

SENATE COMMITTEE ON SOCIAL CONCERNS

MINUTES OF MEETING

September 29, 2014

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions or actions reported in these minutes represent the views of, nor are they binding on, the Senate, the Administration or the Board of Regents.]

PRESENT: David Golden (chair), Jayne Blodgett, Laura Duckett, David Fuhs, BreAnn Graber, Stephen Gross, Deborah Hendricks, Sandeep Kataria, Brenda Kayzar, Stuart Mason, Natalie Pope, Naomi Scheman, Rachel Schurman, Catherine Solheim, Eric Svingen, Amelious Whyte

REGRETS: Katie Benson, Zan Gao, Michael O'Day, Abeer Syedah

ABSENT: Felicia Christy, Bernadine Jocelyn, Anne Sumangil

[In these minutes: Future Topics discussion; Fossil Fuel divestment and sustainability investments.]

1. WELCOME AND INTRODUCTIONS

Mr. Golden convened the meeting and asked for introductions. He then reviewed the charge with members and some of the committee's past initiatives.

2. FUTURE TOPICS DISCUSSION

Mr. Golden began the discussion of future topics and members discussed the following:

- **UDS and Food Sourcing**
 - Panel discussion about food offerings in general.
 - Local is not always better. Sometimes more energy is used in the transportation of local foods.
 - Healthier food choices, especially healthy fast food options should be offered
 - Healthier for the environment and the community
 - Food needs for religious concerns, such as kosher options
 - Examine corporate relationships the University has with vendors
 - How can community needs be met through current relationships with vendors?
 - This aligns with the Strategic Plan Grand Challenge: Addressing critical environmental challenges/climate change/sustainability
 - How do we create conversations that include those with academic expertise and those with implementation expertise?
 - Possible involvement: Aramark, Scott Pampusch, MSA Poll, Taher, UDS

- Taher is a local source of food that could be consulted regarding implementation of suggested changes. They have been responsive thus far in providing healthier food options.
 - Dining hall offerings and hours
- Boynton Health Service offered cooking courses to students to teach them how to make healthy meals and they filled very quickly.

Mr. Golden suggested that some members form a subcommittee to better frame this issue and discern a more concrete direction. The following members agreed to form the subcommittee: Brenda Kayzar, Rachel Schurman, Deborah Hendricks, Sandeep Kataria.

- Earned Sick and Safe Time
 - Follow-up on the University's current policies
- Graduate and Post-Doctoral Student Concerns
 - Parental leave, or at least an understanding of a need for accommodation as it relates to school and/or lab work
 - Increasing graduate fees and timing of payment of fees
- Urban Farming and Climate Change
 - Kathy Klink, Department of Geography, Environment and Society, University of Minnesota - Is involved in pertinent research on this topic

3. FOSSIL FUEL DIVESTMENT AND SUSTAINABILITY INVESTMENTS

Mr. Golden explained that the student group Fossil Free Minnesota approached the committee regarding an initiative to have the University divest in fossil fuels. He then introduced a resolution presented by member, Professor Naomi Scheman. Professor Scheman explained that divestment campaigns are not really about having an economic impact on fossil fuel companies; rather, the goal is to stigmatize these corporations and encourage democratic citizenship through this change in investment. There is a link between divesting and influencing, it could affect the willingness of politicians to accept fossil fuel corporation funding. The symbolism of divestment would be important to the University business processes reflecting the core values.

Mr. Mason explained the nuances of divestment:

- The University Endowment is \$1.3 billion
- \$250 million in public equity
- \$200 million is in two large index funds
- \$50 million is in small actively managed funds which are separate accounts. Each fund has an account manager who can be given directives as to which companies they should or should not invest in.
- The economic cost of divesting would be approximately \$2 million, whereas currently it costs \$140,000 to manage the funds.

- Stanford is an example of an institution that has made a statement against investing in fossil fuel companies. They were not actually invested in the coal or oil companies and they do not have any commingled funds. They simply told their direct fund managers not to invest in a list of coal and oil companies. This did not require divestment and they have \$20 million in their entire endowment.
- Other universities are encouraging change in other ways that do not involve divestment. There are a very small number of socially responsible index funds that have very few investors and would make the University one of the larger investors, which would involve considerable risk.
- The Board of Regents have supported a proactive stance of pursuing sustainable investments. As a result, they have been interviewing investment managers that focus on sustainable technologies.

Members discussed the possibility of divesting the actively managed funds from fossil fuel companies:

- Mr. Mason explained that there are four companies in this category and they are not U.S. based.
- Within the index funds there are tobacco companies.
- Yale has been very vocal about sustainable energy.
- Approximately 2% of the broader portfolio is invested in fossil fuels and most are international companies. Such a small divestment could attract negative attention because of the minor impact.

Mr. Mason encouraged the committee to consider other ways that could have a broader impact rather than discouraging divestment of actively managed separate accounts of the University Endowment.

Closing the discussion, Mr. Golden encouraged members to look at rewording the resolution. Professor Scheman said that she could speak with the student organization Fossil Free Minnesota to explore how the resolution can be aligned with the intent of the national movement.

Hearing no further business, Mr. Golden adjourned the meeting.

Jeannine Rich
University of Minnesota