

INSIDIOUS GIFT

How the Koch Foundation's \$25 Million Donation to Utah State University Aims to Dismantle Protections for America's Public Lands



UNKOCH

MY CAMPUS



EXECUTIVE SUMMARY

Billionaire industrialists Charles and David Koch are ramping up funding for think tanks, university research and education programs to promote policies that benefit corporations, often at the expense of protecting people and the environment. The Charles Koch Foundation has spent about [\\$200 million](#) in recent years to support some [800 faculty](#) on more than 300 university and college campuses across the country, and has announced plans to double its investment in [K-12 education](#).

In May 2017 the Charles Koch Foundation announced plans to donate \$25 million to Utah State University — the foundation's single-largest donation to any university in the West.

It's no accident. Koch entities have widespread financial interests in the western United States, including oil and gas development, cattle grazing and logging. Removing or weakening public-lands protections will substantially benefit Koch entities and other corporate interests.

The primary purpose of the Utah State donation is to establish and operate the Center for Growth and Opportunity, a research hub at the university's Jon M. Huntsman School of Business. The Center's faculty, fellows and scholars are contributing to national [policy research](#), [commentary](#), [panel discussions](#) and congressional [testimony](#) supporting public lands privatization and the rollback of environmental protections.

For this analysis the Center for Biological Diversity and UnKoch My Campus examined the terms and execution of this Koch-funded project. Our key findings:

- The Center for Growth and Opportunity is carrying on much of the work of Strata Policy, a Koch-funded, private Utah-based think tank that has vigorously promoted policies to weaken federal protections for America's public lands in order to dramatically expand fossil fuel development, logging and grazing. Thirteen of the 19 staff members listed on the Center's website came from Strata.
- The Center is housed on Utah State University's campus and is leveraging the public university's name and credibility, but operates without oversight from the university.
- A pre-installed board of Koch-affiliated officials has complete control over hiring the Center's executive director and, by extension, the overall operations and staffing of the Center.
- The Center will have veto power over the hiring of six new faculty members — at least three tenure-tracked — who will teach accredited economics classes at the Huntsman School of Business and produce research for the Center.
- Utah State University is violating its own commitment to academic freedom by supporting and housing a Koch-funded think tank designed to promote policies that will financially benefit Koch Industries.

RECOMMENDATION

Utah State University should immediately rescind its agreement with the Charles Koch Foundation and disaffiliate itself from the Center for Growth and Opportunity.

Utah State's approval of this corporate-sponsored advocacy center, with a financial interest in the research and programming it produces, violates the university's [mission](#) and its commitment to the [common good](#). The Center for Growth and Opportunity should not be allowed to leverage the university's resources or reputation without being held to the principles of transparency, academic freedom and faculty governance that are intended to protect the integrity of academic programs.¹

THE DEAL

The Center for Growth and Opportunity was launched, on paper, in 2017 with a \$25 million pledge from the Charles Koch Foundation and a matching gift from the Huntsman Foundation.

The Koch donation, to be dispersed over 10 years, is contingent on Utah State agreeing that the Center would be overseen by a pre-installed board, according to the affiliation agreement.² The board controls the Center's staffing, and the Koch Foundation can pull its donation and close the Center with 30 days' notice if it decides the Center is not "advancing the purpose" of the Koch gift agreement.³ The Center's founding board includes representatives from Koch and Huntsman-associated programs, such as the Charles Koch Institute, the Koch-funded Mercatus Center and the Huntsman School of Business National Advisory Board.⁴

Koch's donation is contingent on the Huntsman School hiring six new faculty members who will be affiliated with the Center for Growth and Opportunity.⁵ The university gave the Center veto power over these hires.⁶ According to the university's proposal, the goal is to reach 500 students each year through the Center's graduate and undergraduate research fellowships and the classes taught by these faculty members.⁷

Despite this close relationship, Utah State University said it could not comply with a public-records request seeking details about the Center and its leadership because, university officials claim, the Center is not a university program. "The Center for Growth and Opportunity is not a USU entity and its employees are not USU employees," Utah State University attorney Mica McKinney said in [an email](#).

