RESOLUTION OF THE SENATE

OF

THE ASSOCIATED STUDENTS OF MONTANA STATE UNIVERSITY

Adopted 8 December 2016

Whereas, MSU’s Michael P. Malone memorial on the Campus Centennial Mall advocates that, “ethical purpose and the pursuit of knowledge are higher life goals than the pursuit of profit;” and,

Whereas, Reinvestment is a well-established practice that strengthens public image, increases educational opportunities, and offers direct financial benefits; and,

Whereas, Socially Responsible Investment (SRI) and Environmental, Social, and Governance (ESG) practices support Montana State University’s commitment to human rights, social justice, and environmental justice; and,

Whereas, The Uniform Prudent Investor Act (UPIA) requires that risk and return be the top priority of a fiduciary; and,

Whereas, The MSU Alumni Foundation is legally held to adhere to the UPIA; and,

Whereas, SRI/ESG profiles have similar returns and lower levels of risk when compared to standard investment profiles. Thus SRI/ESG strategies are a means to prioritize profit, people, and the planet; and,

Whereas, 584 institutions worldwide have reallocated 3.4 trillion dollars in recognition of the financial and moral benefits of socially responsible investments; and,

Whereas, 33 US universities have announced plans to remove fossil fuel stocks from investment portfolios, including another land grant university, the University of Massachusetts, and our neighbor, the University of Washington; and,

Whereas, In 2008, Montana State University signed the American College and University Presidents Climate Commitment (ACUPCC) and the subsequent Climate Action Plan set goals for the university to reduce its greenhouse gas emissions and its footprint as a whole; and,

Whereas, Reinvestment into SRI/ESGs would be a strong step forward in addressing climate change and its impending consequences; and,
Whereas, Investment in renewable energy increased by 16 percent in 2015, garnering $310 billion in new global funds for wind, solar, biofuels and other low-carbon energy technologies; and,

Whereas, In the last eight years, U.S. coal production has steadily dropped from its peak in 2008, and the industry as a whole has declined as a result of cheaper alternatives, increased environmental regulations, and changing consumer demands; and,

Whereas, A typical strategy dictates that 50 percent of holdings will be divested by the end of year one, the second 50 percent by the end of year three, and any remaining funds or assets that contain non-SRI/ESG investments are evaluated in year 5; and,

Whereas, It is understood that the specific companies that the Alumni Foundation invests in is proprietary information, comprising much of the Foundation’s investment strategy; now, therefore, be it,

Resolved, That ASMSU urges the Alumni Foundation to establish a separate SRI and ESG fund with all future investments being made under SRI/ESG criteria and that allocates at least 5% of the investments to socially and environmentally responsible Montana-based enterprises or projects within the state. This fund would act as the default investment fund for donations unless otherwise requested by the donor; and,

Resolved, That ASMSU calls for all current investments in the endowment to be redirected to the SRI/ESG fund by the end of five years, to the extent possible as stipulated by their fiduciary responsibility. Recognizing that with equal returns and less assumed risk from SRI funds, transitioning to this fund would not violate the Uniform Prudent Investor Act; and,

Resolved, That ASMSU requests that the Foundation make publicly available the managers it uses, their overarching strategy, and the quantity of funds allotted to each manager in order to hold the Alumni Foundation accountable for its investments without compromising the Foundation’s investment strategy.

Bradley Jones – Senate Speaker