

To: Western Oregon University Faculty Senate
From: Emily Plec, Professor of Communications
Mark Van Steeter, Associate Professor of Geography
Date: January 22, 2015
Re: Fossil Fuel Divestment at WOU

A Fossil Fuel Divestment campaign has started at WOU to encourage the WOU Foundation to divest from the fossil fuel industry.

The campaign has obtained signatures of support from over 10% of the students to date (>600). Although responses from university divisions are incomplete, those that have responded have been in favor of some form of divestment. For example: the social science division voted unanimously in favor of the statement "The WOU Foundation should divest from fossil fuels within the next 5 years".

Divestment is the opposite of investment – it simply means getting rid of stocks, bonds, or investment funds that are part of the fossil fuel industry. Divestment can be an important tool for change. For example, divestment campaigns have been successful in promoting change regarding tobacco advertising, violence in Darfur, and South African Apartheid. The goal with fossil fuel divestment is to give a social and market signal to the industry that it must use its resources and innovation to transition towards a low carbon energy economy. In the absence of a rapid decrease in carbon emissions (greenhouse gasses), the opportunity for success by our students and alumni will be significantly diminished. Human-induced climate change means climate instability. Instability in climate leads to instability in food production, the economy, and the future prosperity of all people.

There are currently hundreds of similar campaigns across the country. Campaigns in Oregon include: Oregon State University, University of Oregon, Portland State University, Southern Oregon University, Willamette University, Pacific University, Reed College, and Lewis and Clark College. Currently, no universities in the Pacific Northwest have pledged to divest from the fossil fuel industry.

WOU is in a unique situation. Unlike some large universities that receive significant funding for research from the fossil fuel industry, we do not. Unlike many universities that have large endowments to invest in PR and student recruitment, we do not. This is an opportunity for WOU to receive regional/national attention regarding its moral integrity, vision, and commitment to the future of its students without suffering significant financial harm. The symbolic act of divestment could increase the reputation and visibility of WOU.

The following link is to the international campaign for universities, cities, pension funds etc. to divest from fossil fuels. WOU is now on the list of universities with active campaigns.

<http://gofossilfree.org>

Questions Asked by the Faculty Senate Executive Committee:

1: “What does the Foundation currently invest in that we are specifically asking them to divest from? How much of an investment are we talking about?”

Answer: The WOU Foundation has refused to disclose its investments.

A board member who prefers to remain anonymous shared that at their fall board meeting, a member stated that “divestment from fossil fuels would be significant”. The average % of university foundation fossil fuel investments nationwide is near 6%.

2: “What are the issues surrounding investments in fossil fuels?”

Answer: There are numerous issues surrounding investments in fossil fuels.

The most important issue is the future of our students and the fulfillment of the university mission statement.

The WOU mission statement:

Western Oregon University is a comprehensive public university, operating for the **public good**, which: i) provides effective learning opportunities that prepare students for a **fulfilling life in a global society**; ii) supports an accessible and diverse campus community; and, improves continuously our educational, financial, and **environmental sustainability**.

Divestment from fossil fuels by the WOU Foundation aligns with the wording highlighted above. It is important to understand that without a stable climate, it is impossible to have a stable economy.

3: “How would divestment benefit WOU specifically?”

Answer: It would benefit the future of our students. It would give WOU visibility that it currently lacks. It would indicate that WOU has a vision for the future and puts the long term success of our students first.

4: “What discussion about this issue have occurred with the Foundation and what is their response?”

Answer: Discussion started with a presentation 9/14 to the Finance and Planned Giving committee of the foundation. Numerous meetings and email exchanges have occurred between students and faculty with Tommy Love, Executive Director of the Foundation. A meeting with student leaders and one faculty occurred 1/15 with the chair of the WOU foundation, James Baumgartner. The message was to go back again to the Finance and Planned Giving committee. They might accept a presentation. If a presentation was given, they could suggest divestment as an agenda item for the main board.

The chairman of the Foundation stated that he could not help promote divestment because it would be a conflict of interest. He is currently employed to support Canadian Tar Sands extraction and the Keystone Pipeline.

5: “What are we recommending the Foundation invest in instead of fossil fuels?”

Are there possible environmental issues with alternate investments options?”