Utah State University's acceptance of this affiliation agreement cedes control of core academic functions — including faculty hiring, educational programming and research — to the Koch Foundation. This threatens the university's academic freedom and autonomy, effectively allowing the university to be used as a tool for private gain. It also violates Utah State University's own commitment to the common good.

Students at Utah State and other Koch-supported public universities are concerned about whether their universities can maintain academic independence in

the face of large Koch Foundation donations and gift agreements that come with strings attached.⁸

THE CONNECTION

Koch Industries is the second-largest privately-held corporation in the United States, with more than \$100 billion in annual sales. Koch Industries is involved in oil and gas exploration, transportation and refining, as well as other extractive industries. The Koch empire stands to gain financially by privatizing and dismantling public lands and by weakening environmental protections to allow for more exploitation by private industry.

America's public lands include about 600 million acres of national parks, monuments, forests, wildlife refuges and other lands — most of them in the West. The lands are managed by the federal government for the benefit of all Americans. The concept of public lands conflicts with Koch's free-enterprise ideology, which is based primarily on the belief that corporations should be free to regulate themselves and that the federal government's role, including land ownership, should be minimal.

According to the Climate Investigations Center, between 2009 and June 2018 Koch Exploration Company purchased oil and gas leases on more than 28,000 acres of federal public lands in Montana, Colorado, Wyoming, New Mexico and North Dakota.⁹ In Montana, Koch Industries' Matador Cattle Company is listed as the permit holder for more than 128,000 acres of public land managed by the Bureau of Land Management for cattle grazing.¹⁰ The Koch Industries-owned Georgia Pacific, one of the largest forest products companies in the United States, has federal contracts to log trees from national forests.¹¹



Koch Exploration Company facilities on public lands, Uintah County, Utah.

In addition to leading the Koch Foundation, Charles Koch coordinates a network of wealthy donors to influence public policy.¹² These include policies that benefit Koch Industries financially, such as privatizing public lands and weakening environmental protections. This network also donates to universities to promote research and curricula that support its ideology.¹³ These ideas are transformed into national public-policy proposals at Koch-funded think tanks like the Center for Growth and Opportunity, which are in turn championed by a network of Koch-funded front groups such as Americans for Prosperity. The Koch-funded research and policy primers are then used to lobby elected officials, who often receive direct or indirect campaign contributions from Koch Industries.¹⁴

By Charles Koch’s own [admission](#), universities are the most important thread in this web of political influence. Utah State University’s Center for Growth and Opportunity is now one of the Koch Foundation’s major university-affiliated research centers, launched with its largest donation to a university in the West.

THE TRANSFORMATION

The Center for Growth and Opportunity is continuing the anti-public-lands work of another Utah-based Koch-funded advocacy group, Strata Policy (see Appendix A). But now it has more Koch money and greater access to Utah State University’s reputation and resources.

Strata was launched in 2012 by Utah State faculty members Randy Simmons, Ryan Yonk and Christopher Fawson. Since then it has received at least \$3.1 million

from the Charles Koch Foundation.¹⁵ Strata is known for its work to promote privatizing public lands and opposing renewable energy subsidies. Thirteen of the 19 staff members listed on the Center for Growth and Opportunity’s website came from Strata (Figure 1), including the Center’s executive director Blake Dursteler, also a Strata board member and director.



Strata Policy listed as a \$500,000 to \$1 million donor to the USU Jon M. Huntsman School of Business.

Overlap between Strata and Utah State has long made it difficult to tell where one institution began and the other ended, [raising questions](#) about the university’s relationship to the Koch-funded think tank. Strata’s reports often featured the [logos of both](#) Strata and Utah State or had [authors from both](#) institutions. Strata press releases said the organization drew from “... the collective academic strength and ideas from the faculty and students at Utah State University.”¹⁶ Funds have also traveled between the two institutions, including a gift of up to \$1 million from Strata to the Huntsman School of Business (see photo) and a \$19,700 scholarship to Strata from the university.¹⁷

Figure 1: Staff conversions between Strata and the Center for Growth and Opportunity



