

**UNIVERSITY OF WISCONSIN-EAU CLAIRE
STUDENT SENATE RESOLUTION**

**IN SUPPORT OF FOSSIL FUEL DIVESTMENT IN THE
UW SYSTEM & FOUNDATIONS**

1 WHEREAS the University of Wisconsin-Eau Claire (UW-Eau Claire) Student Senate is the official
2 voice of the student body; and

3 WHEREAS the University of Wisconsin System (UW System) must address the current fiscal
4 implications of the enrollment cliff, the COVID-19 pandemic, budget cuts, and the tuition freeze; and

5 WHEREAS prospective and current students in the UW System are increasingly concerned about
6 climate change and environmental injustice perpetrated by the fossil fuel industry; and

7 WHEREAS a UW System both receptive to and supportive of student opinions and open to
8 investing in climate solutions will attract new students from across the state, country, and world who seek
9 a university which represents their interests; and

10 WHEREAS according to NASA, the burning of fossil fuels (oil, coal, and natural gas) has increased
11 the concentration of atmospheric carbon dioxide (CO₂) and methane (CH₄); and

12 WHEREAS the Intergovernmental Panel on Climate Change [1] concluded there is a 95%
13 probability that anthropogenic (human-produced) gases, including CO₂, have caused the increase in global
14 temperature; and

15 WHEREAS over the past 20 years, nearly three-fourths of anthropogenic emissions came from the
16 burning of fossil fuels [2]; and

17 WHEREAS the burning of fossil fuels causes increased air pollution which according to Harvard's
18 School of Public Health, one in five deaths worldwide are caused by pollution from the burning of fossil
19 fuels [3]; and

20 WHEREAS many of our lower-income and marginalized UW System students face environmental
21 pollution, most specifically particulate matter and other pollutants, which was described best in a 2018
22 State of the Air report ranking 8 Wisconsin counties (some containing UW institutions) with a failing grade;
23 and

24 WHEREAS issues of environmental injustice are directly created and maintained by the fossil fuel
25 industry, supported by fossil fuel investors; and

26 WHEREAS Enbridge Inc.'s Line 3 pipeline replacement project is one example of environmental
27 injustice caused by the fossil fuel industry, disproportionately harming Tribal Nations [4]; and

28 WHEREAS the University of Wisconsin-Eau Claire acknowledges that the land we live and work on
29 is the sacred and ancestral land of the Ojibwe and Dakota peoples, land that is desecrated by the fossil
30 fuel companies that the UW System and Foundations are investing in; and

31 WHEREAS without immediate action to reduce greenhouse gas (GHG) emissions, by 2100 the
32 mean global surface temperature will increase between 3.7°C to 4.8°C above pre-industrial levels -
33 resulting in severe societal, economic, and environmental harm ranging from lower crop yields and
34 subsequent food scarcity; and

35 WHEREAS given our state’s rural and agricultural populations, excessive flooding and a drastic
36 increase in the number of catastrophic storms has and will continue to harm our communities and our
37 livelihoods; and

38 WHEREAS in Eau Claire, the Chippewa River and its tributaries will be subject to more frequent
39 and more extreme flooding, impacting the UW-Eau Claire campus (which is located on a flood plain) and
40 the wider Eau Claire and surrounding communities; and

41 WHEREAS Governor Tony Evers declared a state of emergency for wildfire risks in April 2021: over
42 1,400 acres have burned as of the 5th of April 2021 [5] as more frequent droughts and wildfires are
43 anthropogenic climate change impacts, and will likely increase in severity as climate change intensifies;
44 and

45 WHEREAS the burning of fossil fuels contributes to global warming, air and water pollution,
46 warming of the Great Lakes, extreme weather and natural disasters, sea level rise, ocean acidification, et
47 cetera; and

48 WHEREAS twenty fossil fuel companies have emitted 35% of energy-related carbon dioxide and
49 methane worldwide since 1965 [6]; and

