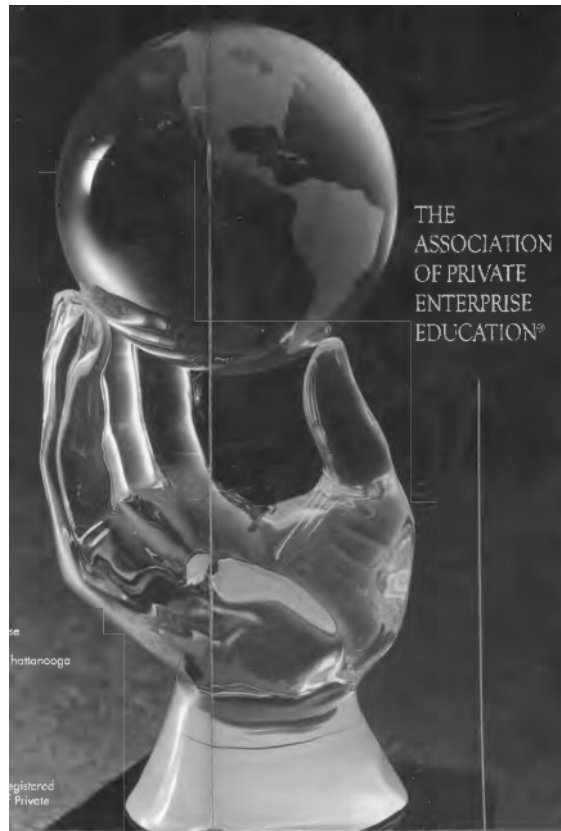


Exposing the Association of Private Enterprise Education (APEE)

CHARLES KOCH'S NETWORK OF WEAPONIZED PROFESSORS



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UN **K** **COCH**
MY CAMPUS

Exposing the Association of Private Enterprise Education (APEE)

INTRODUCTION

Academic programming is the crux of the Charles Koch Foundation's "[integrated strategy](#)" for pro-corporate political activism, acting as the source of "raw materials" that are taken up by think tanks, front groups, and politicians for the "implementation of policy change."

Their academic programs also act as an engine for their "talent pipeline," wherein (according to Koch officials):

the students that graduate out of these higher education programs also populate the state-based think tanks and the national think-tanks... they become the major staffing for the state chapters on the grassroots innovation around the country . . . So the 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. (Gentry, 2014, [Full Transcript](#))

In 2016, UnKoch My Campus made recordings at the annual conference of a Koch funded academic association, the [Association for Private Enterprise Education](#). This included several Koch moderated panels where Koch-funded professors confirm their role in the "integrated strategy," and describe the lengths they go in order to advance this strategy.

Several professors spoke far-too candidly, about how to "take over" curriculum, majors, and hiring, and about using the classroom as "primarily as recruitment grounds" for Koch's liberty movement.

Speaking to room full of professors, the Koch foundation's Charlie Ruger [was clear](#), "we want these great ideas of the APEE network to be applied, the way we think about it at least, across sort of an integrated structure of production for culture change," to include "arranging state legislative testimony to make sure that, you know, these kinds of ideas have a seat on the table in public policy."

See the [2016 conference program](#) and a [list of participants](#). Find our [recordings and full transcripts here](#).

Introduction to APEE

The [Association for Private Enterprise Education](#) (APEE, pronounced like “happy”) is a Koch funded academic association that describes itself as “an association of teachers and scholars from colleges and universities, public policy institutes, and industry with a common interest in studying and supporting the system of private enterprise.”

APEE’s mission stated as “revealing the Invisible Hand through education.”

These references to “private enterprise” and “the invisible hand” are synonymous with “free enterprise” or “free market capitalism.”

The “industry” mentioned above is largely Koch Industries and Koch’s donor network, who provide funding to nearly all the universities and the think tanks APEE works with. APEE’s operations culminate in their annual meetings, which act as a coordination event to facilitate Koch’s free market academic network and their ties to Koch’s network of free-market think tanks.

APEE claims to be “instrumental in establishing Chairs and Centers of Private Enterprise in colleges and universities, which in turn develop courses and programs reaching tens of thousands of students each year.”

APEE’s “[m]embers serve in advisory capacities to governmental bodies dealing with economic policy, taxation, and other issues on national, state, and local levels.

Our recent recordings of the APEE 2016 conference included several Koch moderated panels and many Koch-funded professors confirm their role in Koch’s “integrated strategy” and “talent pipeline.”

The Charles Koch Foundation’s Charlie Ruger overtly acknowledges the way in which APEE is facilitating the Koch foundation’s “Structure of Social Change,” clearly confirming the political purposes of their academic programming:

So, when we go to build new academic institutions in partnership with the universities, we’re doing it because in order to, you know, make a dent we’re gonna need to have a disproportionate impact.

[...]

it’s not just funding summer salaries or funding for individual research projects, it’s got to do with taking those ideas, taking that research, and bringing them out of the academy. So we want these great ideas of the APEE network to be applied the way we think about it at least, across sort of an integrated structure of production for culture change.

[...]

They can also play an interesting role in engaging with different kinds of

stakeholders in these social institutions. That can mean arranging state legislative testimony to make sure that, you know, these kinds of ideas have a seat on the table in public policy.

[...]

And it's not just the money, we also bring a network with us. So, the Charles Koch Foundation does a lot of funding of universities and higher education institutions over all, but we've got a constellation of network organizations that are focused on applying what comes out of universities to change the world. And so, that's sort of the core of the partnership. Money plus the network. ([Successful Models of Programs in Private Enterprise](#))

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“Being an Intellectual Entrepreneur” April 4, 2016

Panelists:

Brennan Brown, Charles Koch Foundation (**Session Chair**)

George Crowley, Troy University

Chris Surprenant, University of New Orleans

Derek Yonai, Florida Southern College

Joshua Hall, West Virginia University

[\(Full Transcript\)](#)

At the 2016 meeting of the Association of Private Enterprise Education, Brennan Brown from the Charles Koch Foundation moderated a panel of professors from Koch funded university centers called “Being an Intellectual Entrepreneur (or Edupreneur).”

Dr. George Crowley from Troy University’s Manley Johnson Center described how a Koch’s donor partnership was able to “take over” curriculum, majors, and hiring at Troy, and how faculty have been using it as “recruitment grounds” for the liberty movement. He highlighted how Troy faculty engage in Alabama policy “fights,” including an attempt to “bring down the state pension system” and to address the “teacher union’s influence.”

