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SB42-15/16: Resolution Regarding Divestment

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

5 **Authored by: Simon Dykstra, Student-At-Large; Amanda Moseman, Student-At-Large;**
6 **Caitlin Piserchia, Student-At-Large**

7 **Sponsored by: Cody Meixner, ASUM President**
8

9 Whereas, financial divestment, the opposite of financial investment, is often the removal of funds
10 that are found to be ethically or morally ambiguous from one's portfolio of stocks, bonds, or
11 investments;

12
13 Whereas, according to the Harvard Political Review, divestment has been used as a tool to
14 accomplish moral and social change throughout history;

15
16 Whereas, according to 350.org, many institutions across the United States have completely
17 divested from fossil fuel companies because of the belief that educational and religious
18 institutions, governments, and other organizations that serve the public good should divest from
19 fossil fuels;

20
21 Whereas, some of these institutions include 44 colleges and universities, 132 religious
22 institutions, 55 cities, two counties (including Norway's Sovereign Wealth fund of \$900 billion),
23 and a wide variety of private citizens and institutions such as the Rockefeller Brothers Fund;

24
25 Whereas, Christiana Figueres, UN Climate Chief; Jim Yong Kim, World Bank President;
26 Desmond Tutu, former Archbishop; Mark Moody-Stuart, former Shell chairman have endorsed
27 fossil fuel divestment;

28
29 Whereas, according to gofossilfree.org, more than 490 colleges and universities across the globe
30 currently have active divestment campaigns working toward this goal;

31
32 Whereas, the University of Montana (UM), were it to divest from fossil fuel companies, would
33 be seen as a national leader in conservation and environmentalism;

34
35 Whereas, UM has an endowment of approximately \$180 million, which is managed by the UM
36 Foundation;

37
38 Whereas, \$7-12 million, or 5-8%, of this endowment is invested in companies that extract fossil
39 fuels;

40
41 Whereas, in a 2012 sustainable investment study by Deutsche Bank Group analyzed 100 studies
42 of ESG performance, 89% of studies found firms with high ESG (investments based on
43 Environmental, Social, or Governance standards) outperformed industry peers;

44

45 Whereas, a recent Citigroup analysis warns current target carbon emissions reductions could
46 strand over \$100 trillion of fossil fuel assets by 2050; finding that, globally, a third of oil
47 reserves, half of gas, and over 80 percent of coal could be stranded;

48
49 Whereas, the economy is shifting from reliance on fossil fuels, rendering them extremely
50 devalued;

51
52 Whereas, the earnings of endowment are unrelated to UM's current or projected budgetary
53 shortfall, as it is composed solely of donations from private donors, alumni, and profits on
54 investments, with a very small portion of it going towards operating costs;

55
56 Whereas, the UM Foundation's "About Us" section of its website states:

57
58 *The Foundation is an independent non-profit organization with a 40-member Board of Trustees.*
59 *The Trustees and staff work with University leaders to set fundraising priorities which support*
60 *the University's strategic plan;*

61
62 Whereas, UM's 2020 strategic plan states:

63
64 *The University has identified four core values that drive every aspect of its mission and vision:*
65 *Leadership, Engagement, Diversity, and Sustainability. These values both ground and inspire*
66 *everything The University of Montana pursues ... the University of Montana models a pathway*
67 *to economic, financial, environmental, and cultural sustainability ... the University's initiatives*
68 *ultimately seek to enhance students' understanding of the interconnectedness of ecological,*
69 *social, and economic issues;*

70
71 Whereas, The Associated Students of the University of Montana (ASUM) has previously
72 endorsed divestment;

73
74 Whereas, student support of divestment should influence and inform President Engstrom and the
75 UM Foundation's decisions on divestment;

76
77 Whereas, students have frequently shown support for divestment, as exhibited by the 2,300
78 student petition signatures collected by Reinvest Montana;

79
80 Whereas, in the spring of 2015, students voted for fossil fuel divestment and reinvestment in a
81 campus-wide referendum that passed with an 80% margin;

82
83 Therefore, Let It Be Resolved, that, ASUM urges the UM Foundation and UM Administration to
84 halt all new investments in fossil fuels;

85
86 Therefore, Let It Further Be Resolved, that ASUM urges the UM Foundation and its committee
87 to pursue fossil fuel divestment and reinvest at least 5% of the endowment in socially and
88 environmentally responsible Montana-based enterprises;

89

90 Therefore, Let It Further Be Resolved, that ASUM commends the creation of the UM
91 Foundation's committee on divestment, and requests the committee reserve at least one seat for
92 student representation on the body;

93
94 Therefore, Let It Further Be Resolved, that ASUM urges the UM Foundation to create additional
95 mechanisms to incorporate student input in their decision making process as it pertains to
96 divestment and reinvestment, including but not limited to, student representation as listed above,
97 email communications to interested students, and open meetings;

98
99 Therefore, Let It Further Be Resolved, that ASUM is dissatisfied with the UM Foundation's
100 Board of Trustees' vote against divesting from fossil fuels during their annual fall meeting in
101 September of 2015, per the vote on fossil fuel divestment and reinvestment in a campus-wide
102 referendum that passed with an 80% margin;

103
104 Therefore, Let It Further Be Resolved, that ASUM urges the UM Foundation's Board of Trustees
105 to vote on divestment again during their annual spring meeting in 2016;

106
107 Therefore, Let It Further Be Resolved, that, ASUM requests President Engstrom to support the
108 divestment of UM Foundation funds from the top 200 international fossil fuel companies;

109
110 Therefore, Let It Further Be Resolved, that a copy of this resolution be sent to: Royce Engstrom,
111 President of the University of Montana; Michael Reid, Vice President of Administration &
112 Finance; Shane Giese, President and Chief Executive Officer of UM Foundation; Cindy
113 Williams, UM Foundation Vice President of Development; Jamie Stanton, Chief Financial
114 Officer of UM Foundation; Joe Whittinghill, Chairman of the Board of Trustees of the UM
115 Foundation; Mack Clapp, Chair of the Investment Committee and Fossil Fuel Subcommittee of
116 the UM Foundation.

117
118
119 Passed by Committee: _____, 2016

120
121 Passed by ASUM Senate: _____, 2016

122
123
124
125

126 _____
127 Kaitlin Hopingardner,
Chair of Relations & Affairs

Betsy Story,
Chair of the Senate