50 WHEREAS the University of Wisconsin System Foundations (UW Foundations) are private
51 501(c)(3) organizations that collectively house over \$5 billion in endowment funds [7] intended to support
52 the UW System institutions of which the UW System holds a trust fund, but endowments are managed by
53 the private Foundations; and

54 WHEREAS before donations are used to fund projects for the UW System and its campuses, those
55 funds are invested, often using index or mutual funds; and

56 WHEREAS the endowments of the UW Foundations and the UW System’s Trust Fund (\$419
57 million) do not publicly disclose their investments, of which include investments in fossil fuels; and

58 WHEREAS fossil fuel divestment calls for the removal of fossil fuel investments from an
59 institution's portfolio as well as reinvestment in clean energy solutions and other ethical, local, and
60 community-controlled companies to combat environmental injustice and the climate crisis; and

61 WHEREAS fossil fuel divestment is a movement that leverages economic power to disrepute and
62 defund industries that engage in unethical practices; and

63 WHEREAS Universities across the nation and the Midwest have already begun the transition to
64 fully divesting from fossil fuels [8]; and

65 WHEREAS seven student governments (UW-La Crosse, UW-Madison, UW-Oshkosh, UW-Parkside,
66 UW-River Falls, UW-Stevens Point, and UW-Stout) and two faculty governments (UW-River Falls and UW-
67 Madison) across the thirteen 4-year institutions in the UW System have passed resolutions calling on fossil
68 fuel divestment; and

69 WHEREAS the State of Wisconsin Governor’s Task Force on Climate Change included divestment
70 from fossil fuels through Recommendation #48 [9] which highlights divestment by the UW System
71 Foundations and acknowledges the work of the UW Divestment Coalition; and

72 WHEREAS divestment from fossil fuels will not be the UW Systems first divestment as the
73 University of Wisconsin was one of the first educational institutions to divest from South African Apartheid
74 in 1978, selling over \$14 million worth of stocks [10]; and

75 WHEREAS the UW System and UW Foundations have the opportunity to play a leading role in
76 divestment from fossil fuels on the path toward carbon neutrality; and

77 WHEREAS divestment from fossil fuels has the potential to increase donations to the UW
78 Foundations, benefiting each UW System institution, given that potential donors have refused to
79 contribute to the UW Foundations due to fossil fuel investment holdings; and

80 WHEREAS UW-Eau Claire Chancellor Brian Levin-Stankevich signed the American College &
81 University Presidents Climate Commitment in September 2007 [11], committing to carbon neutrality by
82 2050; and

83 WHEREAS UW-Eau Claire's 2018 Climate Action Plan further reinforces the goal of carbon
84 neutrality by the year 2050 under Chancellor James C. Schmidt's administration; and

85 WHEREAS the UW System's sustainability page states: "our University of Wisconsin institutions
86 have produced a long legacy of environmental awareness and stewardship that has greatly influenced
87 human ethics, laws and practices, extending well beyond the boundaries of the state to the entire planet";
88 and

89 WHEREAS investing in and profiting from companies connected to fossil fuels directly contradicts
90 the UW-Eau Claire carbon neutrality commitment and UW System values; and

91 WHEREAS from solely an economic perspective, fossil fuel investments are increasingly financially
92 risky given that 2019 was predicted to be the peak of oil demand [12], and divesting early will prevent
93 excessive losses from maintaining and making new investments in a declining industry; and

94 WHEREAS there is no significant risk in divesting from fossil fuels according to multiple studies
95 from Aperio Investment Management, the financial risk of divestment from fossil fuels is negligible at
96 0.0044%; and

97 WHEREAS "major investment advisors BlackRock and Meketa have separately concluded that
98 investment funds have experienced no negative financial impacts from divesting from fossil fuels. In fact,
99 they found evidence of modest improvement in fund return" [13]; and

100 BE IT THEREFORE RESOLVED, the University of Wisconsin-Eau Claire Student Government
101 supports fossil fuel divestment in the University of Wisconsin System, its Foundations, and across our
102 state; and