In another panel, Troy’s Steve Miller described getting “more directly involved in state politics,” about to hire their second policy analyst for an office they’ve opened at Troy’s campus in the capital, Montgomery, and how faculty have already had “an audience with the governor’s staff” and with “different groups of legislators.”

The Manuel Johnson Center for Political Economy at Troy university was founded by the Charles Koch Foundation, BB&T, and partner donor Manley Johnson. Johnson was identified as a participant in Koch’s 2010 donor summit.

Derek Yonai from Florida Southern College elaborated on how academic programming is designed to recruit for “the liberty movement” (identified as FEE, IHS, KIP, and KAP), acknowledging how “some people outsource to Students for Liberty” for recruitment. Yonai also details how he singles out students “who don’t fit in,” recruiting “footsoldiers” in a “fight for economic freedom,”

Troy professors described how they use accreditation to leverage their presence on campus. The Johnson Center’s new director, Steve Miller, presented a talk entitled “How to leverage University and Faculty Resources” which encouraged “liberty advancing academics” to attain higher administrative roles like dean and provost, and to find ways to capitalize on open tenure-track hiring lines and endowed professorships. Dr. Josh Hall from West Virginia University generalizes, saying “I want co opt resources,” and get “as many people on the state of West Virginia resources as possible.”

Chris Surprenant from the University of New Orleans described how their escalating high school programming allows him to develop and filter students as early as “the admissions office,” and how he uses affirmative action to their “advantage.” Several panelists made use of language used in Koch’s Market Based Management, like “mental model.” Dr. Yonai specifically refers to his current practice of MBM principles of “local knowledge.” The Johnson Center openly seeks to integrate MBM as part of Troy’s [professional programs](#).

BRENNAN BROWN, KOCH FOUNDATION

My name is Brennan Brown, with the Charles Koch Foundation. I am honored to be with you here with you today. . . This is really important because this is about being an “entrepreneur,” an intellectual entrepreneur, . . . and focusing in on ways in which you can engage students in meaningful conversations about a marketplace of ideas, a diversity of thought. It’s also about important research that a lot of you are doing that’s timely, that’s relevant, that’s focused on a particular issue, that’s rooted in a republic of science, and it’s also too about mentorship. Academic and professional mentorship.

GEORGE CROWLEY, TROY UNIVERSITY

On “taking over” departments and tenure track lines:

So, we’ve been very lucky at Troy. We had a big gift, that let us hire a whole bunch of people all at once, and we kind of were able to take over, for lack of a better term, but it’s still, there’s little spots where we’ve been able to make little incremental changes over and above. So, we had a finance faculty member retire, and we were able to go and hire Thomas Hogan. He’s an economist, but he had enough finance background that we were able to kind of use that. And so that’s an interesting line that we were kind of like able to take, and it’s just little incremental things like that.

Crowley on influencing Alabama politics:

We’ve been really active on state, especially state policy, and even just kind of broader policy type work. Really trying to get students engaged with these ideas. It sounds cliché, but it really does really come back to getting the students involved [...] even as it relates to our policy work.

[...]

Our former director kind of started some fights within the state dealing with medicaid expansion which is something that our Governor has kind of been pushing back on and others in the state are obviously in favor of, and it's been kind of a back and forth. John Dove and Dan Smith actually just had one of these Mercatus, kind of, state diagnostics on the state that kind of made some waves. Dan Smith has kind of taken it upon himself to try to bring down the state pension system [laughter] [inaudible] at least in getting the conversation going there. I've done some stuff on tax reform, I've got a Mercatus thing that will be coming out soon.

Crowley on converting students' ideologies:

This one student we had never heard of, poly sci major, showed up, literally sat there silently throughout the entire like 10 weeks of the class, didn't make a comment the whole time. We had them write little essays at the end, and he basically wrote an essay that said, "I am a socialist, but now that I've been finally been exposed to some of these ideas, I'm very interested in taking economics." He switched his major to economics, and kind of banged out the major very quickly, and went on and graduated as an econ major, really just kind of turned on to the ideas themselves

JOSHUA HALL, WEST VIRGINIA UNIVERSITY

West Virginia University professor Joshua Hall described on co-opting state resources:

And ultimately, [I think] resources, more importantly, I want to co-opt resources [laughter]. So, it was a brilliant move to hire Tom Hogan when that opportunity presented itself, and I want to get as many people on the state of West Virginia resources as possible, and so how do you do that?

DEREK YONAI, FLORIDA SOUTHERN UNIVERSITY

Florida Southern College professor Derek Yonai (now at Southern Methodist University) on using movie nights and academic programming to recruit for Koch:

Go off The Incredibles, and get them talking about why is it when everyone's super, nobody is [...], and then work into the book club where you can refine those ideas further by reading things like Dan Klein's Knowledge and Coordination, Law Legislation and Liberty, Constitution of Liberty, and then hopefully get them involved in the liberty movement, through FEE, IHS, KIP (Koch Internship

Program), or if they've already done KIP, then eventually into KAP (Koch Associates Program).

[...]

Get'em involved at the seminars, get'em involved into our book club, and then letting them figure out where they're comfortable, and then allowing me, if you will, as sort of the expert to say sort of find a good fit. Maybe you're better going to a FEE seminar, maybe you're better going to an IHS seminar. Maybe you'd be a good candidate for KIP

[...]

to have [students] go, 'you know I really love this stuff but I need money, I want a job, my parents want me to go get one, you know, a stable occupation,' and I tell 'em look, you understand these ideas, you are the best foot soldier we have in this fight for economic freedom because, I talk about it, you get to live it. You get to show people what these principles mean by the ways you act. You're much more effective at this than I am, you're [inaudible] far more people than I [am]. So just figure out, where are these students going to be placed, what are they going to be doing because each and every one of them can be valuable in order for us to change, if you will, the trajectory, uh, with regards to economic freedom. So, for those of you who want scalable models, here it is.

