

2019-2020 CPUC Resources Committee Report

June 8, 2020

1. Executive Summary

After a series of orientation meetings in the fall and the early spring semester, the Resources Committee received a proposal from Divest Princeton on February 13, 2020, to divest from all fossil fuel companies. The committee spent the spring semester discussing the proposal and meeting with staff from the office of sustainability. The committee will continue to meet during the summer 2020, including a meeting scheduled for June 29 that includes members from Divest Princeton.

2. Committee Background

The Resources Committee is a committee of the Council of the Princeton University Community (CPUC). Established in 1970, the committee considers questions of general policy concerning the procurement and management of the University's financial resources. Following guidelines set by the Board of Trustees (most recently in 1997), the committee provides a venue for examining issues related to the University's endowment portfolio, including concerns related to socially responsible investments. Members of the Princeton community may bring issues to the committee and the committee is also empowered to propose issues to consider.

By charter of the CPUC, the committee is composed of three members of the faculty, one graduate student, two undergraduate students, a staff member, and the vice president for finance and treasurer. A member of the Princeton University Investment Company (PRINCO) sits with the committee.

For the 2019-2020 academic year, Professor Blair Schoene (Geosciences) chaired the Resources Committee. Other committee members included: Professor Michael Littman (Mechanical and Aerospace Engineering); Professor Beatriz Colomina (Architecture); Abby Novick Hoskin, graduate student; Holly Cunningham '21; Kenneth Oku '21; Janet Finnie '84, University Health Services; Jim Matteo, vice president for finance and treasurer. Jennifer Birmingham, managing director at PRINCO, sat with the committee. Brandon Gaines, Office of Finance and Treasury, and Cecily Swanson, Mathey College, provided staff support for the committee.

3. Committee Meetings and Divestment Proposal

The committee met five times during the 2019-2020 academic year. In the fall, a committee orientation was held on November 20 where Chair Schoene described the committee's purpose and historical background, and offered an overview of the committee's 1997 guidelines from the board of trustees. Before the Resources Committee takes up an issue for consideration, the guidelines ask it to determine if the issue has attracted "considerable, thoughtful, and sustained interest on campus;" if the issue presents a "direct and serious contradiction with a central University value;" and if the University community can achieve "consensus on how the University should respond" to the issue.

The committee held four meetings in the spring semester, on February 3, March 10, April 17, and May 1. At the February 3 meeting, the committee was joined by PRINCO president Andy Golden, who offered an overview of the University's policies regarding the management of the endowment. PRINCO seeks to maximize endowment spending while preserving purchasing power into perpetuity and providing the University a relatively stable revenue stream.

On February 13, Divest Princeton presented a proposal to the CPUC that petitions the University to divest from all fossil fuel companies, and that afternoon, the proposal was sent to the Resources Committee. The proposal recommended the following actions to Princeton University: "(1) Divest all direct holdings of fossil fuels; (2) Divest all indirect holdings of fossil fuels; (3) Prohibit new research and associative financial relationships with fossil fuel companies; (4) Establish a body to ensure its endowment is ethically invested; and (5) This new body should host open meetings and release regular, publicly verifiable reports to measure its progress."

In response to Divest Princeton's proposal, the Resources Committee met on March 10 to discuss the proposal, to reflect on the committee's experiences and related protocols from the last proposal from Princeton Private Prison Divest, and to review the trustee's guidelines for divestment. As a follow-up, the committee met with Shana Weber, director of the office of sustainability, on April 17. Ms. Weber elaborated on the Office of Sustainability's action plan and their objective to achieve carbon neutrality by 2046.

The Resources Committee met on May 1 for their last meeting of the academic year and decided that it would be helpful to continue to meet over the summer, including a meeting with members of Divest Princeton.

4. Next Steps

The Resources Committee is scheduled to meet with members from Divest Princeton on June 29. The Committee is also compiling a list of summer reading materials and will continue to deliberate on Divest Princeton's proposal in the fall 2020.