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SB70A-16/17: Resolution Regarding Referendum Regarding Divestment

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The Associated Students of the University of Montana
Resolution Regarding Referendum Regarding Divestment
February 27th, 2017
SB70A-16/17

Authorised by: Simon Dykstra, Student-At-Large;
Sponsored by: Sam Forstag, ASUM President;

Whereas, divestment, the opposite of investment, is the removal of funds from one’s portfolio of stocks, bonds, or other investments;

Whereas, according to the Harvard Political Review, divestment has been used as a tool to accomplish moral and social change throughout history and was used most prominently in the 1980s against South African Apartheid1;

Whereas, the University of Montana (UM), were it to divest from fossil fuel companies, would be seen as a national leader in conservation and environmentalism;

Whereas, UM has an endowment of approximately $180 million, which is managed by the UM Foundation;

Whereas, $7-12 million of this endowment is invested in companies that extract fossil fuels2;

Whereas, the earnings of endowment are unrelated to UM’s current or projected budgetary shortfall, as it is composed solely of donations from private donors, alumni, and profits on investments, and a very small portion of it goes toward operating costs;

Whereas, through economic and scientific studies, divestment has been shown to have marginal negative impacts on profits, and is projected to increase overall long-term profits3;

Whereas, the UM Foundation’s “About Us” section of its website states:

The Foundation is an independent non-profit organization with a 40-member Board of Trustees. The Trustees and staff work with University leaders to set fundraising priorities which support the University’s strategic plan;

Whereas, UM’s 2020 strategic plan states:

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2 Estimate from Suzie Estep, Missoula area investment consultant.
The University has identified four core values that drive every aspect of its mission and vision:
Leadership, Engagement, Diversity, and Sustainability. These values both ground and inspire everything.
The University of Montana pursues ... the University of Montana models a pathway to economic, financial, environmental, and cultural sustainability ... the University's initiatives ultimately seek to enhance students' understanding of the interconnectedness of ecological, social, and economic issues;

Whereas, 80% of UM students voted in favor of divestment in a 2015 campus-wide referendum;
Whereas, students have again and again shown support for divestment, as exhibited by the 2,500 student petition signatures collected by Reinvest Montana and five previous ASUM resolutions;
Whereas, student support of divestment should influence and inform The UM President, the UM Foundation President, and the UM Foundation Board of Trustees’ decisions on divestment;
Whereas, the most credible and direct means of expressing the views of the student body is through a campus-wide referendum;
Therefore, Let It Be Resolved, that the following referendum language be placed before the University of Montana (UM) student body for vote during the 2017 ASUM General Election;
The University of Montana has an endowment of approximately $180 million, which is managed by the UM Foundation. Approximately $7-12 million of this endowment is invested in companies that extract fossil fuels. Do you support encouraging the UM Foundation to divest from the top 200 fossil fuel companies?

____ Yes, I support encouraging the UM Foundation to divest from fossil fuels and reinvest this money in environmentally and socially responsible enterprises.
____ No, I do not support encouraging the UM Foundation to divest from fossil fuels and reinvest this money in environmentally and socially responsible enterprises.

Passed by Committee: __________________________, 2017
Passed by ASUM Senate: __________________________, 2017

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Elizabeth Engebretson, Connor Fitzpatrick,
Chair of the Senate Relations and Affairs Chair