


TO: San José State University Campus Community

FROM: Edward Oates 

SUBJECT: Associated Students Divestment Resolution

DATE: December 15, 2015

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Members of the Tower Foundation Board of Directors—many of whom are SJSU alumni and all of whom are dedicated supporters of the university—respect and support the rights of students, faculty and others to debate and take stands on important issues of the day. The right to engage freely in such conversations is a cornerstone of the American university, and being engaged directly is both a right and responsibility of an informed citizenry.

At the same time, we know that issues of significance rarely coalesce around a single point of view. In fact, people of equal goodwill often disagree with each other—sometimes vigorously—and that is especially true when the topic is as complex and polarizing as generational conflict in the Middle East.

Such is the case with the call for divestment from specific companies identified in a resolution that was debated and ultimately approved last month by SJSU's Associated Students Senate. Members of the Tower Board have listened carefully to the public comments received at meetings of its Finance & Investment and Executive Committees. As volunteers who care deeply about students and the university's role in helping them realize life-changing opportunities, we should be expected to do no less.

The Tower Foundation has a unique role: it raises and invests funds from individuals, businesses, foundations and community organizations for use in supporting students, recognizing faculty and enhancing educational offerings throughout the university. Growing the Foundation's endowment through philanthropic support and prudent investment strategies is our primary focus. Investment decisions, therefore, are made with the long-term sustainability of the endowment foremost in mind. It is also important to note that all of these funds come from private sources, not student tuition, fees, or the taxpayers.

We also follow a well-established practice of investing in a variety of investment vehicles, which include mutual funds, commingled limited partnerships, and separate accounts. In the mutual funds and limited partnerships, we own units of a fund. Within our separate accounts, the Foundation holds specific shares of select companies. That said, the Foundation does not manage the investments directly—we have hired investment managers and advisors for each of the investments. We rely on the managers and advisors to select the funds, track their performance and make appropriate adjustments over time. The Tower Board Finance & Investment Committee monitors the efforts of these investment managers and advisors.

With all of these considerations in mind, therefore, and after careful deliberation, we cannot agree to this divestment request.

In announcing this decision, we also want to restate our respect for the diverse views of students, faculty, and community members who have spoken out on this issue, and who have advocated their respective positions with vigor and in the spirit of civil discourse.