



Sent via Electronic Mail

July 31, 2024

Dear Members of the Advisory Committee on University Resources Management,

I am writing regarding the proposal submitted to ACURM earlier this month by the Brown Divest Coalition titled “A Critical Edition of: ‘To Recommend Divestment from Companies that Facilitate the Israeli Occupation of Palestinian Territory.’” I am writing both to request a timely review of this proposal and also to outline a process for consideration that effectively meets the committee’s charge to ensure that our community will have confidence in its fair review.

The submitted proposal is an updated and extended version of the 2020 report by ACURM’s predecessor, the Advisory Committee on Corporate Responsibility in Investment Practices, whose divestment recommendation did not meet the criteria set forth in the committee’s charge. Revising the proposal to achieve consideration by the Corporation of Brown University has been the subject of intense interest for some members of the Brown community for some years, with renewed focus and activism in recent months, including the encampment that occupied the College Green for six days in April.

I’ll reiterate what I shared upon the agreement to end the encampment — I feel strongly that a vote by the Corporation in October will bring clarity to an open question that has been of high interest to members of our community for years, which is whether or not Brown will divest its endowment from a number of companies that conduct business in Israel. Therefore, I am writing to request a recommendation from the Advisory Committee on University Resources Management by September 30, 2024, on the divestment action proposed in the newly submitted *Critical Edition*.

You may recall that as part of the agreement the University reached with students to peacefully end the unauthorized encampment on the College Green in April, the students agreed to pursue the long-standing, established process for consideration of any divestment proposal at Brown. This is the course I had urged for students during protest actions related to divestment in December and February. Given the extraordinary circumstances, I committed to accelerate the regular process to review a divestment proposal to assure a vote in the fall. As I shared with the Brown community in April, we must follow the formal process for consideration of any divestment proposal in advance of a Corporation vote. In gathering evidence to inform the committee’s recommendation, I expect ACURM to provide sufficient opportunities for input from Brown community members with a variety of perspectives on the proposal.

Established Criteria for Review

ACURM is an advisory body responsible for reviewing whether the investment and expenditure of the University's financial resources is conducted with ethical and moral standards consistent with Brown's mission and values.

The following general instructions apply to any request submitted to ACURM, as [outlined publicly](#) in the committee's operating guidelines:

“In considering such a request, ACURM will carefully balance the gravity of the social harm, the potential effectiveness of various means of influencing relevant policy or conduct, the University's need to maintain a sound financial policy, and the consistency of various proposed recommendations with the maintenance of an environment at Brown conducive to teaching and scholarly inquiry, including the Corporation Statement on Academic Freedom for Faculty and Students. ACURM shall not recommend any action that advances a position on social or political questions unrelated to the investment or expenditure of University financial resources under consideration. ACURM should be mindful that partisan political advocacy is not consistent with either Brown's commitment to academic freedom or its status as a 501c(3) corporation.”

In the guidelines, social harm is defined as “the harmful impact that the investment or expenditure of University financial resources may have on the University community, consumers, employees, or other persons, or on the human or natural environment.” Committee members are expected to bring their own diverse perspectives to bear on the question of whether investments in any of the companies identified by the Brown Divest Coalition constitute violations of “ethical and moral standards consistent with the University's mission and values.”

The charge also provides a two-pronged test for recommendations of divestment. Specifically, “in the circumstance of investments held by the University in public companies, [ACURM may] recommend divestiture or appropriate guidance to investment managers” if, after determining that the company's actions meet the definition of causing social harm, at least one of two circumstances *also* holds true:

1. when such actions will likely have a positive impact toward correcting the specified social harm; or
2. when the company or industry in question contributes to social harm so grave that it would be inconsistent with the goals and principles of the University to accept funds from that source.

Current Request Submitted to ACURM

The *Critical Edition* submitted to ACURM in early July by the Brown Divest Coalition (BDC) for consideration requests that Brown divest from “companies that profit from human rights abuses in Palestine” and lists 10 specific companies for divestment. The BDC proposal also suggests a general rubric and screening procedure for assessing companies for divestment on an ongoing basis (Section IV.2 on “Operationalizing Divestment”), implying that companies would be added to or subtracted from the list in the future.

The proposal submitted to ACURM characterizes and categorizes companies to be subject to ongoing divestment determinations, including, for example, those that provide products or services that

contribute to “the maintenance of the Israeli Military occupation of Gaza and the West Bank” and “the maintenance and expansion of Israeli settlements in the occupied Palestinian territories.”

In the time available between now and September 30, I recognize that it is not possible for ACURM to assess the validity or feasibility of the screening procedure outlined in the *Critical Edition*, or to quantify the financial impact on the University if divestment from the companies or others like them were to be carried out. Being asked to conduct such assessments falls outside ACURM’s typical capacity and expertise (and these issues will be taken up by the Corporation in the fall). Instead, I would like ACURM to focus its attention on the central ethical and moral standards described in the committee’s charge, paying particular attention to the two-pronged test for divestment.

I want to ensure that the Corporation benefits from the full range of views of the committee members, as well as an articulation of how each conclusion relates to the ACURM charge. For this reason, I ask the chair to task committee members with writing two- to three-page synopses of the majority and (if applicable) minority opinions for any vote that ACURM holds. These synopses will make up the backbone of ACURM’s final report, which will be shared publicly.

I appreciate ACURM’s commitment to ensuring a fair, thoughtful and respectful process. Thank you in advance for your service on this important committee and attention to an issue that has been of high interest to members of our community for years.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. H. Paxson', written in a cursive style.

Christina H. Paxson
President