Strata's work included more than 100 op-eds and research papers, including supporting Trump administration policies to dismantle public lands (for example, eviscerating Bears Ears National Monument¹⁸) and removing environmental protections¹⁹ to allow for expanding fossil fuel extraction on public lands in sync with Trump's goal of "energy dominance."²⁰ One report, "[Ripe for Review](#)," recommends that the Trump administration eliminate or review 11 important environmental and public-health protections, including the Clean Air Act, energy and fuel-efficiency standards, and air-quality standards.

and around 700 million acres of subsurface minerals — was a former Utah State student and instructor in economics and political science.²⁵ During his time at Utah State, Steed worked with Strata and its cofounders, Simmons and Yonk, to publish work [criticizing public-lands protections](#).

Strata was connected to the extreme fringe of the anti-public-lands movement. At the end of a Strata video entitled "[Public Lands Facts](#)," a link directs viewers to a [website](#) about the annual Range Rights Symposium, organized by some of the same people who helped guide the Bundy family's militant

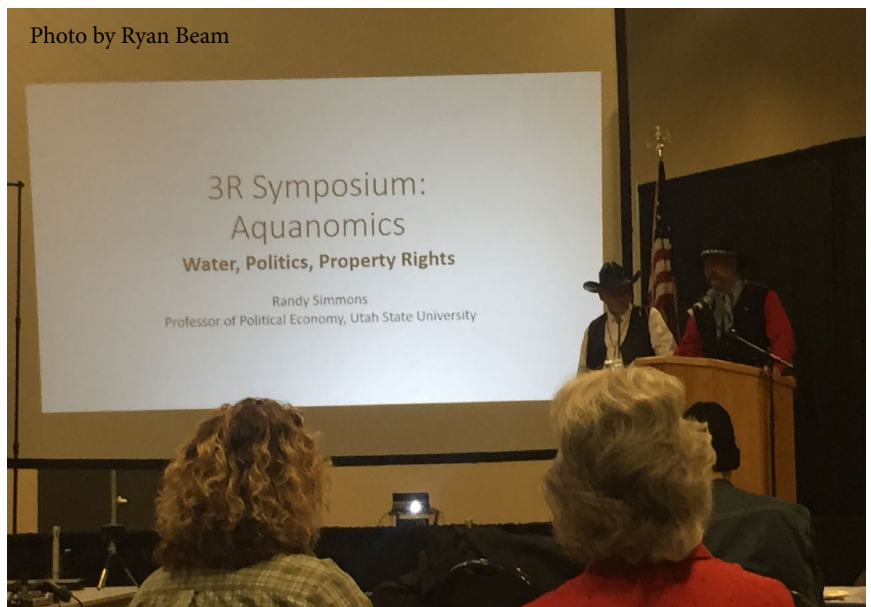
“In 2015 Strata won a contract to do ‘relations services’ to promote Utah state’s Transfer of Public Lands Act. The act, an attempt to seize ownership of America’s public lands, was cosponsored by former Rep. David Butterfield, a Strata board member as of 2016 and current Utah State University trustee.”

The think tank also submitted extensive public comments in favor of the Trump administration's review of 27 national monuments²¹ and signed on to a [letter of support](#) for the review with other anti-public-lands groups, including the Sutherland Institute, American Legislative Exchange Council and the American Lands Council. Trump last year ordered more than 2 million acres stripped from Bears Ears and Grand Staircase-Escalante national monuments, the largest rollback of public lands protection in U.S. history.

In 2015 Strata won a contract to do “relations services” to promote Utah state’s Transfer of Public Lands Act.²² The act, an attempt to seize ownership of America’s public lands, was cosponsored by former Rep. David Butterfield, a Strata board member as of 2016²³ and current Utah State University trustee.²⁴

Brian Steed, the current deputy director of the Bureau of Land Management — the federal agency in charge of managing almost 250 million acres of public land

crusade to seize public lands, which led to two armed standoffs in Nevada and Oregon. Randy Simmons spoke at the 2018 event in Modesto, Calif., which featured Ammon Bundy and other public-lands opponents.²⁶ Strata has not published a new report since December.²⁷ It appears that it is in the process of closing down as the Center for Growth and Opportunity ramps up its work.



