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SB70B-16/17: Resolution Regarding Divestment

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The Associated Students of the University of Montana
Resolution Regarding Divestment
February 27th, 2017
SB70B -16/17
Authorized by: Simon Dykstra, Student-At-Large;
Sponsored by: Sam Forstag, ASUM President;

Whereas, divestment, the opposite of investment, is the removal of funds that are ethically or morally ambiguous from one’s portfolio of stocks, bonds, or 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:

\textit{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 Further Be Resolved, that passage of this referendum question by student vote constitutes continued ASUM endorsement of divestment of UM Foundation funds;

Therefore, Let It Further Be Resolved, that, should the election results show that the majority of voting students support divestment, ASUM requests Interim President Stearns to support the divestment of UM Foundation funds from the top 200 international fossil fuel companies;

Therefore, Let It Further Be Resolved, that, should the election results show that the majority of voting students support divestment, ASUM urges the UM Foundation and UM Administration to halt all new investments in fossil fuels;

Therefore, Let It Further Be Resolved, that a copy of this resolution be sent to: Sheila Stearns, President of the University of Montana; Mike Reid, Vice President of Administration and Finance; Cindy Williams, UM Foundation Interim President and CEO; Jamie Stanton, Chief Financial Officer of UM Foundation; Mack Clapp, Chair of the UM Foundation Investment Committee; Mary Olson, Chair of the Board of Trustees of the UM Foundation.

Passed by Committee: __________________________, 2017

Passed by ASUM Senate: __________________________, 2017

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