Answer: The most important act is to divest from fossil fuels companies and grow positive returns on investments. Since the global economy is currently run on fossil fuels, it is impossible to make any investment that is not peripherally tied to fossil fuel use. The issue is to not invest in companies that **engage directly in fossil fuel extraction**. For example, some actions have focused on divesting from the top 200 carbon holding companies (i.e. ExxonMobil, BP, Coal India etc.). Other campaigns have chosen to only divest from coal. Ideally the foundation would make new investments in renewable energy and infrastructure, but this is not a requirement.

It is important to understand that all socially conscious causes, be it workers rights, healthcare, or environmental conservation all like under the umbrella of climate stability. If climate continues to destabilize, then the social fabric and economies of all other activities are impacted.

6. “How is changing our investment portfolio a financially sound option for the university at this critical budget time”

Answer: Fossil fuel investments are volatile. Although they may yield high returns in some years, they drastically fail in others (see current market). Please see recent article: <http://www.rollingstone.com/politics/news/the-logic-of-divestment-why-we-have-to-kiss-off-big-carbon-20150114>

Many economists see investments in fossil fuel extraction companies to be high risk.

7. “What personal steps are proposers of this divestment taking to model the type of behavior they are requesting others to take?”

For other universities or organizations that have taken this step, what are the results and ramifications of these actions? What universities and organizations are those? What is the Foundations Role?

Since question #7 from the executive committee is several questions in one, they are addressed separately below.

a) *“What personal steps are proposers of this divestment taking to model the type of behavior they are requesting others to take?”*

Answer: Proposers of divestment are modeling the behavior that they are requesting others to take. These “behaviors” are: i) educate yourself and others regarding the devastating consequences of global warming; ii) speak out and take action for our future through stigmatizing fossil fuel consumption; iii) minimize your personal carbon footprint and divest from fossil fuel investments if possible. Please note that we do not ask anyone or any organization to become “carbon free”. Given the current forms of transport, electricity, food production, and retirement plans, it is impossible to not contribute to greenhouse gas emissions. The goal is to send a powerful message to the fossil fuel industry. The industry and infrastructure must change in order for it to be possible for anyone to live a low carbon lifestyle.

b) *For other universities or organizations that have taken this step, what are the results and ramifications of these actions?*

Answer: The effect of fossil fuel divestment on other universities and organizations is unclear. In general, divestment has not made a significant difference in donations. Some universities have received new donations specifically because they divested, and it is possible that some donors do not support divestment. There is minimal data on this. David McDonald (associate provost) has researched the potential impact on enrollment, but could not determine a reliable conclusion.

c) *What universities and organizations are those?*

Answer: There are currently 15 universities, 34 cities, 67 religious institutions, 30 foundations, and 10 other institutions that have made commitments to divest from fossil fuels. Cities include Portland, Eugene, and Ashland. The largest university foundation is Stanford. The most significant financial institution is the Rockefeller Brothers Fund.

List of Universities with divestment commitments:

College of the Atlantic, ME
Foothill-DeAnza Community College Foundation, CA
Green Mountain College, VT
Hampshire College, MA
Naropa University, CA
Peralta Community College District, CA
Pitzer College, CA
Prescott College, AZ
San Francisco State University Foundation, CA
Stanford University, CA
Sterling College, KS
Unity College, ME
University of Dayton, OH
Humboldt State University, CA
Chico State University, CA

d) *What is the Foundations Role?*

Short Answer: The Foundation receives donations and invests them for optimal return. It uses these resources to benefit WOU.

Long Answer: Please see the statement of their web page below.
(<http://www.wou.edu/president/advancement/foundation.php>)

Western Oregon University Development Foundation

The WOU Foundation assists the university in building financial support for its educational, research, and public service activities, and coordinates the efforts of several Western

Oregon University affiliated groups.

Founded on December 30, 1964, the Western Oregon University Development Foundation is a non-profit 501(c)3 organization. It operates on the WOU campus and with university support under the auspices of a 1990 agreement between the foundation, the university, and the Oregon University System. It is managed by a board of trustees composed of members-at-large and representatives from ancillary fund-raising and campus groups.

Mission Statement

The Western Oregon University Foundation exists to **strengthen** relationships and provide resources in order to **serve** and **support** the mission and vision of Western Oregon University.

OUR VISION

Where we are going... □ The Foundation will develop and provide Western Oregon University with strategic resources it requires in order to fulfill its goals of:

1. Offering college level education to an increasing number of Oregon residents
2. Reducing financial barriers to higher education through scholarships
3. Securing high quality faculty and facilities graduates need to perform in the global economy
4. Providing an exceptional student experience