Yonai on using Students for Liberty to recruit students for Koch's Liberty Movement:

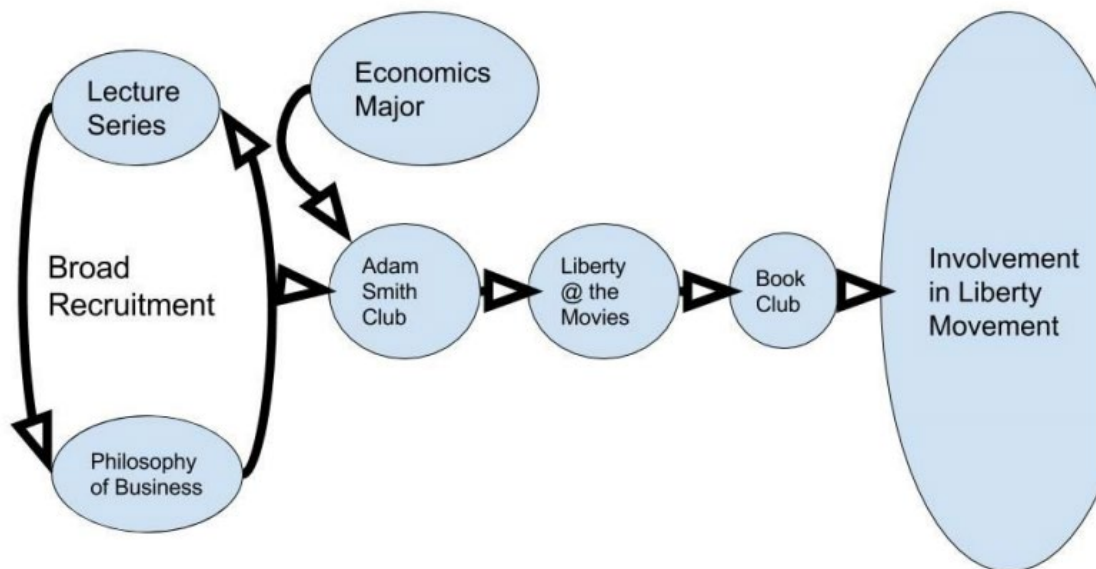
Now, I know some people outsource it to Students For Liberty. I don't. The reason being is I think there is too much baggage with it. It's also harder to sell depending on how "UnKoch" your campus is. I like the Adam Smith Club because it comes off as fairly innocuous to most people, you can bring in people from poli sci, people from mass comms, biology.

Yonai on leveraging required classes:

So, at Campbell, I was running the Lundy Chair for the Philosophy of Business, and what we set up was something fairly straightforward. This was what it looked like back in 2013 when it was mature [refers to slide]. I had a lecture series, and then I had my philosophy of business class, which, luckily for me, everybody in the entire school of business, if they wanted the degree, had to take the philosophy of business class. So, needless to say, I taught ten years worth of graduates out of the Lundy School of Business. What I did was, since I had a captive audience, I made them go to my lecture series because I was bringing people who were talking about really interesting topics and, we were talking about, our faculty just did not have a comparative advantage there. So this gives me an opportunity to provide a forum for students to learn that people are doing some seriously sexy stuff in economics. They can come in here talking about things like pirate economics, someone talks

about healthcare, and from that broad recruitment they begin to see "well these ideas are kind of cool, what can I do with them?" And we created a student club, we have an Adam Smith Club. And I'll go into it in some of my later pictures. I'm not a big fan of using like, Students for Liberty. We have our own internal Adam Smith Club, and we also fed our majors into it, and so we also developed a political economy major at Campbell. When I got there, we only had five econ majors which was kind of bad, and when I left we had over forty. So, we'd boost our econ majors into the Adam Smith Club, and gave them like a forum where they can see other people are interested in stuff, they begin to realize that there's a subculture for this they're not alone

Dr. Derek Yonai's Ecosystem of Engagement



[figure 1. A reconstruction of Dr. Yonai's power point slide]

CHRIS SUPRENANT, UNIVERSITY OF NEW ORLEANS

On using Affirmative Action to benefit the Koch network:

What's also nice, is that. . . I'm going to try to figure out how to say this in a non-crass way. So, there are certain prejudices that college admissions committees operate on, in terms of people that have a leg up over others. We've been very successful at finding ways to use those prejudices to our advantage, and to get students into universities who, if they were rich, white, middle class students, maybe they don't get into Stanford or Harvard, but we provide these students with an opportunity that gets them up to the level where they can get in, and then the admissions commission prejudices sort of kick them, kick them over.

CLOSING

After hearing all of the panelists' remarks, the Charles Koch Foundation's Brennan Brown affirmed the speakers and quoted Charles Koch in his closing remarks:

Let me share a quote with you from Charles Koch, who I believe sums it up very well. This is what he said. He said, "I have a passionate belief in the power of ideas of liberty. If we fail, it is our failure, not that of the ideas. My commitment is such that it is to them, the ideas, I am dedicating my life."

If the work of these "edupreneurs," these intellectual entrepreneurs, and the words of Charles Koch for example, speak to you, and resonate with you, then I invite you to talk to Steve Sweet, my colleague who's here, Clark Scott, who I believe is also here, to talk to you about your vision, your ideas, and how to develop that intellectual entrepreneur within you.

“Successful Models of Programs in Private Enterprise” April 5, 2016

Panelists:

Gerald Gunderson, Trinity College (**Session Chair**)

Charlie Ruger, Charles Koch Foundation

Steve Gohmann, University of Louisville

John Garen, University of Kentucky

Brad Thompson, Clemson University

[\(Full Transcript Here\)](#)

CHARLIE RUGER, KOCH FOUNDATION

The Charles Koch Foundation’s Charlie Ruger acknowledges overtly the way in which APEE is facilitating the Koch foundations "Structure of Social Change," clearly confirming the political purposes of their academic programming:

So, when we go to build new academic institutions in partnership with the universities, we’re doing it because in order to, you know, make a dent we’re gonna need to have a disproportionate impact.

[...]

it’s not just funding summer salaries or funding for individual research projects, it’s got to do with taking those ideas, taking that research, and bringing them out of the academy. So we want these great ideas of the APEE network to be applied the way we think about it at least, across sort of an integrated structure of production for culture change.

[...]

They can also play an interesting role in engaging with different kinds of stakeholders in these social institutions. That can mean arranging state legislative testimony to make sure that, you know, these kinds of ideas have a seat on the table in public policy.

[...]

And it’s not just the money, we also bring a network with us. So, the Charles Koch Foundation does a lot of funding of universities and higher education institutions over all, but we’ve got a constellation of network organizations that are focused on applying what comes out of universities to change the world. And so, that’s sort of the core of the partnership. Money plus the network.

Ruger revealed their interest in tenure track lines:

So we're funding lots of tenure-track faculty positions about 225 of them at last count, spread out at about 53 of these major centers. Lots of visiting assistant professorships, and those are exciting to us because a lot of the time they become tenure-track positions. So, a visitor comes in for 2 or 3 years, usually they go back to their home institution having learned something about administering a major academic initiative or they get offered a permanent position with the university and that's great. We fund lots and lots of PhD fellowships. That has a lot to do with sort of, what we think of as 'building a bench.' There's not a very robust sort of pipeline of of, you know, freedom friendly academic talent entering the academy.

