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### SB70A-16/17: Resolution Regarding Referendum Regarding Divestment

Simon Dykstra

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

5 **Authored by: Simon Dykstra, Student-At-Large;**

6 **Sponsored by: Sam Forstag, ASUM President;**

7  
8 Whereas, divestment, the opposite of *investment*, is the removal of funds from one’s portfolio of stocks,  
9 bonds, or other investments;

10  
11 Whereas, according to the Harvard Political Review, divestment has been used as a tool to accomplish  
12 moral and social change throughout history and was used most prominently in the 1980s against South  
13 African Apartheid<sup>1</sup>;

14  
15 Whereas, the University of Montana (UM), were it to divest from fossil fuel companies, would be seen as  
16 a national leader in conservation and environmentalism;

17  
18 Whereas, UM has an endowment of approximately \$180 million, which is managed by the UM  
19 Foundation;

20  
21 Whereas, \$7-12 million of this endowment is invested in companies that extract fossil fuels<sup>2</sup>;

22  
23 Whereas, the earnings of endowment are unrelated to UM’s current or projected budgetary shortfall, as it  
24 is composed solely of donations from private donors, alumni, and profits on investments, and a very small  
25 portion of it goes toward operating costs;

26  
27 Whereas, through economic and scientific studies, divestment has been shown to have marginal negative  
28 impacts on profits, and is projected to increase overall long-term profits<sup>3</sup>;

29  
30 Whereas, the UM Foundation’s “About Us” section of its website states:

31  
32 *The Foundation is an independent non-profit organization with a 40-member Board of Trustees. The*  
33 *Trustees and staff work with University leaders to set fundraising priorities which support the*  
34 *University’s strategic plan;*

35  
36 Whereas, UM’s 2020 strategic plan states:  
37

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<sup>1</sup> Hendey, Eric. “Does Divestment Work.” Harvard Political Review. October 2, 2014.

<sup>2</sup> Estimate from Suzie Estep, Missoula area investment consultant.

<sup>3</sup> Longstreth, Bevis. “The Financial Case for Divestment of Fossil Fuel Companies by Endowment Fiduciaries.” Huffington Post, 2 November, 2013. Web. 23 May, 2015.

Geddes, Patrick. “Do the Investment Math: Building a Carbon-Free Portfolio.” Aperio Group. Web. 18 March, 2014.

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

43  
44 Whereas, 80% of UM students voted in favor of divestment in a 2015 campus-wide referendum;

45  
46 Whereas, students have again and again shown support for divestment, as exhibited by the 2,500 student  
47 petition signatures collected by Reinvest Montana and five previous ASUM resolutions;

48  
49 Whereas, student support of divestment should influence and inform The UM President, the UM  
50 Foundation President, and the UM Foundation Board of Trustees' decisions on divestment;

51  
52 Whereas, the most credible and direct means of expressing the views of the student body is through a  
53 campus-wide referendum;

54  
55 Therefore, Let It Be Resolved, that the following referendum language be placed before the University of  
56 Montana (UM) student body for vote during the 2017 ASUM General Election;

57  
58 *The University of Montana has an endowment of approximately \$180 million, which is managed by the*  
59 *UM Foundation. Approximately \$7-12 million of this endowment is invested in companies that extract*  
60 *fossil fuels. Do you support encouraging the UM Foundation to divest from the top 200 fossil fuel*  
61 *companies?*

62  
63 *\_\_\_Yes, I support encouraging the UM Foundation to divest from fossil fuels and reinvest this money in*  
64 *environmentally and socially responsible enterprises.*

65  
66 *\_\_\_No, I do not support encouraging the UM Foundation to divest from fossil fuels and reinvest this*  
67 *money in environmentally and socially responsible enterprises.*

68  
69  
70  
71 Passed by Committee: \_\_\_\_\_, 2017

72  
73 Passed by ASUM Senate: \_\_\_\_\_, 2017

74  
75 \_\_\_\_\_  
76 Elizabeth Engebretson, Connor Fitzpatrick,  
77 Chair of the Senate Relations and Affairs Chair

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