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David Teitel, MD, Chair
Sharmila Majumdar, PhD, Vice Chair
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February 27, 2019

DIVISIONAL ACADEMIC SENATE CHAIRS

Re: Memorial to the Regents – Fossil Fuel Divestment

Dear Divisional Academic Senate Chairs:

On February 15, 2019, the San Francisco Division of the UC Academic Senate initiated and voted to approve a Memorial to the Regents pursuant to Senate Bylaw 90 and [Regents Bylaw 40.1](#).

The Memorial petitions the Regents to divest the University's endowment portfolio of all investments in the 200 publicly traded fossil fuel companies with the largest carbon reserves.

Count of votes

Approved	238 (78.81%)
Rejected	58 (19.21%)
Abstained	6 (1.99%)
Total	302 (100%)

Enclosed, please find the Memorial to the Regents, a brief account of its history, an explanation of its provisions, and a succinct statement of the arguments for and against it.

We are including Bylaw 90 with the Memorial packet. Most relevant to you at this time is [Bylaw 90.D](#), which provides:

- Each Division shall have ninety calendar days from receipt of the Memorial to vote upon it.
- [A] Division may vote to approve, to disapprove, or to decline to act, but may not amend the proposal as submitted.
- The Chair of the division shall within seven calendar days forward to the Chair of the Assembly and to the Chairs of all other Division the results of the Divisional vote on the proposed Memorial
- If at least three Divisions representing at least thirty-five percent of the membership of the Academic Senate have notified the Chair of the Assembly that the Memorial has been approved by their Divisions, the proposed Memorial shall be voted upon in accordance with the procedure set forth in Article E of this [Bylaw](#).

Thank you for your consideration of this Memorial to the Regents.

Sincerely,



David Teitel, MD, 2017-19 Chair
UCSF Academic Senate

Encl.

From: U.C. Academic Senate
To: President of the University of California, for transmission to the Regents
Re: Memorial to the Regents

The U.C. Academic Senate petitions the Regents to divest the University's endowment portfolio of all investments in the 200 publicly traded fossil fuel companies with the largest carbon reserves.

History of the Memorial to the Regents

On January 17, 2019 the UCSF Academic Senate Ad-hoc Committee on Sustainability held a vote to approve the Memorial to the Regents. The Memorial was approved.

On January 24, 2019 the UCSF Academic Senate Executive Council held a vote to approve the Memorial. The vote passed.

On February 15, 2019 the UCSF Academic Senate voted to approve the Memorial. 238 voted to approve, 58 voted to reject, and 6 abstained. The Memorial was approved.

Explanation of the Provisions of the Memorial to the Regents

The Memorial states: “The U.C. Academic Senate petitions the Regents to divest the University’s endowment portfolio of all investments in the 200 publicly traded fossil fuel companies with the largest carbon reserves.”

The Carbon Underground 200 list identifies the largest owners of carbon reserves.

Fossil Free Indexes identifies the top 100 coal and the top 100 oil and gas publicly-traded reserve holders worldwide.

The Memorial petitions the Regents to divest UC’s endowment portfolio of all investments in companies on the Carbon Underground 200 list.

UC currently owns shares in companies on the Carbon Underground 200 list. UC’s holdings of securities in oil and gas drilling and refining firms is approximately three percent of UC’s public equity holdings. In contrast, oil and gas drilling and refining firms represent six to seven percent of the global economy. The Memorial would have the Regents divest entirely from all companies currently on that list.

Arguments in Favor of the Memorial to the Regents

Ensuring that our planet does not undergo catastrophic climate change requires that fossil fuels be phased out in the near future. Thus, being co-owners of corporations devoted to producing fossil fuels is both morally and financially unwise.

Global warming will have catastrophic consequences.ⁱ

If current trends continue, major cities will be destroyed, and trillions of dollars in assets will be lost due to sea level rise and extreme weather events. Droughts, floods, and climate changes will cause crops to fail resulting in mass starvation. Ecosystems will be devastated, which combined with other anthropogenic disruptions, will drive millions of species extinct.

Prudence requires that we secure 'planet insurance.'ⁱⁱ

A rapid evolution to a largely carbon-free energy system is essential within the next 15 to 30 years. This is technically possible and affordable.

The greatest impact of climate change will be on those least responsible for it, and with the least power to affect it.

The effects of climate change will be greatest on the youth, and future generations for hundreds of years; on poorer countries who contributed the least atmospheric pollution; and on other species. We who benefited most from the last 300 years of cheap energy, and who control the most resources, must act for them as well as ourselves.