Ruger also confirmed the criticisms that donors are exerting undue contractual influence by retaining the right to decide annually whether to renew or withhold funding:

Everything we do is on an annual basis. So we want our partners to have certainty and be able to do long term programs and stuff. So we'll say 'for the first 3 to 5 years of an investment, we'll commit, formally, 3 or 4 million dollars or whatever it is and we do that with a coalition of stakeholders, a coalition of donors. And here's what the university has said it would like to do with the money. If it does anything else with it, you know, 'best of luck but the next check isn't coming.'

Koch funded professors on the panel confirmed that this was their understanding (see below).

Ruger also described the motivations of their partner donors:

CKF and our partners put together have committed about 170 million dollars in resources over, let's say, the next 5 or 6 years to these center projects. Only about 40% of that comes from the Charles Koch Foundation. The rest comes from a network of business leaders from across the country who see our system of free enterprise as being in great peril, and they're willing to put all of their resources, their fortunes, on the line, to help that not happen.

Ruger briefly gave an example of a donor partnership, citing their Koch's Kentucky free market centers with John "Papa John" Schnatter:

So, in the case of the University of Louisville with John Schnatter, Papa John's is headquartered in Louisville. [...] And then University of Kentucky is sort of the same geographical region, he's got a lot of business interests there, that kind of thing.

Schnatter has business interests in the state of Kentucky, the location of Papa John's U.S.A Inc., as it is also the location of Papa John's legal troubles with labor regulations, including a years long, [six state, class action lawsuit against Papa John's](#) for an elaborate system of wage theft, violating minimum wage laws. Papa John's settled out of court for \$12.3 million in 2015.

Schnatter was an attendee of [Koch's Feb 2014 Freedom Partners donor summit](#) in Palm Springs, CA. [Documents reveal](#) that at the 2014 summit, Schnatter had a one on one meeting with the Koch Foundation's director of Higher Education, Ryan Stowers. Ryan Stowers and John Garen are both listed as members of the executive committee of the (Association of Private Enterprise Education) APEE, according to most the organization's most recent 990 tax forms.

STEVE GOHMANN, UNIVERSITY OF LOUISVILLE

Dr. Steve Gohmann, director of the University of Louisville's Koch Center (co-founded with “Papa” John Schnatter) affirmed Charlie Rugers's description of Koch's ability to leverage as a donor:

And I don't worry about the university trying to steer the money away because they know that if they take that money, there won't be money coming in the future. So this is the nice thing about getting money annually, is that the university is more beholden to let faculty do what we're what we want to do with the money, which is, the donor also intends us to do, and because that money's not there for them to grab onto and it won't be coming the next year if they mess things up.

JOHN GAREN, UNIVERSITY OF KENTUCKY

John Garen discusses his Dean, describing him as “appreciative of free enterprise,” and “warming up to” the institute. Garen does not disclose that (according to information provided to the faculty) Dean Blackwell is listed first among five immanent hires to the institute:

So I'm fortunate to have a big group with me as well. And I'm also fortunate to have a dean who has been very supportive. He, well of course all deans like the funding. And we're in a College of Business and I guess business school deans are more likely to be appreciative of free enterprise. It's not uniform, but it's been very rewarding. My dean is appreciates free enterprise, it's been very rewarding to see how he's, as we talk more and more about the programming, that we call it our institute what the institute wants to do. You can just see him warming up to it, and say 'oh, yeah this is great.' So it's been very rewarding in that regard.

John Garen discusses the overly “narrow” and overly “technical” focus of the University of Kentucky’s Economics Ph.D program, as well as the department’s “narrow” and overly technical requirements for tenure track hires:

We’ve done a bit of having Summer reading groups for graduate students. We have a PhD in economics and as I’m sure you all know, the PhD in economics has become, the training has become very narrow and technical, and sometimes, well, oftentimes, students seem to lose the perspective of understanding about markets. [...] Now another big part of what we’re doing and this does present a challenge is we have funds to hire faculty. A lot of regular tenure track or tenured faculty and I have to work with not that I don’t like these people, but I am working with the economics department. And as you can imagine, the economics department in a research university has some very specific standards about what qualifies a person to be a tenure rack or a tenured faculty member, and it can be awfully narrow. And awfully technically oriented. So - and people who are sometimes narrow and technical, sometimes they are economists who think 'oh this is great stuff! Let’s go for it! Let’s publish it...Econometrica...blah blah blah, blah blah!' And depending on the topic, you know, I’ve kind of shrugged my shoulders and said 'okay, you know, you’ve got some great new method of moments estimator or something and the application is kind of meaningless and I don’t see any way to work that into anything of interest to the social sciences.' So I kind of have to be a bad guy and say, 'well okay, it’s technically good, but who cares? So if you want to hire him with a regular department of economics position...okay. I mean, I have a vote in that, but if we’re hiring someone who’s also gonna be affiliated with the institute, we need more. We need more. We need to have it speak to our mission. So it’s a little, it’s gonna be challenging, I think we’re up to it. So we’ve done some Summer reading groups for grad students, we’re gonna keep doing that. We also have funding for fellowships for graduate students.

Garen describes faculty interest in funding:

And we have funding for Summer research grants for faculty which is a great thing to get faculty interested and engaged with you. And these are, I would say...we’re not overpaying people, but it’s an attractive amount of Summer funding for people.

"Establishing a Successful Academic Center" April 5 2016

Charlie Ruger, Charles Koch Foundation (**Moderator**)

Howard J. Wall, Lindenwood University (Hammond Institute for Free Enterprise), "Building a Successful Center on a Shoestring Budget"

Stephan Gohmann, University of Louisville (Center for Entrepreneurship and Free Enterprise), "Center at the University of Louisville"

Absent: Ryan Streeter, University of Texas at Austin, "Center at the University of Texas, Austin"

[\(Click for Full Transcript\)](#)

HOWARD WALL, LINDENWOOD UNIVERSITY

Lindenwood Professor Howard Wall on leveraging Koch as legal threat against administrators:

It's mostly inside the university where you get some resistance from administrators getting the power to decide how money is spent, and they say 'oh, you have to do this.' And then I've used the phrase, 'are you sure that the Koch foundation's lawyers will read that the same way you are?' And then they figure well they must have pretty good lawyers.

