SB42-15/16: Resolution Regarding Divestment

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The Associated Students of the University of Montana
Resolution Regarding Divestment
March 9th, 2016
SB42-15/16

Authored by: Simon Dykstra, Student-At-Large; Amanda Moseman, Student-At-Large;
Caitlin Piserchia, Student-At-Large
Sponsored by: Cody Meixner, ASUM President

Whereas, financial divestment, the opposite of financial investment, is often the removal of funds that are found to be 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;

Whereas, according to 350.org, many institutions across the United States have completely divested from fossil fuel companies because of the belief that educational and religious institutions, governments, and other organizations that serve the public good should divest from fossil fuels;

Whereas, some of these institutions include 44 colleges and universities, 132 religious institutions, 55 cities, two counties (including Norway’s Sovereign Wealth fund of $900 billion), and a wide variety of private citizens and institutions such as the Rockefeller Brothers Fund;

Whereas, Christiana Figueres, UN Climate Chief; Jim Yong Kim, World Bank President; Desmond Tutu, former Archbishop; Mark Moody-Stuart, former Shell chairman have endorsed fossil fuel divestment;

Whereas, according to gofossilfree.org, more than 490 colleges and universities across the globe currently have active divestment campaigns working toward this goal;

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, or 5-8%, of this endowment is invested in companies that extract fossil fuels;

Whereas, in a 2012 sustainable investment study by Deutsche Bank Group analyzed 100 studies of ESG performance, 89% of studies found firms with high ESG (investments based on Environmental, Social, or Governance standards) outperformed industry peers;
Whereas, a recent Citigroup analysis warns current target carbon emissions reductions could strand over $100 trillion of fossil fuel assets by 2050; finding that, globally, a third of oil reserves, half of gas, and over 80 percent of coal could be stranded;

Whereas, the economy is shifting from reliance on fossil fuels, rendering them extremely devalued;

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, with a very small portion of it going towards operating costs;

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:

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, The Associated Students of the University of Montana (ASUM) has previously endorsed divestment;

Whereas, student support of divestment should influence and inform President Engstrom and the UM Foundation’s decisions on divestment;

Whereas, students have frequently shown support for divestment, as exhibited by the 2,300 student petition signatures collected by Reinvest Montana;

Whereas, in the spring of 2015, students voted for fossil fuel divestment and reinvestment in a campus-wide referendum that passed with an 80% margin;

Therefore, Let It Be Resolved, that, ASUM urges the UM Foundation and UM Administration to halt all new investments in fossil fuels;

Therefore, Let It Further Be Resolved, that ASUM urges the UM Foundation and its committee to pursue fossil fuel divestment and reinvest at least 5% of the endowment in socially and environmentally responsible Montana-based enterprises;
Therefore, Let It Further Be Resolved, that ASUM commends the creation of the UM Foundation’s committee on divestment, and requests the committee reserve at least one seat for student representation on the body;

Therefore, Let It Further Be Resolved, that ASUM urges the UM Foundation to create additional mechanisms to incorporate student input in their decision making process as it pertains to divestment and reinvestment, including but not limited to, student representation as listed above, email communications to interested students, and open meetings;

Therefore, Let It Further Be Resolved, that ASUM is dissatisfied with the UM Foundation’s Board of Trustees’ vote against divesting from fossil fuels during their annual fall meeting in September of 2015, per the vote on fossil fuel divestment and reinvestment in a campus-wide referendum that passed with an 80% margin;

Therefore, Let It Further Be Resolved, that ASUM urges the UM Foundation’s Board of Trustees to vote on divestment again during their annual spring meeting in 2016;

Therefore, Let It Further Be Resolved, that, ASUM requests President Engstrom to support the divestment of UM Foundation funds from the top 200 international fossil fuel companies;

Therefore, Let It Further Be Resolved, that a copy of this resolution be sent to: Royce Engstrom, President of the University of Montana; Michael Reid, Vice President of Administration & Finance; Shane Giese, President and Chief Executive Officer of UM Foundation; Cindy Williams, UM Foundation Vice President of Development; Jamie Stanton, Chief Financial Officer of UM Foundation; Joe Whittinghill, Chairman of the Board of Trustees of the UM Foundation; Mack Clapp, Chair of the Investment Committee and Fossil Fuel Subcommittee of the UM Foundation.

Passed by Committee: __________________________, 2016

Passed by ASUM Senate: ______________________, 2016

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Kaitlin Hopingardner,  Betsy Story,
Chair of Relations & Affairs  Chair of the Senate