



OFFICE OF THE BOARD OF TRUSTEES

December 28, 2016

Ms. Patricia (Pat) Reser
Chair, Board of Trustees
Oregon State University
526 Kerr Administration Building
Corvallis, OR 97331

Via electronic mail

Dear Chair Reser,

The dissolution of the Oregon University System marked a significant period of transition in higher education for Oregon. Southern Oregon University (SOU) appreciates Oregon State University's (OSU) leadership on investment for the Public University Fund (PUF), which has been helpful to its member institutions. The Finance and Administration Committee of the Board of Trustees of SOU recently discussed your board's consideration of actions regarding the divestment of fossil fuels from the fund as well as the development of a framework regarding administration of the fund. Upon the action of the committee and as a constituent owner of the PUF assets, I write this on behalf of the Board of Trustees of SOU in support of the general direction your board is taking and to urge your board to make additional considerations that are important to the Board of Trustees of SOU.

While the divestment of fossil fuels catalyzed this discussion, we believe it is an issue much broader than that of fossil fuels alone. Our discussion also questioned how other requests might be handled in the future—both by way of process and content. Based on these considerations, we propose the following.

Proactive

The SOU Board of Trustees believes that any policy guiding the investments of the PUF should reflect, in a proactive way, what the universities stand for rather than against. Using fossil fuels as the example, we respectfully recommend the framework guiding divestment state the values and criteria upon which investment decisions will be made. Divestment should be pursued when investments do not comport well with the established values and criteria. We believe this will help guide decisions in a proactive, responsible, and strategic

way rather than on a case-by-case basis. This also will ensure that other issues, whether based on environmental, social, political or otherwise controversial platforms, will be addressed through strategic and purposeful decisions rather than in a reactive manner.

Process

We respectfully request that member institutions be given notice of proposed changes to the PUF under consideration by your board as well as a reasonable opportunity to respond. The Board of Trustees of SOU also supports having meaningful board-to-board communications regarding such decisions, whether such communications are initiated by OSU or other member institutions. The SOU board further supports the idea that PUF member institutions would have the opportunity to express majority support or opposition on specific issues to be considered by your board regarding the PUF. We believe this direct board-to-board communication and feedback would add great value to your board's decision-making process.

This is a remarkable period of transition for Oregon's public universities. We know that the decision to have a single fund manager for the PUF addresses the infrastructure needs that such an endeavor requires. SOU appreciates the strength of your board and our relationship, and we acknowledge that we are stronger together as a result. We hope your board will give this serious, thoughtful consideration and will codify in its final iteration, pathways to accomplishing these items in the framework OSU creates.

Thank you for your leadership and consideration.

Your friend in governance,



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Cc: Board of Trustees of SOU