Wall on doing grunt work for university to encourage resources:

And the more problems that there are, these are actually more opportunities. These are easy to do. The more problems there are, you can choose the easiest ones to do, and use a little bit of time to solve fairly large problems. Or, certainly solve a lot of problems, mostly for other people. So if the only thing you have is time, you better be spending it helping others, not just yourself. Because you're hoping at some point to actually get some resources.

Wall on whitewashing "evil things":

We had to come up with some sort of overarching theme. And looking back, there was sort of a theme that gelled over time. But we started with the second part of this. We wanted to just confuse the heck out of the rest of the university.

And then looking back, we called that "Social Justice through Free Markets and Liberty." Right? Which is just, you know, if you're a free market institute and the rest of the university thinks you're all sorts of evil things...and you're only some of those evil things.

Professors confirm Koch contracts hide stipulations by contracting trusted professors to run Koch-funded operations:

HOWARD WALL: The donor intent is vested in the director of the institute that is getting the funding. So the university doesn't have to pay any attention to donor intent, because it's not their job to maintain it, all the decision making power is with the institute or the center, and then that's it. And then, if there's a problem, if the director's not doing it, then the Foundation gets to review it regularly. But then that takes it all away, you don't have to ask permission or justify it at all. [...] They're not telling us what to do, on a daily basis, it's just the broad mission, it's being fulfilled, and it works fine.

STEVE GOHMAN: This is why it's a five year agreement instead of an endowment. If it's an endowment, as soon as we leave as the directors, they'll say 'oh, we got ten million dollars, let's go spend it on political science or something else...sociology,' but if the money's just coming in annually, either the money is spend how it's supposed to be spent or it isn't coming in.

Wall on the Koch foundation "nixing" his APEE presentation title:

WALL: Now, the title of the talk is 'Building a successful center on a shoestring budget,' and that was actually a compromised title. I'm bringing up the title that was nixed by the Koch foundation...

CHARLIE RUGER INTERRUPTS: "...in a way that totally consistent with faculty governance and academic freedom." [laughter]

Wall indicates \$1m grant changed his center's mission:

In the summer of 2013, we hit a jackpot of sorts. Well actually, quite a jackpot. We got a million dollar gift from John Hammond, who was a longtime member of our board of directors. And he went to establish the Hammond Institute for Free Enterprise. So our new mission was to foster free enterprise and civil and religious liberty, through the examination of market-oriented approaches to economic and social issues.

Wall on the Rex Sinquefeld KKK debacle, wherein a local billionaire donor mused about the public education system being a conspiracy by the KKK ([St. Louis American](#), 2012):

And since I didn’t have a budget for speakers, I just took advantage of whatever free speakers were out there. I gave a couple of talks myself. We just gathered together whatever local business people were around and had panels.

And also a local luminary, Rex Sinquefeld, who is the Charles Koch of Missouri, where he’s a big supporter of free market ideas and I’m one of his research fellows. So we had him in, which was great because he made an unfortunate stumble of a joke that involved the origin of public schools and the Ku Klux Klan, which I won’t go into. But this did not fare well in terms of press, but it was great for us ‘cause we had protestors and the university president had to give an apology to the public over this presentation so, we’re on the map. [laughter]

STEVE GOHMANN, UNIVERSITY OF LOUISVILLE

University of Louisville professor Steve Gohmann on finding Koch after BB&T and APEE:

I came here to APEE, well I’ve been to APEE before but, here in 2008 and John Allison received one of the big awards. And said, you know, ‘we’re endowing chairs and placing our footprint...’ [inaudible]

It went up to him afterwards. I said, ‘Hey John, I’ve been using Atlas Shrugged in my Labor Economics class for years. You know...you got any money?’ He said, ‘Send me a letter,’ so I did. He sent me a letter and he said, ‘I’ll give you a million dollars.’ So I went to my dean. I said, ‘hey, I got a million dollars. I mean, it’s gonna be an endowed chair for me...’ You know, deans are happy to take anybody’s money, pretty much. And so I got the endowed chair which then got me on the road to getting funding from the Koch foundation to do programming.

Gohmann on plugging into the Institute for Humane Studies, another source of Koch funding:

I had a debate that I did jointly with the Institute for Humane Studies. Take advantage of these other groups, in terms of letting them help you put together programming. They’ve got a lot of connections I don’t have so it made it much more easy for me to organize things.

Gohmann on getting students to support sweatshop labor:

“Second semester we did “Out of Poverty,” Ben Powell’s book. It’s a really nice thing if you’ve got books, and there’s living people, and they come talk. It’s really cool, you read the books, you bring them in and have them give a big public lecture and then talk to the students and it has a lot of impact. They really liked his book, a lot of students said ‘man, it changed my mind about sweatshops.’

Gohmann assigns Koch’s book, seems to parrot the message:

We read Conscious Capitalism, that’s John Mackey’s book. And then we read Charles Koch’s “Good Profit.” It’s interesting, the contrast between the two books, kind of the same thing but Mackey’s more promoting Whole Foods and stuff, but Charles Koch’s book is just, ‘here’s how you do business in a moral way.’ And a lot of people don’t understand that this is what our centers are about: how to do business in a moral way. I write editorials about economic freedom and say ‘this is good for society, it’s good for the little man.’

Gohmann on donor intent:

Cause donors are going to look at, well, what have you done? And what are your student successes? Cause I’m a donor, and I don’t care if you have all this research, you have this long [inaudible] and stuff. What I think—and I wouldn’t know, I don’t have any money so don’t ask me, but—what I think a donor is really...they want to give money, they want to see students coming out thinking, ‘markets work really well, we need more free enterprise.’

CHARLIE RUGER, CHARLES KOCH FOUNDATION

Charles Koch Foundation officer Charlie Ruger explains Freedom Partners higher ed network:

And so we partner with universities to build new capabilities. A lot of the time that means building capacity for new tenure-track faculty lines, visiting assistant professorships, research assistants, Ph.D fellowships, and then all the other, sort of, support and infrastructure that a new academic enterprise will need.

That can mean administrative services, dedicated knowledge capability, media outreach, communications director, that sort of thing. And we do all this because we’ve made observations about how to have a disproportionate impact given how outnumbered we all are.

So the Koch foundation now is supporting 53 major multi-million dollar, multi-year commitments in conjunction almost one hundred percent of the time with other donors to build these major new academic initiatives.