Randy Simmons speaking at the 2018 Range Rights Symposium.



Bears Ears National Monument courtesy Bob Wick, BLM

CONCLUSION

The Center for Growth and Opportunity at Utah State University is the newest weapon in Koch Industries' efforts to weaken federal protections for America's public lands to expand fossil fuel development, logging and grazing. The Center is carrying on the work of Strata Policy, a private Koch-funded organization that advocated state takeover of public lands, abolishing national monuments and opening up public lands to increased extraction. Koch Industries will benefit from leveraging Utah State University's reputation and resources to sway public opinion and influence policymakers.

To ensure that our nation's public universities are protected from the influence of self-interested private donors like the Charles Koch Foundation, leaders at Utah State must adopt policies that:

- Require public disclosure of private gift agreements;
- Include faculty in the gift-vetting process, with veto power if they conclude the gift's terms violate the university's independence;
- Require approval from the university's faculty senate to create a new privately funded center or institute;
- Ensure privately funded centers and institutes affiliated with the university are held to the standards of transparency, academic freedom and faculty governance that exist to protect the integrity of university programming and research;
- Disclose the names of corporate donors on research published by privately funded centers and institutes.

Utah State's endorsement of a corporate-funded advocacy project, with a financial interest in the research and programming it produces, violates the university's academic independence and the public trust. Utah State University should immediately rescind its agreement with the Charles Koch Foundation and disaffiliate itself from the Center for Growth and Opportunity.



Report by
Samantha Parsons, UnKoch My Campus
Ryan Beam, Center for Biological Diversity
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ENDNOTES

- ¹ <https://www.aaup.org/file/1940%20Statement.pdf>; https://www.aaup.org/file/Academy-Industry%20Relationships_0.pdf
- ² <https://ia600606.us.archive.org/33/items/2017CGOUSUAffiliationAgreement/2017%20CGO%20USU%20Affiliation%20Agreement%20.pdf>
- ³ <https://ia800607.us.archive.org/5/items/USUKochMOU2017/USU%20Koch%20MOU%202017.pdf>
- ⁴ <https://www.growthopportunity.org/about/board-members/>
- ⁵ <https://ia600605.us.archive.org/34/items/USUKochMOU2017AttachmentA/USU%20Koch%20MOU%202017%20Attachment%20A.pdf>
- ⁶ <https://ia600606.us.archive.org/33/items/2017CGOUSUAffiliationAgreement/2017%20CGO%20USU%20Affiliation%20Agreement%20.pdf>
- ⁷ <https://ia600605.us.archive.org/34/items/USUKochMOU2017AttachmentA/USU%20Koch%20MOU%202017%20Attachment%20A.pdf>
- ⁸ https://www.hjnews.com/logan_hj/projecting-anger-usu-students-protest-koch-gift-by-lighting-side/article_29786c74-83ab-5a9e-b2a2-56bd19791400.html
- ⁹ <https://reports.blm.gov/report/LR2000/13/Pub-CR-Oil-and-Gas-Leases-Issued>
- ¹⁰ <https://reports.blm.gov/report/RAS/1/Allotment-Information>; <https://reports.blm.gov/report/RAS/4/Operator-Information>
- ¹¹ See for example: https://www.gazettetimes.com/news/local/problems-halt-timber-sales/article_2a33ccb0-8032-5c5f-b2e7-908b09cc4e52.html
- ¹² <https://www.usatoday.com/story/news/politics/2018/01/28/koch-tells-donors-desert-conservative-political-network-can-increase-tenfold/1072952001/>
- ¹³ <https://ia601203.us.archive.org/9/items/FreedomPartnersLeveragingScienceAndUniversities/Freedom%20Partners%20Leveraging%20Science%20and%20Universities.pdf>
- ¹⁴ https://ia601304.us.archive.org/10/items/TheStructureOfSocialChangeLibertyGuideRichardFinkKoch/The%20Structure%20of%20Social%20Change%20_%20Liberty%20Guide%20_%20Richard%20Fink%20_%20Koch.pdf
- ¹⁵ <https://www.guidestar.org/profile/48-0918408>
- ¹⁶ <http://www.strata.org/wp-content/uploads/2015/12/Press-Release-Reliability-of-Renewables-12.1.15.pdf>
- ¹⁷ <https://www.guidestar.org/FinDocuments/2014/455/339/2014-455339959-0c62779d-9.pdf>
- ¹⁸ <https://strata.org/pdf/papers/bears-ears-5-17.pdf>
- ¹⁹ https://www.strata.org/pdf/good_intentions/good_intentions_full.pdf
- ²⁰ <https://dailycaller.com/2018/02/05/if-you-want-to-keep-fossil-fuels-in-the-ground-you-support-a-form-of-economic-self-destruction/>
- ²¹ <https://strata.org/pdf/2017/nat-mon-comment.pdf>
- ²² <https://le.utah.gov/interim/2016/pdf/00002777.pdf>
- ²³ <https://projects.propublica.org/nonprofits/organizations/455339959/201712199349300986/IRS990>
- ²⁴ <https://www.usu.edu/trustees/members/>
- ²⁵ <https://www.linkedin.com/in/brian-steed-aabb35b9/>
- ²⁶ <http://rangerights.com/2018-agenda/>
- ²⁷ <https://www.strata.org/research/>

