



Form C Board of Directors Action Form

To: ALSC Board of Directors

Subject: Endorse SRRT/SustainRT's "Recommendation to Explore a New Direction for the ALA Endowment Fund"

Submitted by: Al Kagan, Co-Chair, SRRT International Responsibilities Task Force

Date submitted: 12/10/18

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#### BACKGROUND:

The first Social Responsibilities Round Table's (SRRT) resolution on divestment of fossil fuel holdings from the ALA Endowment was defeated by ALA Council at Midwinter 2013. The resolution was reintroduced at the 2013 Annual ALA Conference, but it was defeated by two votes at the ALA Membership Meeting, and defeated at the ALA Council. The ALA Council passed a resolution at the 2017 Annual Conference recognizing that climate change is real and caused by humans, and that libraries need to actively address the situation.

SRRT and the Sustainability Round Table's (SustainRT) joint resolution on increasing Environmental, Social and Governance/Socially Responsible Investments (ESG/SRI) portfolios and excluding fossil fuel investments from the ESG/SRI portfolios was left in limbo at the 2018 Midwinter Meeting because the Budget Analysis and Review Committee (BARC) was unable to assess its fiscal impact. A slightly revised resolution was then defeated at the 2018 Annual Conference due to the negative BARC/Endowment Trustees/Finance and Audit Committee's report.

In November 2018, SRRT and SustainRT submitted to the Endowment Trustees a "Recommendation to Explore a New Direction for the ALA Endowment Fund."

#### ACTION RECOMMENDED: That the ALSC Board of Directors

Endorse at its earliest opportunity the "Recommendation to Explore a New Direction for the ALA Endowment Fund."

#### HAVE OTHER STAKEHOLDERS BEEN CONSULTED:

SRRT and SustainRT have informally endorsed the report, and official actions will be taken at the 2019 Midwinter Meeting during the usual business meetings.

#### DESCRIBE POTENTIAL FISCAL AND STAFFING IMPACT AND SUSTAINABILITY:

The "Recommendation to Explore a New Direction for the ALA Endowment Fund" includes documents that make a strong case that there will be no negative impact on the Fund, and in fact, adoption should have a positive monetary effect. There should be no fiscal impact on ALA staff. This action would be a major step in increasing ALA's economic, ethical and moral sustainability.

#### DESCRIBE IN DETAIL HOW STRATEGIC GOAL AREA(S) WILL BE SUPPORTED: Please add additional sheets as needed to explain.

Since this action affects the totality of ALA, we refer to ALA's Core Organizational Values. Of the nine Values, the two that stand out are "Ethics, professionalism, and integrity," and "Social responsibility and the public good."

The ALA Endowment Fund's investment strategy should be ethically in tune with ALA's core values. This is not currently the case. As a respected professional organization, ALA must act with integrity, and be socially responsible in order to promote the public good. ESG/SRI investments align ALA core values with its financial affairs and fiduciary responsibilities. Continued investing in fossil fuels has already decreased the Endowment Fund's worth, and will be more apparent in the near future due to "stranded assets" and the likely oil spills which will dramatically decrease the value of these investments. ALA and all US and worldwide organizations and governments must act in a socially responsible way to mitigate the massive climate change that is already causing havoc in the US and around the world. Please refer to the aforementioned Recommendation which has supporting documents that make the case for fossil fuel divestment and increased ESG/SRI. See the URL below. Kindly send a mailing address if the Board would like to receive a printed copy. <https://drive.google.com/file/d/1L6s6UAnaGrENJZsS1C-2QjJclCwVtEr/view?usp=sharing>

*Email your completed Action Form to the current ALSC President (<http://www.ala.org/alsc/aboutalsc/governance/boardroster>) and ALSC Executive Director Aimee Strittmatter ([astrittmatter@ala.org](mailto:astrittmatter@ala.org))*