Ruger on new \$19m bundle to Texas Tech:

Just to give you a quick sense, that project is \$19 million dollars to faculty in six different departments. The idea being that the Center can be a certain kind of thought leader in three areas: what he calls ‘the war on young,’ by which he means entitlement reform, corporate welfare, and then innovation and technology, which works well in the Austin area. We think we can have an impact at the national level. We’ve only provided a small amount of seed funding against the nineteen million dollar total, it’s a great fundraising opportunity and Ryan’s a great guy so hopefully he’ll be here next year

Charlie Ruger on GMU Scalia Law School:

You may have seen this most recent announcement: we partnered with an anonymous donor to give thirty million dollars to George Mason University School of Law. It’s very exciting to us. A lot of it goes to fund scholarships but since all that money, all those resources are fungible, it really means that the university can hire twelve new law professors.

Ruger on UnKoch and transparency:

Transparency is one thing. The reason that groups like UnKoch My Campus are engaging in abusive open records law is not for the sake of transparency, it’s for the sake of intimidation and bullying, and to put academic freedom at risk. So if you’re a faculty member and you have an idea, this group’s sole purpose is to ensure that you’re not allowed to pursue that idea by shutting down.

And so we’re all for the idea of transparency, we’ve got nothing to hide, there’s nothing untoward happening. All of our philanthropy is based on faculty governance, academic freedom and donor intent, and those things aren’t in conflict.

But every time a bully knocks on the door, we’re not just gonna give them what they ask for. They’re gonna have to go through this process and reveal themselves for what they are. They’re going to file lawsuits and drag these professors into court, as a signal to the next professor who wants to do something innovative or

entrepreneurial. ‘If you do that, we’ll sue you, and all of your emails will become public.’

Our position on that is, no, don’t give them anything they ask for, till they go through that process. It makes them look foolish that they file lawsuits, they hire attorneys, and then they get nothing. Over time, I think they’re gonna learn, this is an overuse of open records laws. But we don’t wanna just give them something for free. What they’re about is not transparency.

"Being a Liberty-Advancing Academic" April 4, 2016

Peter Boettke, George Mason University, "Stepping out of Your Comfort Zone: Engaging with Mainstream Academics"

Adam Christopher Smith, Johnson & Wales University, "Expanding Your University: Building a Free-market Platform"

Art Carden, Samford University, "So Many Birds, So Little Time: Killing Them All With Just a Few Stones"

Steve Miller, Troy University, "How to Leverage Faculty and University Resources Toward Center Success"

[\(Full Transcript\)](#)

PETER BOETTKE, GEORGE MASON UNIVERSITY

George Mason University Professor, Peter Boettke, describes their strategy to leverage the numbers of journals published by Koch funded organizations in order to inflate their publication numbers and achieve tenure:

Basically, to run a center or to be a person on a campus that has impact, you have to be viewed as, kind of, a version of a gorilla. Either from a tiny gorilla to, like, the big eight-hundred pound gorilla. And the more you're the eight-hundred pound gorilla the more you're able to, like, get your way. And how do you get your way in academics? Depending on the different schools that you're in, but in an accreditation world, to get your way, you either have to be in the top ten percent of publishers on the campus at a minimum, and better if you're in the top one percent of publishers. Now how do you do that? This goes back to what I was saying before, the concentric circles of comfort. In most places, especially business schools, you have to remember is that they go by a journal list called Cabells. They don't go by SSCI journals, right? They go by Cabell's list, so that's a list of journals. And then what you're gonna in do that is you're gonna have basically journals that are counted as referee. Now in a lot of business disciplines, that means any journal that doesn't have a watch ad in it. Okay? [laughter]. So, what you're gonna do is just think about, in your own head, the journals here: the Journal of Private Enterprise, Independent Review...just go out here [points to exhibition hall], Cato Journal, right? You can basically get tenure, not publishing in the same journal twice, in a bunch of journals that the editors are actually very predisposed towards classical liberalism.

The very many of the editors of these journals APEE members and recipients of Koch funding.

Boettke on leveraging private centers in accreditation process:

That's the world you want to be in, [when you are important enough for the university president to visit your office]. And the only way you do that is through two things: lots of funding, if you have access to that in this day and age, and lots of publications that will destroy the school if you leave from accreditation.

And that's the key issue, is the academic exit option. If I leave in the midst of an AACSB [Association to Advance Collegiate Schools of Business] accreditation, then the school's publications go down, they get hit, they don't have accreditation, which means what? No third-party payer will pay, understand? That's the tuition-driver. That's why accreditation matters is because the company won't pay for you to get a non-accredited MBA.

And so in our world, where we are, we get, the third party payer is government. Right? It's all people trying to move up the GS levels, or whatever. So again, we lost accreditation and then that would matter for the government funding the thing. So this is the economics of the university. Not saying, by the way, from a Libertarian point of view that it's the best thing in the world, but, you have to recognize and take advantage of it in building programs.

Boettke on duping New Yorker reporter, pre-loading curriculum to favor Ayn Rand:

[Reporter Jedediah Purdy] called me, he started asking me, he says, 'so you have to use Ayn Rand in your classes.'

And I said, 'uh, yeah, I use Ayn Rand in my classes but I also use Charles Dickens, and John Steinbeck. Are you against debate? New perspectives?' The class is called Contending Perspectives in Contemporary Society. So I'm talking about contending perspectives, is there a problem with that?

That guy is completely neutered, understand. Now, what did I do in my class? I used the economic way of thinking as the literary device to assess the quality of the stories told in Dickens' Hard Times, Steinbeck's Grapes of Wrath, and Ayn Rand's Atlas Shrugged. Right? You would have to be, kind of, deaf, dumb and silly, or whatever, to not understand that Steinbeck does not understand economics, right? That Dickens got, like, the economics of it wrong. And that Ayn Rand's the most economically literate of all those people.

ADAM CHRISTOPHER SMITH, JOHNSON & WALES UNIVERSITY

Johnson & Wales University professor, Adam Christopher Smith, describes how a Koch network partner in the state, Art Pope, was instrumental in founding and funding his center:

So I met with some individuals in Charlotte that had a lot of interest in bringing together academics, think tank reps, people who are working on a lot of the same ideas within the Carolinas together, through a collaboration between CFMS, which is my own center, we were the host and the university of course was the larger host, but along with the John W. Pope Center for Higher Education Policy, that's a think tank in Raleigh, and who was also instrumental in helping us get our grants - I should say- they were important in forming this organization.