Fossil fuel companies are a primary cause for insufficient action countering global warming.

Fossil fuel companies continue to spend billions of dollars to extract fossil fuels that should never be burned based on a business model assuming continued high fossil fuel use. They have hidden their research predicting global warming due to atmospheric carbon dioxide for decades. They have donated millions of dollars to think tanks which spread misinformation. Their direct and indirect support has helped elect climate denying senators, representatives, governors and presidents.

Fossil fuel stocks will experience volatility if international agreements such as the Paris Agreement are followed.ⁱⁱⁱ

In the Paris Agreement, 197 countries committed to taking the action necessary to limit global temperature rise this century to <2°C, and aim for a rise of <1.5°C. This requires that <20% of existing fossil fuel reserves can be burned. However, the value of fossil fuel companies is heavily dependent on the value of these proven reserves. If these reserves cannot be burned then those companies may undergo significant devaluation. Increased volatility of fossil fuel investments means we cannot assume that the historic returns from fossil fuel stocks will continue into the future.

ⁱ Current scientific consensus regarding global warming from the US gov., IPCC and World Bank

<https://science2017.globalchange.gov/>

<http://www.nature.com/nclimate/journal/v7/n1/full/nclimate3179.html>
<https://www.nature.com/nature/journal/v427/n6970/full/nature02121.html>
<http://science.sciencemag.org/content/344/6187/1246752>
<http://www.nature.com/nature/journal/v471/n7336/full/nature09678.html>

ii Sustainable energy is economically and technically viable

https://link.springer.com/chapter/10.1007/978-3-319-38919-6_12
https://link.springer.com/chapter/10.1007/978-3-319-38919-6_11

iii The Paris Agreement:

http://unfccc.int/paris_agreement/items/9485.php

Arguments in Opposition to the Memorial to the Regents

The University of California is taking meaningful steps to minimize the risk and reduce the impact of climate change. While the UC Office of Chief Investment Officer has adopted a Framework for Sustainable Investing, it must also fulfill its fiduciary duty to current and former employees. The Memorial would impose an extreme and one-sided solution to a complex problem while simultaneously threatening the financial health of UC's investments portfolio.

Solutions to global warming will require a variety of strategies and tactics if they are not to drastically disrupt global economic systems.

While climate change threatens widespread catastrophe to cities and ecosystems, the solutions to address climate change must not threaten to upend economic systems upon which communities depend. Fossil fuels are still a viable source of energy on which economies rely. Thus, solutions to global warming must utilize a variety of strategies and tactics including but not limited to investment in carbon reducing technologies and carbon alternatives. However, until those technologies and alternatives are fully developed and sufficient substitutes to fossil fuel, we cannot completely abandon the use of fossil fuel.

University of California has already taken action against climate change.

UC has made a commitment to be carbon neutral by 2025 on its ten campuses, five medical centers, and three national labs. UC joined Mission Innovation, a global initiative, to increase investment in energy research and development. UC entered into an agreement to purchase 80 megawatts of solar power.

The UC Office of Chief Investment Officer has a fiduciary duty to over 500,000 current and former employees.

The UC Office of Chief Investment Officer has a fiduciary duty to protect and increase UC's investment assets. Maintaining the financial health of UC's endowment is a moral and legal responsibility of UC.

UC currently considers the impact of climate change when making investment decisions.

Based on feedback from the UC Board of Regents, UC students, faculty, staff, and stakeholders, UC established a Framework for Sustainable Investing. The Framework for Sustainable Investing sets out a process for evaluating environmental sustainability, social responsibility, and governance into investment decisions.

Divestment from fossil fuel companies would result in a forfeiture of UC's influence over those companies as an institutional investor.

UC currently can exercise its rights as a shareholder of fossil fuel companies to advocate for solutions to global climate change including investments in alternatives to fossil fuel. Divestment would mean forfeiting UC's right to influence corporate governance of those fossil fuel companies.

90. Memorials (Am 13 May 97; Am 12 May 2004)

A. Definitions

1. The term "Memorial to the Regents" means a declaration or petition addressed to the President for transmission to The Regents, as provided for in Standing Order of the Regents 105.2.e.
2. The term "Memorial to the President" means a declaration or petition to the President not intended for transmission to The Regents.
3. Memorials are not legislation within the meaning of [Bylaw 311.A](#) .