103 BE IT FURTHER RESOLVED, the University of Wisconsin-Eau Claire Student Government supports
104 the transparency and disclosure of investments made by the UW System and its Foundations; and

105 BE IT FURTHER RESOLVED, the University of Wisconsin-Eau Claire Student Government urges the
106 UW System and its Foundations to halt all new investments in the top 200 oil, gas, and coal companies
107 [14] and sell existing investments within the next 3-5 years; and

108 BE IT FURTHER RESOLVED, the University of Wisconsin-Eau Claire Student Government supports
109 reinvesting the funds removed from fossil fuel investments into clean energy solutions that center racial,
110 climate, and environmental justice; and

111 BE IT FURTHER RESOLVED, the University of Wisconsin-Eau Claire Student Government rejects
112 reinvestment in other harmful industries, such as the prison industrial complex, the military industrial
113 complex, et cetera; and

114 BE IT FURTHER RESOLVED, the UW-Eau Claire Student Body supports the Board of Regents and
115 the UW Foundations in making fossil fuel divestment an immediate priority for the UW System and
116 Foundations; and therefore

117 BE IT FINALLY RESOLVED, that upon passage, President Ziebell will transmit a copy of this resolution to Dr.
118 James C. Schmidt, Chancellor; Dr. Patricia Kleine, Provost and Vice Chancellor for Academic Affairs; Teresa

119 E. O'Halloran, Interim Vice Chancellor for Equity, Diversity, Inclusion & Student Affairs; Brian Drollinger,
120 Director of Risk Management, Safety, and Sustainability; Grace Crickette, Vice Chancellor of Finance and
121 Administration; LaRue Pierce, Dean of Students; Billy Felz, Interim Vice Chancellor of Enrollment
122 Management; Dang Yang, Director of the Office of Multicultural Affairs; Chris Jorgenson, Director, Gender
123 and Sexuality Resource Center; Vicky Thomas, Director, Services for Students with Disabilities; Jill
124 Markgraf, Director, McIntyre Library; Kristin Schumacher, Director, University Centers; Quincy Chapman,
125 Director of Housing + Residence Life; Chairs of Staff Council Nicole Owen, Kelly Holzer, & Emily Herwig;
126 Dr. Evan Weiher, Chair of University Senate; Samantha Maurer, Residence Hall Association President;
127 Justice Wesson, Student Body President at the University of Wisconsin-Eau Claire Barron County; UW
128 Board of Regents; Kimera Way, UW-Eau Claire Foundation President; UW-Eau Claire Foundation Board of
129 Directors; UW-Eau Claire Foundation Staff.

Submitted By:

Student Office of Sustainability Commission

Maddie Loeffler, UW Divestment Coalition Intern, Student Office of Sustainability

Lauren Becker, Director, Student Office of Sustainability

[1] [IPCC — Intergovernmental Panel on Climate Change](#)

[2] [Fossil | Department of Energy](#)

[3] [Fossil fuel air pollution responsible for 1 in 5 deaths worldwide – C-CHANGE | Harvard T.H. Chan School of Public Health](#)

[4] [ISSUES — Stop Line 3](#)

[5] [Wisconsin in state of emergency for wildfire risks, over 1,400 acres already burned \(nbcnews.com\)](#)

[6] [www.theguardian.com/environment/2019/oct/09/revealed-20-firms-third-carbon-emissions](#)

[7] [University-of-Wisconsin-System---AFR-2020-Final.pdf](#)

[8] [Fossil Free: Divestment – Divestment Commitments \(gofossilfree.org\)](#)

Ex: The University of Illinois, the University of California System, the University of Michigan, Oregon State University, Seattle University, Brown University, Syracuse University, the University of Maryland, the University of Vermont, all of which have committed and begun a full divestment from fossil fuels

[9] [GovernorsTaskForceonClimateChangeReport-LowRes.pdf \(wi.gov\)](#)

[10] [University of Wisconsin students win divestment from apartheid South Africa, 1969-1978 | Global Nonviolent Action Database \(swarthmore.edu\)](#)

