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**A Bill to Divest Associated Students of the University of California and UC Berkeley  
Finances from Corporations Profiting from the Prison Industrial Complex**

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**WHEREAS**, more Black men are under correctional control today than were enslaved in 1850<sup>1</sup>; and,

**WHEREAS**, prison is thus a modern form of slavery; and,

**WHEREAS**, fifty years after the United States Supreme Court announced in Gideon vs. Wainwright that the Sixth Amendment guarantees to every criminal defendant in a felony trial the right to a lawyer, only 24 states have public defender systems<sup>2</sup>, and in cases where defendants do have a lawyer, they often spend less than six minutes with that lawyer.<sup>3</sup>

**WHEREAS**, according to Elliott Curie, “Short of major wars, mass incarceration has been the most thoroughly implemented government social program of our time<sup>4</sup>,” and,

**WHEREAS**, Nearly 40% of those incarcerated in the United States are Black and nearly 16% of those incarcerated are Latin@/Xican@<sup>5</sup>; and,

**WHEREAS**, Since 1991 the rate of violent crime in the United States has fallen by about 20 percent, while the number of people in prison or jail has risen by 50 percent<sup>6</sup>.

**WHEREAS**, In the State of California the prison population is disproportionately racialized; and,

**WHEREAS**, In 2010, Black men were incarcerated at a rate of 5,525 per 100,000, compared to 1,146 for Latinos, 671 for whites, and 43 for Asians.

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<sup>1</sup> Alexander, Michelle, *The New Jim Crow*

<sup>2</sup> <http://www.eji.org/node/752>

<sup>3</sup> <http://www.brennancenter.org/publication/community-oriented-defense-start-now>

<sup>4</sup> <http://www.historyisaweapon.com/defcon1/davisprison.html>

<sup>5</sup> <http://www.prisonpolicy.org/graphs/statepopulations.html>

<sup>6</sup> [http://core.ecu.edu/soci/juskaa/SOC12110/Prison\\_Industrial\\_Complex.htm](http://core.ecu.edu/soci/juskaa/SOC12110/Prison_Industrial_Complex.htm)

**WHEREAS,** Among women, Black women were incarcerated at a rate of 342 per 100,000, compared to 57 for Latinas, 66 for non-Latina whites, and 5 for Asians; and,

**WHEREAS,** nearly a million prisoners are currently manufacturing office furniture, working in call centers, taking hotel reservations, manufacturing textiles, shoes, clothing, and other products while getting paid somewhere between 93 cents and \$4.73 per day<sup>7</sup>; and,

**WHEREAS,** The prison industrial complex has become a \$70 billion industry in the last few decades; and,

**WHEREAS,** Privately-operated federal facilities have grown 600 percent faster than state-level contract facilities since 2010, and now represent the single most quickly-growing corrections sector; and,

**WHEREAS,** the growth of the prison industrial complex further incentivizes the growth of the prison system and is reflected by the fact that over 20 prisons have been built in California over the past 30 years, while only 2 UC's and 1 CSU have been built; and,

**WHEREAS,** The three categories that can implicate a corporation as participating in the use of inmate labor are the following:

- 1 Corporations, businesses and companies that use direct inmate labor for manufacturing and service jobs,
- 2 Corporations, businesses and companies that contract with other companies to purchase products or services made by inmate labor (such as McDonalds),
- 3 Individuals, corporations, organizations and investment companies that support the use of prison labor or enable prison industry operations by contributing financial support to those directly involved in using inmates for labor or invest in or support private prison corporations, and;

**WHEREAS,** The Associated Students of the University of California (ASUC) currently holds investments and does business with companies that exploit said labor for financial gain, such as<sup>8</sup>:

<b>Companies Invested in the Prison Industrial Complex</b>	<b>Amount of Money Invested</b>
American Express	\$31,586

<sup>7</sup>[http://www.alternet.org/story/155061/getting\\_paid\\_93\\_cents\\_a\\_day\\_in\\_america\\_corporations\\_bring\\_back\\_the\\_19th\\_century](http://www.alternet.org/story/155061/getting_paid_93_cents_a_day_in_america_corporations_bring_back_the_19th_century)