STEPHEN MILLER, TROY UNIVERSITY

Troy University's Steve Miller described getting "more directly involved in state politics":

We have a campus in Montgomery. Well, Montgomery is the state Capital. We opened up offices in Montgomery last month. We hired a policy analyst there, we're hiring another policy analyst. This is our chance to actually be more directly involved in state politics. And it's already started to pay off. So Dan Smith and John Dove did a very detailed diagnosis of the fiscal state of Alabama. We were able to get an audience with the governor's staff. And the next day we might have heard more back from them if the very next day his sex scandal hadn't broken...[laughter]. But we've actually met a couple times with different groups of legislators and they're very very interested in what we do. The first time there was a presentation of their research they were actually very excited. They had Dan come and speak. The people who do pension reform, that committee on pension reform, they're very interested in what we do, they're very interested in that.

The Manuel Johnson Center for Political Economy at Troy university was founded by the Charles Koch Foundation, BB&T, and partner donor Manley Johnson. Johnson was identified as a participant in Koch's 2010 donor summit.

Miller on the importance of tenure track lines to a free-market "intellectual movement":

I want to talk about these resources to be leveraged. So the absolute - and I'll talk about them kind of in terms of how scarce they are - but we'll underreport them even though they're not that scarce. You just may not be aware of them where you are. However, the most scarce thing and the most important thing is faculty lines. Pete [Boettke] has ahe has a mantra, almost. Of ideas, funding, and positions. That

these are the three things that take an intellectual movement...that make an intellectual movement progress. And if we were talking about free market economics, if we were talking about Austrian economics, public choice economics.

Miller on seizing on tenure-track lines for Koch network donors:

. . .where people do seem to struggle, is hiring people, or themselves sometimes getting hired. It's the faculty lines, particularly tenure-track lines. That's the gold standard right there is a tenure-track faculty line. And so this comes down to alertness, we'll have these themes repeat. But, you should always, always be aware of how any open tenure track line at your university or in your college could be something that you potentially bring in an ally or partner. And I don't mean a pure ideological partner, I mean someone who's gonna help you do the work in building student programs and doing great things.

Miller encouraging "liberty advancing academics" to attain higher administrative roles like dean and provost:

One thing I see as lacking in the world of liberty advancing academics is people who can't or are unwilling to take on any administrative responsibilities and take on administrative load. [1:03] And I assure you, for myself and those that have been doing that for a few years now, it's not like we love it. It's not like it's all pleasant. But there are real opportunities there. And there are real opportunities in a lot of ways. But there's a real opportunity there to see things happen that you want to happen. I'll say this: there's a very good trend I'm seeing right now. So Scott Beaulier, my predecessor at Troy, is now going to be the Dean of the College of Business at North Dakota State. Bob Mulligan right here is going to be the Dean at the University of Indiana East, at their business school. We're starting to see more of this. Nonetheless, I'm starting to think we need more deans, we need more provosts. That's what I want to see from us. Now if that is completely repulsive to you, don't worry. Probably not your comparative advantage

“Scholarship at the Crossroads of Policy and Academia” April 5, 2016

Michael Van Beek, Mackinac Center (**Session Chair**) “How Academics and Policy Centers Can Benefit From Each Other”

Jonathan Williams and William Freedland, American Legislative Exchange Council, “The Effect of State Taxes on Charitable Giving”

Michael LaFaive, Mackinac Center

Rea Hederman, Buckeye Institute, “Impact of Energy Mandates on Ohio Businesses and Families” [did not attend]

Michael Hicks, Ball State University, “Are State Promotion Efforts Effective?” [did not attend]

[\(Full Transcript\)](#)

MICHAEL VAN BEEK, MACKINAC CENTER

The Mackinac Center’s Michael Van Beek describes to Koch funded scholars how to get paid work with Koch funded think tanks on policy issues, including paid “peer-review”:

the main point of my presentation to you is to give you some ideas about ways that you can work with your local state-based think tank, or work with us if you want to. That’s the preferred option. And then give you some different project ideas potentially. And explaining sort of a little bit about why it could be beneficial for you and obviously it’s beneficial for the think tank that might be in your state or region. So the Mackinac Center has been around for about 30 years, we’re located in Midland, Michigan. We’ve been working with scholars right from the beginning. I went back and looked at some of our very early studies, some of our earliest studies were commissioned by us and authored by local scholars from nearby Michigan colleges. Studies on privatizing the state’s Accident Fund, privatizing prison services, and privatizing the Detroit Metropolitan Airport. . .

We’re working on several studies right now with scholars. And I think the main benefit of working with scholars on studies is that we can help revise for the clear policy writing that needs to take place for those studies. Studies that we publish that we’re aiming towards the public, aiming towards policy makers, they need to be written in a way that’s different from academic journals. [3:15] So we can help scholars frame their research in a way that is understandable to a broader audience because...that’s what we do. That’s all we do. And obviously the benefit we get from working with scholars is they can do great quality research and statistical

analysis that we might not be able to do ourselves. We typically think that we pay pretty well for the studies that we contract with scholars for. I know Todd [Nesbit], I know we paid him before. I don't know how much we paid him. But we paid anywhere between five and fifteen thousand dollars for research. You know, it's not quite like getting a science grant, but it's real money. . .

A couple other ways that we engage the scholars: all of our studies, we get peer-reviewed. So we often contract with scholars to do peer-reviews of our work. So if one of our policy experts does a research paper, we often contract with a scholar to do a peer-review of it. We pay between \$300 and \$1,500 for those kinds of reviews. And typically it's something that can be done within a week, or a weekend. [11:04] The other element of how we interact with a number of scholars is somewhat a more formal way. We have what we call our Board of Scholars. These are people who have pledged to be affiliated with the Mackinac Center, and we feature them on all of our publications. They're listed on our website as being affiliated with the Mackinac Center. When we created this group, we initially wanted to do it because when we were starting out, we didn't have a lot of credibility with the media or in Lansing. Getting scholars on board who affiliated with us, who came from highly respected research institutions and universities was our way of sort of boosting our credibility.

Van Beek on getting exposure to students, and funneling them into their talent pipeline:

We also return the favor for economists and academics. A lot of them host their own events, or have programs where they want speakers to come in and speak to students. And we cover a lot of issues that are pertinent to current political debate. We have expertise on these and we often come in and present for college students for a program that's run by one of our scholars.

