A New Group is Attacking College Mandatory Fees Now Being Used to Finance Ralph Nader Organizations.

Where's the Money Coming From?

By Bruce Wells

The use of mandatory student fees to finance groups supported by Ralph Nader on college campuses in 25 states is under attack by a newly formed organization based in Washington, D.C. The new group, the United Students of American (USA) Foundation, believes that Public Interest Research Groups, also known as PIRGs, are little more than grassroots political lobbies to advance Nader's left-leaning “consumer” agenda.

According to Jack Abramoff, chairman of U.S.A. Foundation, PIRGs are billed as “student-run consumer groups,” but in reality are made up of liberal students advocating often extremely anti-business ideals. The automobile industry, the bottling industry, the nuclear industry, utilities, oil companies and others have been attacked by the Nader groups, some of which have promoted business boycotts.

New PIRGs have been organizing since the early 1970s. Today, they receive an estimated $10 million annually at colleges and universities through mandatory and negative checkoff fees assessed at registration. Many students are not aware the fees
PlRGs are billed as “student-run consumer groups,” but in reality are made up of liberal students advocating often extremely anti-business ideals.

These groups are getting away with it under the ruse of consumerism, but the students end up paying for a political agenda,” says Abramoff.

Whether using referendums, the courts, or taking its case to student councils or even boards of trustees, the foundation fights what it considers coercive funding schemes, he said. In the past year, PlRG fees have been defeated on campuses in seven states and more than $600,000 returned to students. This fall, the foundation will intensify efforts to stop Nader’s PlRGs in 20 targeted campuses in nine states.

The first court challenge to PlRGs began at Rutgers University when three students filed suit in 1979. The funding fee at Rutgers’ Camden campus had been made mandatory, meaning that when students enrolled, they were automatically charged $2.50 to sponsor the PlRG. Although there was a refund provision, the few that were sought were not paid until the next semester, when the mandatory fee had to be paid again.

The students argued that the state-supported school had no right to compel them to pay for what amounted to an advocacy group. After a district judge ruled against them, the decision was reversed by Judge Arlin M. Adams of the U.S. Court of Appeals for the Third Circuit, who rejected the university’s argument that its PlRG was educational.

Columnist James Kilpatrick, writing about the case for Nation’s Business, concluded: “Let us vigorously defend the right of Nader’s young disciples to whoop it up for their causes, but let us defend this proposition also: They have no right to whoop it up with other students’ money.”

In the meantime, the Camden campus PlRG lost its accreditation in a student referendum—one of the most effective weapons against PlRGs, Abramoff said. “Most students don’t want their money automatically taken, especially for a political cause... a PlRG is not like the chess club.”

Abramoff said it’s ironic that Nader, a critic of book-of-the-month clubs using similar methods, allows his PlRGs to use negative checkoffs (i.e., check here if you do not want to contribute). A more serious charge is that the PlRGs provide Nader with an extensive political network on campuses.

For example, PlRGs were used to promote Gary Hart as “the consumer candidate” during the Democratic primaries, Abramoff said. “According to their own records, more than 90 percent of the collected money does not stay on campus. Most goes to state and national lobbying efforts,” Abramoff adds.

A national PlRG office with a staff of 150 opened in New York City last summer.

Abramoff hopes to initiate more student referendums this Fall to eliminate these “political dufes” from colleges and universities. The foundation, a non-partisan, tax-exempt group organized in 1983 and funded by donations, has “student rights teams” in
many states to monitor attempts by Nader to start PIRG chapters.

“Our people are students on these campuses,” says Abramoff. “They contact us about new PIRGs, and we tell them how to fight the battle.”

There is a lot at stake. The eight campuses at Rutgers University alone were at one time generating about $100,000 annually for Nader, he noted.

Phase one of the Foundation’s plan has been to locate and determine the size of all PIRGs. In addition, a student rights manual outlining ways of halting the use of mandatory and checkoff fees by any political advocacy groups has been distributed.

Using information gathered in phase one, the second phase targets specific campuses based on the income of the advocacy group from the student body, the scope of its activity on campus and in the community and the availability of resources for implementing the foundation plan.

This fall, three teams will visit colleges and deliver educational materials. Beginning in the spring of 1985, three more teams will be added, working in states where major fee abuses are occurring: New York, California, Massachusetts. Student volunteers established in 15 states are receiving foundation materials and advice.

At the University of Northern Colorado, for example, the PIRG contract is up for renewal this year and the foundation has involved the Mountain States Legal Foundation, which is threatening the university with a lawsuit if the campus PIRG’s negative checkoff fee is renewed. $35,000 in fees are at stake.

At Michigan State University, a potential of more than $246,000 in fees is being battled for by the foundation and several MSU students. Efforts to stop the implementation of the mandatory-but-refundable scheme have thus far proved successful.

In North Carolina, a new PIRG was being formed when a referendum for a negative checkoff scheme was held in April. The PIRG proposal was defeated with 73 percent of the student votes cast against PIRG. $81,000 will not be available to the group in 1984.

With the help of the Mid Atlantic Legal Foundation, a participant in the Rutgers case, several students are currently suing the state of New York over its PIRG’s use of state universities as “collection agencies.” If the court rules in favor of the students, the PIRG will lose not only its mandatory fees, but will be asked to refund fees to students who have paid since 1973. A New York PIRG budget of $2.5 million could be eliminated.

One offshoot of PIRGs, Abramoff says, are “citizen utility boards” organized by the Nader groups. Currently located in 22 states, PIRGs have placed the utility boards on their agenda for introducing legislation against electric, gas and telephone utilities. A Washington office recently opened by Nader will coordinate state projects and lobby Capitol Hill—with mandatory student fees contributing to these efforts.

According to foundation corporate liaison Juliet Sadd, it is unethical and unconstitutional to force students to fund a political organization advocating policies that are anti-business, anti-growth and anti-free enterprise.

In addition to its student rights manual, the foundation distributes other educational materials. It publishes a bimonthly newsletter and syndicates a radio program, “Fall Gut,” featuring interviews and debates with students and prominent Americans, including Attorney General William French Smith, independent oilman T. Boone Pickens and industrialist Peter Grace. The program is aired weekly by college radio stations, reaching an estimated two million listeners.

The foundation also offers the United States Press Service to college newspapers. The service includes national news articles and contributions from student journalists.

However, Abramoff said, the biggest foundation project will be the publication sometime next year of The New American, a national monthly magazine for college students. The glossy, color, 32-page magazine will be supported by advertising. Full production is scheduled for March, 1985, with a projected circulation of 250,000. “We think it will be a cross between Rolling Stone and The American Spectator.”

For more information about the foundation’s fight against PIRGs, contact the U.S.A. Foundation, 214 Massachusetts Avenue, N.E., Suite 240, Washington, D.C. 20002.