February 2014

Dear Members of the University Community:

The University of Maine System’s stewardship of the environment is critically important to our entire community. We have taken meaningful steps to reduce our carbon footprint, to reduce energy consumption by converting energy systems, and by using sustainable design principles when constructing and remodeling buildings. Today, for example, all campuses are utilizing renewable energy sources and upgrading campus infrastructures, yielding both cost savings and carbon avoidance. Perhaps most importantly, our dedicated teaching and research programs are instilling core values of sustainability in our students and communities.

The University’s Investment Committee recently reviewed the University’s portfolios. Significant work was done to determine the financial impact to the portfolios if the University were to divest of fossil fuels. We learned that if we divested of fossil fuels at this time, investment opportunities would be limited and wholesale changes to the portfolios would be required. Such changes could negatively alter the return, risk, and diversification profile of our portfolios. Negatively altering returns would adversely impact amounts available for student aid and other critical needs.

I take seriously our fiduciary responsibility to ensure our endowment and other funds are invested prudently in a diversified portfolio of appropriate quality investments. Generous benefactors have entrusted us with these funds to advance the University’s mission and to ensure endowment funds are available in perpetuity. The University will revisit the fossil fuel discussion as this investment space develops. Meanwhile, the University will continue its academic, research and operational efforts to yield immediate and long-term results that demonstrate our environmental stewardship.

I welcome student, faculty, and community engagement as to how we become better stewards of the environment. Further conversations are not only welcome but crucial.

Sincerely,

Dr. James H. Page
Chancellor