Appendix A: Anti-Public-Lands Work Products from the Center for Growth and Opportunity and Strata Policy.

Title	Credited Organization	Date
Fixing a Monumental Problem: Suggestions for Reforming the Antiquities Act	CGO	Spring 2018
Midnight Monuments	CGO	Spring 2018
Cooperative Extension and Endangered Species Conservation Launch Group Meeting	CGO	5/17/2018
11 Billion Reasons to Raise Park Entry Fees	CGO	2/13/2018
If You Want to Keep Fossil Fuels in the Ground, You Support a Form of Economic Self-Destruction	CGO	2/5/2018
Time to Free America from the Antiquities Act	CGO	12/7/2017
A Tale of Two States: The Economic Impacts of Hydraulic Fracturing in New York and Pennsylvania	Strata	12/17
Stepping on Prayers	Strata	11/9/2017
The Local Impacts of Environmental Regulations	Strata	10/17
Revisiting the Economic Impacts of Fracking in Pennsylvania	Strata	10/17
The Antiquities Act is an Antiquity Itself	Strata	9/20/2017
Failing to Protect National Treasures	Strata	8/30/2017
Get Politics Out of Okaying Pipelines	Strata	8/28/2017
Want to Save Species? Fix the Endangered Species Act	Strata	8/10/2017
Pipelines are Safe and Efficient	Strata	8/8/2017
Improving the Endangered Species Act: Recommendations for more Effective Conservation	Strata	8/17
Pipelines, Rail, & Trucks: Economic, Environmental, and Safety Impacts of Transporting Oil and Gas in the U.S.	Strata	8/17
Private Conservation Might be the Future Hero for Endangered Species	Strata	7/27/2017
Trump is Safe to Reduce the Size of National Monuments	Strata	7/19/2017
A Bird in the Hand: State-Driven Success in Sage-Grouse Conservation	Strata	7/17
Ripe for Review: An Index of Regulations that Should be Reviewed or Modified	Strata	7/17
The Impact of Environmental Policy Devolution on Environmental Quality: The Case of the Reagan Administration	Strata	7/17
Public Interest Comment from Strata Policy on Certain National Monuments Since 1996	Strata	7/17
Antiquities Act Review a Chance to Scale Back Executive Overreach	Strata	6/3/2017
Trump Didn't Kill the Paris Climate Deal - It was Already Dead	Strata	6/2/2017
The Footprint of Energy: Land Use of U.S. Electricity Production	Strata	6/17
Public Interest Comment from Strata Policy on Bears Ears National Monument Designation	Strata	5/24/2017
Protecting Land without Overreaching	Strata	5/4/2017
On the Environment, the Greatest Story Seldom Told	Strata	4/26/2017
Boosting Energy Sector is about more than just Cutting Regulations	Strata	4/6/2017
Farming the Oceans: Opportunities and Regulatory Challenges for U.S. Marine Aquaculture Development	Strata	4/17