For a lot of students, they have very little idea about state-based, small think tanks like ours. And we've established relationships with several students who have become interns later, as a result of professors bringing them out to our offices and giving them a tour of what we're about

JONATHAN WILLIAMS, AMERICAN LEGISLATIVE EXCHANGE COUNCIL

ALEC's Jonathan Williams offers contracting opportunities to the room full of Koch funded professors for “peer- review”:

One of the things that I do every year is the Rich States, Poor States publication with Art Laffer and Steve Moore, generally measuring the economic competitiveness of states based on free market variables that we know to have a meaningful effect on economic growth. . . we know based on Census bureau survey data, that is that the number one reason why people move from one state to another is economic opportunity. And so that's really what most of our message has been about.

Now, that being said, that's been pretty persuasive for people who are generally sympathetic to right-of-center ideas and free market policies. However, I don't think enough has been written in terms of the policy space in the area of other ways to get to policy makers who maybe aren't as sympathetic toward, generally, free market policy.

So, over the last few years in our Center for State Fiscal Reform we've tried to do more outreach to academics. We really want it to be open door and say anyone here that's interested in getting more involved in the policy space, including more and more work that we do from a peer-review basis. Studies like this, I think, will be the first of many within our center. And so we certainly encourage you, if you're interested, to work with us as well as different partners such as the Mackinac Center. I think that interaction is going to be very key for our movement, going forward.

MICHAEL LAFAIVE, MACKINAC CENTER

The Mackinac Center's Michael LaFaive describes the critical service that free-market professors provide to their policy efforts:

the Mackinac Center has been blessed with its relationships with outside scholars. They help us sort of delegate the intellectual heft. Talents are required that go beyond our own internal skillset. And it also frees up us to concentrate on other things, like the vital narrative, like a literature review, fact checking, and all the prerelease marketing that goes on for the study. But we'd also like to think that scholars get something in return. They get intriguing research opportunities. Usually they get compensation. Immediacy of a timely publication: for those of you who have had to wade through an academic journal's process before, you know that immediacy is not something that happens very often.

Media Fallout from 2016 APEE Recordings

[Our recordings](#) captured several Koch officials and academics detailing the ways in which they have been able to avoid campus oversight and participate directly in the political activities of the donor. These recordings have confirmed and exceeded our expectations regarding the depths of donor influence, and have been cited in state and national media outlets. They have also formed the basis for a wave of research-based resistance on campus.

So far, these recordings have been cited by journalists covering Ball State University (Muncie Star [May 20](#) and [June 1](#), 2016), Troy University (AL Reporter [June 27](#) and [July 6](#), AL.com [July 1](#), Inside Higher Ed [July 13](#), and Alternet [July 26](#) 2016), Texas Tech University (cover story in the Texas Observer [Sept 26](#), 2016), Western Carolina University (Smoky Mountain News Sept 21, [one](#) and [two](#)). They were also featured in Think Progress ([May 13](#)), and in a two-part investigation by Alternet ([one](#) and [two](#)).

TROY UNIVERSITY

One of [our recordings](#) captured Troy University professor George Crowley bragging about many aspects of their Koch center, including how they were able to “take over” several departments, “ram through” curricular changes, and how their “political fights” in the state included an effort to “take down the state pension system.” Not long after the APEE conference, UnKoch was contacted by the [Professional Firefighters of Alabama](#), a network of 45,000 public employees running a campaign to save the state retirement system. They were trying to prevent the effort, led by Troy’s Koch center, to privatize their the Alabama state pension system. [Other players](#) pushing for pension privatization included the local State Policy Network think tank, the Alabama Policy Institute, funded by the John Arnold Foundation and Pew Charitable Trust, as well as academics from George Mason University’s Mercatus Center. At the time, the firefighters observed that there were 20 registered lobbyists pushing for pension privatization.

Within weeks of UnKoch providing APEE recordings to a journalist, the story broke. As a result, [Crowley was removed as chair of Troy’s Department of Economics](#), and administrators proceeded to censure the center with the intention of reshaping its mission statement. Furthermore, the number of lobbyists funded by these interests has gone from twenty in 2016 to zero in 2017. There is currently no proposal within the Alabama legislature to privatize the state pension system.

TEXAS TECH UNIVERSITY

A Sept. [2016 report](#) by the Texas Observer was initially spurred by the discovery of this [disturbing grant proposal](#) to the John Templeton Foundation. The proposal was from Dr. Ben Powell, director of Texas Tech’s (Koch-funded) Free Market Institute.

UnKoch's recordings from the 2016 APEE conference created the context for the piece, as nearly all the professors listed as affiliates in Powell's grant proposal are active in APEE, many either attending or even caught on tape at APEE 2016.

WESTERN CAROLINA UNIVERSITY

At Western Carolina University (Feb 2016), a local journalist released a series of [investigative pieces](#) following the announcement of a Koch center on campus (eventually drawing from our recordings of the WCU professor Ed Lopez. (Smoky Mountain News Sept 21, [one](#) and [two](#)).

Despite a nearly unanimous vote by the faculty senate to reject the creation of the center, administrators moved ahead. WCU faculty developed revised donor policies (Policy [104](#) and [105](#)) that outline stronger protections against donor influence. The outcome garnered national attention ([Chronicle of Higher Education](#)).

BALL STATE UNIVERSITY

At Ball State University (May 2016) UnKoch joined concerned faculty and students in [confronting the BSU Board of Trustees](#) about the ties between their presidential search and BSU's newly announced Koch donation. Our confrontation made [front page news in the Muncie Star](#) and the [Ball State Daily News](#). We gave a public lecture, disseminated a [research brief](#) to students and faculty.

The opportune mobilization of students and our work with local journalists appear to have prevented Koch's partner donor (John "Papa John" Schnatter) from being invited to become a trustee at Ball State. The [coverage of Schnatter's potential trusteeship](#) (which never manifested) includes extensive reference to our work and APEE recordings.

UNIVERSITY OF KENTUCKY

At the University of Kentucky (Sept 2016), UnKoch worked with faculty during their deliberations around accepting a new Koch center. We provided a [research brief](#) including a full contract analysis and APEE recordings of the professor involved to the two faculty senate committees who were voting to approve or reject the center, in addition to publishing an [op ed in the Lexington Herald Leader](#). In a series of two close votes, both committees voted to reject the proposed Koch center and its system of governance. Despite these votes, the administration approved it anyway. The [first](#) and [second](#) votes garnered significant media attention.

WAKE FOREST UNIVERSITY

At Wake Forest University (Sept. 2016), two faculty senate committees were investigating the creation of a Koch center on campus. By March of 2017, WFU faculty presented an [extensive report](#) based on our research and APEE recordings, and the senate at large

passed the recommended motion that WFU cut any ties with Koch and his network of political donors. This is the strongest stand taken at a campus to date.