

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents
August 27, 2024**

A special meeting of the Board of Regents of the University of Minnesota was held on Tuesday, August 27, 2024, at 7:30 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Janie Mayeron, presiding; Mary Davenport, Robyn Gulley, Douglas Huebsch, James Farnsworth, Tadd Johnson, Mike Kenyanya, Kodi Verhalen, and Penny Wheeler.

Staff present: President Rebecca Cunningham; Executive Vice President and Provost Rachel Croson; Interim Senior Vice President Julie Tonneson; Vice Presidents Kenneth Horstman, Calvin Phillips, Shashank Priya, Mercedes Ramírez Fernández, Alice Roberts-Davis, and Jakub Tolar; Interim Vice President Michael Volna; General Counsel Douglas Peterson; Executive Director Brian Steeves; Chief Auditor Quinn Gaalswyk; and Chief Public Relations Officer Chuck Tombarge.

The docket materials for this meeting are [available here](#).

REPORT OF THE PRESIDENT: FALL PLANNING

President Cunningham delivered the report of the President.

The docket materials for this item begin on page 3. The closed-captioned video of this item is [available here](#).

**RESOLUTION RELATED TO REQUESTS FOR
DIVESTMENT OF CONSOLIDATED ENDOWMENT FUND HOLDINGS**

Regent Mayeron presented for action a resolution related to requests for divestment of consolidated endowment fund holdings, as detailed in the docket.

The docket materials for this item begin on page 10. The closed-captioned video of this item is [available here](#).

A motion was made and seconded to approve the resolution related to requests for divestment of consolidated endowment fund holdings, as follows:

WHEREAS, the Board of Regents (Board) has established policies that govern the investment and use of the University of Minnesota's (University) Consolidated Endowment Fund (Endowment); and

WHEREAS, the University seeks to maximize Endowment investment returns within the parameters set by Board policy to support the University's mission and advance the goals of current and future systemwide strategic plans, such as affordable tuition, groundbreaking research, and market competitive compensation; and

WHEREAS, Board of Regents Policy: Endowment Fund currently states that the "University shall integrate environmental, social, and governance principles in its investment decisions, consistent with the University's mission and values"; and

WHEREAS, there have been requests to divest of certain investments related to Israel and other specific Endowment holdings based on social and political matters and events; and

WHEREAS, the State of Minnesota has previously expressed its policy stance regarding discrimination against Israel through the enactment of Minnesota Statutes §16C.053, which prohibits state agencies from contracting with vendors who discriminate against Israel; and

WHEREAS, the Board engaged in a work session that reviewed current and past Endowment investment practices, the evolution of Board and administrative actions in this area, the effect of divestments on events and political matters, and the impact of divestments on the Endowment; and

WHEREAS, the Board and administration have engaged with a diverse array of stakeholders, including students, faculty, staff, alumni, community members, and legislators, and the Board acknowledges and respects the wide range of deeply held viewpoints regarding requests for divestment.

NOW, THEREFORE, BE IT RESOLVED that the Board, in exercising its fiduciary duty over the Endowment, adopts a position of neutrality with respect to the Endowment and directs the President to continue to base investment decisions on financial criteria as defined by Board policy. Given that position, the Board declines the request to divest of certain investments related to Israel.

BE IT FURTHER RESOLVED that the Board recognizes that divestment may be appropriate in rare circumstances and directs the President to develop a process for the submission of those requests for divestment, which shall include the evaluation of the request and, if determined by the President, a recommendation to the Board regarding the request. The following provisions shall be included as part of the process developed by the President:

- Requests for divestment must show how the investment is fundamentally incompatible with the University's core mission and values;
- Requests for divestment must demonstrate that there is a broad consensus regarding the request within the University community (e.g. students, faculty, staff, and alumni) as well as, where applicable, the State of Minnesota, the United States, and respected domestic and international organizations;
- The process to evaluate a request for divestment shall also take into consideration the potential impact on the social and political matters and events that the request is designed to address; and
- The process to evaluate a request shall also consider the financial and operational impact to the Endowment should divestment be implemented.

BE IT FURTHER RESOLVED that, for the avoidance of doubt, the Board's adoption of a position of neutrality with respect to the Endowment neither supersedes nor nullifies any prior Board or administrative actions with respect to divestments, including, but not limited to, the University's decision to divest holdings related to Sudan and the University's commitment to phased divestment of fossil fuels.

BE IT FURTHER RESOLVED that, for the avoidance of doubt, the Board's position of neutrality with respect to the Endowment shall be consistent with the integration of environmental, social, and governance (ESG) principles as required by Board of Regents Policy: *Endowment Fund* since the integration of ESG principles is intended to further enlighten and strengthen the investment decision-making process by providing a more comprehensive view of financial risks and opportunities.

Regent Gulley moved to amend the resolution, as follows:

- To strike out the following: NOW, THEREFORE, BE IT RESOLVED that the Board, ~~in exercising its fiduciary duty over the Endowment, adopts a position of neutrality with respect to the Endowment and directs the President to continue to base investment decisions on financial criteria as defined by Board policy. Given that position, the Board~~ declines the request to divest of certain investments related to Israel.
- To strike out and insert the following: Requests for divestment must demonstrate that there is a broad consensus support regarding the request within the University community (e.g. students, faculty, staff, and alumni) as well as, where applicable, the State of Minnesota, the United States, and respected domestic and international organizations;
- To strike out the following: BE IT FURTHER RESOLVED that, for the avoidance of doubt, the Board's ~~adoption of a position of neutrality~~ with respect to the Endowment neither supersedes nor nullifies any prior Board or administrative actions with respect to divestments, including, but not limited to, the University's decision to divest holdings related to Sudan and the University's commitment to phased divestment of fossil fuels.
- To strike out the following: BE IT FURTHER RESOLVED that, for the avoidance of doubt, the Board's position ~~of neutrality~~ with respect to the Endowment shall be consistent with the integration of environmental, social, and governance (ESG) principles as required by Board of Regents Policy: *Endowment Fund* since the integration of ESG principles is intended to further enlighten and strengthen the investment decision-making process by providing a more comprehensive view of financial risks and opportunities.

Mayeron called for a second. There was no second and the amendment was not considered.

Mayeron directed that a roll call vote be taken on the resolution related to requests for divestment of consolidated endowment fund holdings. The vote was as follows:

Regent Davenport	Yes
Regent Farnsworth	Yes
Regent Gulley	No
Regent Huebsch	Yes
Regent R. Johnson	Absent
Regent T. Johnson	Yes
Regent Kenyanya	Yes
Regent Thao-Urabe	Absent

Regent Turner	Absent
Regent Verhalen	Yes
Regent Wheeler	Yes
Regent Mayeron	Yes

On a vote of 8 to 1, the motion was approved.

The meeting adjourned at 7:56 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary