BOARD OF TRUSTEES
Rutgers, The State University of New Jersey
March 9, 2021
12:00 p.m.

Tentative Agenda

1. Call to Order
2. Statement of Compliance with the Open Public Meetings Act
3. Roll Call
4. Matters Presented by the President
5. Matters Presented by the Chair
   a. Executive Committee – March 2, 2021
      (1) Proposed Resolution Amending University Policy 40.2.14: Investment Policy
      (2) Proposed Resolution Consenting to Board of Governors Resolution Authorizing Bank Liquidity Options for Commercial Paper Program
   b. Approval of Minutes – December 17, 2020
   c. Nominating Committee – Slate of Nominees
      (1) Election of Trustee Member to the Board of Governors
      (2) Election of Chair of the Board of Trustees for 2021-2022
      (3) Election of Vice Chairs of the Board of Trustees for 2021-2022
      (4) Election of Trustee Emeritus to the Board of Trustees
   d. Update on Continuing Education
      (1) Continuing Education Presentation by the Senior Vice President, Equity
6. Committee on Diversity, Inclusion, and Outreach – March 4, 2021
7. Joint Committee on Investments – March 5, 2021
8. Report of the Board of Trustees Task on Legislative Engagement – February 17, 2021
10. Emeriti Outreach Group Update
11. Report of the Executive Vice President and Chief Financial Officer
    a. Committee on Audit – January 21, 2021
12. Old Business
13. New Business
14. Adjournment
PROPOSED RESOLUTION
APPROVING DIVESTMENT FROM FOSSIL FUELS AND
AMENDING UNIVERSITY POLICY 40.2.14: INVESTMENT POLICY

WHEREAS, the Rutgers University Investment Policy includes a process the University should follow when members of the University community request that funds within the Rutgers University Endowment be divested from, or that the Investment Office should avoid making new investments in, certain industries, sectors, or companies due to a potential conflict between the University’s position on an issue or agenda that is held or advanced by such industries, sectors, or companies; and

WHEREAS, in the spring of 2020, the Joint Committee on Investments received a request from the Endowment Justice Collective, an association of several Rutgers student groups, individual students, professors, alumni and community members (“EJC”), to divest from fossil fuels, among other sectors; and

WHEREAS, pursuant to the process, the Chair of the Joint Committee on Investments (“Chair”) and the University’s Executive Vice President – Chief Financial Officer (“CFO”) determined EJC’s request regarding fossil fuels should proceed to the next step in the process, which is to form an ad hoc committee to evaluate the divestment request and make a recommendation to the Joint Committee on Investments; and

WHEREAS, the Chair and CFO formed an ad hoc committee of students, faculty members, and administrators from across Rutgers University that conducted its work of evaluating the divestment request in light of the three major elements set forth in the Investment Policy’s process regarding divestment requests, and concluded its work by submitting the attached written report dated February 22, 2021 to the Chair and CFO; and

WHEREAS, as further described in the ad hoc committee’s Report, the ad hoc committee recommends that the University divest from fossil fuel investments by taking the following actions:

1. Cease all new investments in funds whose strategy is focused on fossil fuel investments;
2. Divest from passive index funds with exposure to fossil fuel investments within one year and reinvest in environmentally friendly versions of those indices. In addition, actively seek new investment opportunities in renewable energy and energy efficiency categories provided they deliver competitive rates of return;
3. Exit all currently held private fossil fuel investments within 10 years, or as soon as practicable;
4. Because some commingled funds may hold minimal exposure to fossil fuels, emphasize the University’s stance on this topic to investment partners, urging them to review their own processes and decisions regarding the inclusion of such assets in client portfolios; and

WHEREAS, on March 5, 2021, the Joint Committee on Investments (“JCOI”) reviewed and discussed the ad hoc committee’s report and determined that the ad hoc committee properly evaluated the divestment request, agrees that the recommendations can be enacted in accordance with the
fiduciary responsibilities of the boards, and recommends that the Board of Governors and the Board of Trustees adopt the ad hoc committee’s recommendations for divestment from fossil fuels; and

WHEREAS, in addition to adopting the ad hoc committee’s recommendations, the JCOI (i) states for the sake of clarity that these recommendations also include divestment from fossil fuel investments held in separately managed accounts owned by the University within the Long-Term Investment Pool, and (ii) recommends that the Investment Office report progress of this divestment initiative annually.

NOW, THEREFORE, BE IT RESOLVED that, upon the recommendation of the JCOI, the Board of Governors and the Board of Trustees of Rutgers, The State University of New Jersey, each agrees that Rutgers should divest from fossil fuel investments as more specifically described in the ad hoc committee’s report attached hereto and adopts the ad hoc committee’s recommendations; and

BE IT FURTHER RESOLVED that the Investment Office should (i) implement the recommendations within the parameters described in the report while also being mindful of its fiduciary duty to apply the standard of care applicable to investment offices generally, and (ii) report progress on this divestment initiative annually; and

BE IT FURTHER RESOLVED that the Board of Governors and the Board of Trustees of Rutgers, The State University of New Jersey, hereby thank each and every member of the ad hoc committee for agreeing to be part of the committee, and for the work, effort, and time each member contributed to the process; and

BE IT FURTHER RESOLVED that the University’s Investment Policy (University Policy 40.2.14) be amended by adding a copy of this Resolution as Appendix C thereof; and

BE IT FINALLY RESOLVED that this Resolution shall take effect upon approval by the Board of Governors and Board of Trustees.

Attachment: Report of the Ad Hoc Committee on Fossil Fuel Divestment

Board of Governors
Rutgers, The State University of New Jersey
March 9, 2021

Board of Trustees
Rutgers, The State University of New Jersey
March 9, 2021
PROPOSED RESOLUTION
CONSENTING TO THE BOARD OF GOVERNORS’ RESOLUTION
AUTHORIZING THE IMPLEMENTATION OF LIQUIDITY SUPPORT

WHEREAS, on February 23, 2021, the Board of Governors of Rutgers, The State University of New Jersey, adopted a Resolution authorizing, among other things, the implementation of liquidity support up to the amount of $300,000,000 subject to the consent of the University’s Board of Trustees; and

WHEREAS, on March 2, 2021, in consultation with the University administration, the Executive Committee of the Board of Trustees reviewed the above-described liquidity support, and agreed to recommend consent by the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED that, upon the recommendation of the Executive Committee, the Board of Trustees of Rutgers, The State University of New Jersey, hereby consents to and approves the implementation of liquidity support as further described in the attached February 23, 2021 Resolution of the Board of Governors; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

Attachment: Board of Governors’ Resolution Adopted February 23, 2021

Board of Trustees
Rutgers, The State University
of New Jersey
March 9, 2021