[11] [UWEC BOR -Presentation.pdf \(wisconsin.edu\)](#)

[12] [https://www.hellenicshippingnews.com/moodys-expects-oil-prices-at-40-45-per-barrel-in-2021/](#)

[13] [IEEFA: Major investment advisors BlackRock and Meketa provide a fiduciary path through the energy transition - Institute for Energy Economics & Financial Analysis](#)

[14] [The Carbon Underground 200 | FFI Solutions](#)

[Additional sources]

[https://www.eia.gov/tools/faqs/faq.php?id=427](#)

[https://www.nrdc.org/stories/fossil-fuels-dirty-facts](#)

[https://climate.nasa.gov/vital-signs/carbon-dioxide/](#)

[https://climate.nasa.gov/causes/](#)

- Income Cash Fund (161) – Investment objective: provide competitive short-term interest income and safety of principal; used to receive spending distributions from the Long Term Fund and for other fully expendable funds with a shorter-term horizon, and from which all expenditures are made.

UW System's Core Functions

- Maintain over 3,000 "donor" accounts/projects on the general ledger (SFS).
- Ensure accurate fund- and account-level transactions (earnings, market value and expense allocations; deposits; transfers).
- Coordinate quarterly with SWIB to facilitate cash flows and investment performance-related reporting, etc.
- Maintain all donor and other gift-related records.
- Help ensure compliance with donor terms (e.g., new account set-up, post-payment audits, etc.) and all applicable laws.

SWIB's Core Investment Functions

- Determine investment policies, asset allocation, investment strategies and investment guidelines.
- Implement the above through selection of specific investment vehicles and managers.
- Monitor/evaluate/report on investment performance and risks.
- SWIB currently employs low-cost BlackRock Index Funds for UW System Trust Funds' investments in public markets.
- UW System's legacy investments in private markets have been retained and are overseen by SWIB and SWIB's private markets consultant, StepStone.

Estimated Fees as Percent of Assets

- Investment Management and Custody Fees (SWIB): 0.25% (charged against Long Term Fund only)
- Administrative Fees (UW System): 0.05% (charged against all assets)

**UW SYSTEM TRUST FUNDS FACT SHEET
As of December 31, 2018**

Asset Allocations and Strategies for the Investment Funds

Long Term Fund \$419mm as of 12/31/2018

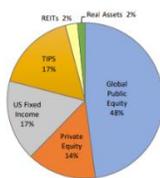
Asset Allocation Overview

Allocations to public and private equities will provide long term growth of the fund, while high quality government and corporate bonds will provide steady income and protection from deflation, and Treasury Inflation Protected Securities (TIPS), Real Estate Investment Trusts (REITs) and Real Assets (Forestry Fund) will provide an inflation hedge.

Current Investment Strategies:

BlackRock Index Funds (Public Markets):
 MSCI ACWI IMI Index Fund
 EAFE Currency Hedged Equity Index Fund
 MSCI Emerging Markets Free Fund
 Government/Credit Bond Index Fund
 U.S. Treasury Inflation Protected Securities Fund
 Developed Real Estate Index Fund

Private Markets Funds:
 Adams Street Partners
 J.P. Morgan
 GMO/Rohatyn Forestry Fund



Income Cash Fund (SIF) \$142mm as of 12/31/2018

Asset Allocation Overview

The investment guidelines for the State Investment Fund allow investment in the following categories:
 Treasuries/Agencies/FDIC Insured Bank Deposits/
 Repurchase Agreements (50-100%); Commercial Paper
 and Corporate Notes (0-30%); CDs/Time Deposits (0-30%);
 and Yankee/Euro CD/Time Deposits (U.S. Dollars) (0-10%).

Current Investment Strategy:

The investment objectives of the State Investment Fund (SIF) in order of priority are to provide safety of principal, liquidity, and competitive rates of return.

The portfolio weighted average maturity will not exceed one year. As of December 31, 2018, the weighted average maturity was 19 days.

