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SB70B-16/17: Resolution Regarding Divestment

Simon Dykstra

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1 **The Associated Students of the University of Montana**
2 **Resolution Regarding Divestment**
3 **February 27th, 2017**
4 **SB70B -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 that are ethically or morally
9 ambiguous from one’s portfolio of stocks, bonds, or 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 Apartheid¹;

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 fuels²;

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 profits³;

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

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

² Estimate from Suzie Estep, Missoula area investment consultant.

³ 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 Further Be Resolved, that passage of this referendum question by student vote
56 constitutes continued ASUM endorsement of divestment of UM Foundation funds;

57
58 Therefore, Let It Further Be Resolved, that, should the election results show that the majority of voting
59 students support divestment, ASUM requests Interim President Stearns to support the divestment of UM
60 Foundation funds from the top 200 international fossil fuel companies;

61
62 Therefore, Let It Further Be Resolved, that, should the election results show that the majority of voting
63 students support divestment, ASUM urges the UM Foundation and UM Administration to halt all new
64 investments in fossil fuels;

65
66 Therefore, Let It Further Be Resolved, that a copy of this resolution be sent to: Sheila Stearns, President
67 of the University of Montana; Mike Reid, Vice President of Administration and Finance; Cindy Williams,
68 UM Foundation Interim President and CEO; Jamie Stanton, Chief Financial Officer of UM Foundation;
69 Mack Clapp, Chair of the UM Foundation Investment Committee; Mary Olson, Chair of the Board of
70 Trustees of the UM Foundation.

71
72
73 Passed by Committee: _____, 2017

74
75 Passed by ASUM Senate: _____, 2017

76
77 _____
78 Elizabeth Engebretson, Connor Fitzpatrick,
79 Chair of the Senate Relations and Affairs Chair

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