Appendix A (Continued)

A Bright Future for the Environment	Strata	3/12/2017
Saving Endangered Species: Voluntary Solutions to Conservation	Strata	2/17
Refocusing on Obama's Environmental Legacy	Strata	12/12/2016
Burning Trees...for the Environment?	Strata	10/3/2016
How Good Intentions Backfire: Negative Effects of Federal Environmental Policies	Strata	10/16
Green Dreams Will Hurt the Poor	Strata	9/27/2016
Adding National Monument Status to Bears Ears Would Likely Restrict Access	Strata	9/16/2016
Environmentalists' Questionable Tactics in North Dakota	Strata	9/11/2016
A Better Idea for Protecting a Legacy	Strata	9/2/2016
Getting Better to End Up Worse: Fighting Wildfires in the West	Strata	8/30/2016
Yellowstone is both a Manufactured Place and a Wilderness	Strata	8/25/2016
Leave Politics Outside of National Parks	Strata	8/25/2016
Conservation vs. Development - A Reasonable Solution	Strata	8/20/2016
Politics Leads to Unintended Consequences in National Parks	Strata	8/19/2016
Why Renewables Alone Cannot Meet Our Energy Needs	Strata	8/19/2016
American Prairie Reserve: An Alternative Approach to Conservation	Strata	8/15/2016
Oakland Coal Ban won't Protect Vulnerable	Strata	8/15/2016
Regulations Stifling the American Dream	Strata	8/4/2016
The Burden of Today's Energy Policies Fall Heaviest on Low-Income Americans	Strata	8/3/2016
Privatize National Parks	Strata	8/2/2016
Environmentalism: a Self-Actualizing Pursuit	Strata	7/6/2016
Management, Not Tourists, Hurting National Parks	Strata	7/2/2016
Government Favortism is Hurting the Environment	Strata	6/28/2016
The High Costs of Hydropower Regulations	Strata	6/24/2016
Keeping Minerals in the Ground Keeps Them Out of the Economy	Strata	6/8/2016
Manufacturing Yellowstone: Political Management of an American Icon	Strata	6/16
Nature Unbound	Strata	5/20/2016
State Bans on Hydraulic Fracturing Stymie American Prosperity	Strata	4/28/2016
Bankrupting America's Top Energy Source	Strata	4/27/2016
This Earth Day, Let's Not Forget the Progress that Predates the Holiday	Strata	4/22/2016
Earth Day Anniversary and Balance of Nature Myth	Strata	4/21/2016
The Faulty Foundations of the Clean Water Act of 1972	Strata	4/20/2016
Bipartisan Energy Bill Gets Second Chance in Senate	Strata	4/18/2016

Appendix A (Continued)

How 'Public Lands' Hurt the West	Strata	4/18/2016
Managing Water in the West: Private and Public	Strata	4/5/2016
Obama Gas Tax is Poorly Timed	Strata	4/5/2016
Obama Energy Doctrine is Proving Dangerous	Strata	4/2/2016
It's Getting Better: Factors of Long-Term Environmental Improvement	Strata	4/16
The Unseen Costs of Natural Gas-Generated Electricity	Strata	4/16
The Unseen Costs of Natural Solar-Generated Electricity	Strata	4/16
The Unseen Costs of Natural Coal-Generated Electricity	Strata	4/16
Climate Activism Interferes with Responsible Public Pension Fund Management	Strata	3/20/2016
Does Wildlife Depend on Government?	Strata	3/14/2016
Public Lands and Political Order	Strata	3/9/2016
Nature Unbound	Strata	3/1/2016
LNG Exports: An Easy Fix for Economic Growth	Strata	2/4/2016
Reliability of Renewable Energy: Hydro	Strata	11/15
Next President Must Embrace Brave New World of Oil and Gas	Strata	10/27/2015
President Obama's Absurd War on Coal	Strata	6/16/2015
Stop Dumping Billions into Unreliable Wind Power	Strata	3/7/2015
Equal Access to Justice Act	Strata	10/14
Options for the Monetization of the Elliott State Forest	Strata	7/14
Sharing Renewable Energy Payments: H.R. 596	Strata	12/13