B. Memorials to the Regents on matters of Universitywide concern to be submitted to The Regents through the President may be initiated by the Assembly or by a Division. Written arguments in favor of and against a proposed Memorial to the Regents shall be submitted to the Assembly or the Division at least seven calendar days prior to the time that either body votes on the proposal.

C. Memorials to the Regents that have been approved by the Assembly shall be voted upon in accordance with the procedure set forth in Article E of this Bylaw.

D. Memorials to the Regents that have been approved by a Division shall be submitted within **thirty calendar** days to the Chair of the Assembly and the Chairs of all other Divisions.

1. The Memorial shall be accompanied by the count of votes, a brief account of its history, an explanation of its provisions, and a succinct statement of the arguments for and against it specified in Article B of this Bylaw.
2. Each Division shall have **ninety calendar days** from receipt of the Memorial to vote upon it. The time required to submit the proposal to a mail ballot, if such balloting is required, shall be included within ninety days.
3. Upon receipt of the Memorial the Chair of the Division shall promptly submit it to a vote of the division. *The Division may vote to approve, to disapprove, or to decline to act, but may not amend the proposal as submitted. The vote may proceed according to any method authorized by the Bylaws of the Division,* including town meetings, representative assembly, or mail ballot. Except as may otherwise be provided in the Divisional Bylaws, the choice of the method of voting shall be determined by the Chair of the Division, in the light of the circumstances, and of advice from any duly constituted advisory bodies the Chair may consult. In no event shall the Chair submit the Memorial at a time that is too late for the division to comply with the ninety-day limitation set forth in paragraph 2 of this Article.
4. The Chair of the division shall within seven calendar days forward to the Chair of the Assembly and to the Chairs of all other Division the results of the Divisional vote on the proposed Memorial.
5. As soon as the ninety-day period set forth in Paragraph 2 of this Article has ended, or as soon as all Divisions have reported the results of their divisional votes, whichever comes first, the Chair of the Assembly shall notify all Divisions

of the results. **If at least three Divisions representing at least thirty-five percent of the membership of the Academic Senate** have notified the Chair of the Assembly that the Memorial has been approved by their Divisions, **the proposed Memorial shall be voted** upon in accordance with the procedure set forth in Article E of this Bylaw.

6. A Division that has voted upon a proposed Memorial in accordance with the provisions of Paragraph 3 of the Article, may subsequently vote to reconsider its action, provided that any such reconsideration must be completed within the ninety calendar days specified in Paragraph 2 of this Article.
 7. If the number of approvals received within the time prescribed by Article D.2 of this Bylaw does not satisfy the requirement set forth in Article D.5 of this Bylaw, the proposed Memorial shall be deemed disapproved and no further action can be taken upon it.
- E. **Memorials that have been approved in accordance with either Articles C or D of this Bylaw shall, within sixty calendar days** of such approval, be submitted by the Secretary/Parliamentarian of the Senate to mail ballot of all voting member of the Senate.
1. The ballot shall be accompanied by a brief account of its history, an explanation of its provisions, and a succinct statement of the arguments in its favor and against it. The materials shall be compiled by the Chair of the Assembly, who may rely in whole or in part upon the materials originally submitted by the initiating Division.
 2. The Chair of the Assembly may appoint an ad hoc committee of Senate members who support the proposed Memorial and an ad hoc committee of Senate members who oppose it to draft arguments for and against the proposal, respectively. Arguments drafted by such committees shall be based on the materials specified in Article B of this Bylaw. Each set of arguments shall consist of no more than 1,000 words. The Chair of the Assembly may direct each ad hoc committee to draft rebuttals to the arguments of its counterpart committee; such rebuttals shall consist of no more than 500 words. Arguments and rebuttals drafted by ad hoc committees shall be submitted to the Chair of the Assembly within 45 calendar days following approval of the proposed Memorial as provided in Article C or in Paragraph 5 of Article D of this Bylaw.
 3. The Chair of the Assembly, with the concurrence of the Academic Council, shall retain final authority to make judgments as to the appropriateness of arguments and rebuttals and to revise them accordingly. (Am 5 May 88)
- F. **A Memorial that has received a majority of the valid ballots cast in the election** described in Article E of this Bylaw **shall be sent by the Chair of the Assembly to the President for submission to The Regents.** A tabulation of the votes cast in this election shall accompany the Memorial. (Am 9 May 84)
- G. Either the Assembly or any division may submit Memorials not intended for transmission to the Regents directly to the President.