing money to HBCUs. Koch Industries and affiliated Koch foundations [established](#) the [Center for Advancing Opportunity](#) in partnership with TMCF, an effort that has allowed Koch an extra degree of influence in programs supported by the TMCF. (See IRS 990 filings for [TMCF](#) via ProPublica).

THE UNITED NEGRO COLLEGE FUND (UNCF)

The United Negro College Fund (UNCF) passes a majority of outgoing money to Historically Black Colleges and Universities, or HBCUs, and scholarship programs. (See IRS 990 filings for [UNCF](#) via ProPublica).

These eight nonprofits listed represent a heightened level of integration into Koch's preferred style of establishing campus hubs that teach and preach the 'free market' gospel and feed both research and young talent into Koch's think tanks and political advocacy groups. (See [OpenSecrets 2018](#) for more details).

[This database](#) does not include dozens of other Koch-funded nonprofits that are focused on higher education, because they do not have close ties to a specific college or university. Examples include the Association of Private Enterprise Education (APEE), the American Council of Trustees and Alumni (ACTA), Students for Liberty, or Young Americans for Liberty (YAL), among others. (see section above: Political Organizations Influencing Higher Ed).

As for the Koch-funded campuses, our methodology includes law schools as a subset of broader universities. We separate schools within a university system--such as the University of California system, the SUNY schools in New York, and distinct regional campuses, such as the College Station and Commerce campuses of Texas A&M University.

This data is sourced from IRS 990 tax forms filed by the following nonprofit foundations controlled by the Koch family:

- **Charles Koch Foundation (fka Charles G. Koch Charitable Foundation)**
- **Charles Koch Institute**
- **Koch Family Foundation (fka Fred C. and Mary R. Koch Foundation)**
- **Stand Together Trust (aka the Seminar Network, Inc)**
- **The David H. Koch Foundation**

The most recent of these files is from the calendar year 2019.

The full database uses the year 2005 as a starting point. That year reflects the beginning of a notable expansion of the amount of campuses receiving Koch funds, following years of focusing exclusively on a select few schools, like George Mason University and the University of Virginia.





Increased Funding, Increased Influence:

Koch University Funding Update - 2005-2019

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