<sup>8</sup>Walden Asset Management Account Holdings Statement, December 2012

Chubb Corp.	\$17,210
Deere & Co.	\$13,161
Microsoft Corp.	\$16,992
McDonalds Co.	\$9,877
Procter & Gamble	\$23,274
Johnson & Johnson	\$15,890
<b>3M</b>	
<b>State Street</b>	

<b>Total of Funds Invested in Companies Profiting from the Prison Industrial Complex<sup>9</sup></b>	<b>\$127,990</b>
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**WHEREAS**, of these companies, 3M and State Street maintain the most direct connection to prison labor; and,

**WHEREAS**, 3M produces its products with prison labor and State Street maintains medium to high levels of financial support (stock) in prison labor; and,

**WHEREAS**, Investing in these aforementioned companies also makes the ASUC complicit in the perpetuation of the previously-mentioned form of modern day slavery; and,

**THEREFORE BE IT RESOLVED**, The ASUC amend Title III, Article X: Investments Committee to identify all assets belonging to the ASUC and the UC Berkeley campus at large, currently invested in companies profiting from the prison industrial complex and propose alternative investment strategies for the ASUC and campus; and,

<sup>9</sup> <http://www.nationalcia.org/national-training-conference/enterprise-2013-sponsor> (3M)

<sup>9</sup> <http://finance.yahoo.com/q/mh?s=CXW+Major+Holders> (State Street, CCA)

<sup>9</sup> <http://finance.yahoo.com/q/mh?s=GEO+Major+Holders> (State Street, GEO)

<sup>9</sup> <http://www.globalresearch.ca/the-prison-industry-in-the-united-states-big-business-or-a-new-form-of-slavery/8289>

<sup>9</sup> <http://www.dailykos.com/story/2010/12/14/928611/-INSOURCING-Identifying-businesses-involved-in-prison-labor-or-supporting-those-who-are>

**THEREFORE BE IT FURTHER RESOLVED**, The Investments Committee charged with identifying these assets:

## **ARTICLE X -- INVESTMENT COMMITTEE**

### **10.1 Purpose**

The purpose of the Investment Committee shall be to oversee all cash and cash equivalents and general investments held by the ASUC. The Committee shall review banking arrangements and monetary assets. The committee shall be further charged with developing and maintaining a written investment policy encompassing the values by which the ASUC conducts its official business. This committee must be willing to provide recommendations in accordance with ethical banking and abide by the values of socially responsible investing as defined by the ASUC.

### **10.2 Membership**

Voting members shall consist of:

1. Two ASUC Elected Officials as appointed by the ASUC President, each serving one-year terms.
2. Two undergraduate student members as appointed by the ASUC President, with sufficient qualifications and education, and approved by a two-thirds vote of the ASUC Senate, each serving alternating two-year terms.
  - a. The term "rotating" used solely in this article, shall mean that when one member of the committee (i.e. a graduate student member) is serving the first year of a two-year term, the other member (i.e. the second graduate student) shall be in the second year of their respective term.
3. Two graduate student members as appointed by the Graduate Assembly President, with sufficient qualifications and education, each serving alternating two-year terms.
4. Three UC Berkeley faculty, staff, or alumni, with preference given to those with expertise in investment, as appointed by the ASUC President, each serving no more than two alternating two-year terms.

Non-voting members shall consist of:

1. The Director of the ASUC Auxiliary
2. The Auxiliary Financial Services Manager
3. ASUC Finance Officer

### **10.3 Meetings**

1. The Investment Committee shall meet no less than once per quarter following the release of account holding statements, which are generally available in late December, late March, late June, and late September.

a. The Chair of the committee shall have the authority to call the committee into session sooner if necessary. The Chair shall create an agenda in advance of each meeting and act as an impartial facilitator, except when necessary, the Chair shall act as a tie-breaking vote.

b. Establish a written investment policy that is consistent with ethical banking practices, including but not limited to the restrictions outlined in 10.5 below, and any other banking practices determined by the senate.

#### **10.4 Authority**

The Committee shall:

1. Establish a written investment policy that is consistent with ethical banking practices, and the values of the ASUC as determined by the Senate.
2. Conduct analyses of ASUC investments to ensure they are in line with the investment policy.
3. Conduct a yearly review of the services and policies of the bank or credit union in which the ASUC keeps its cash and cash equivalents. The Committee shall determine whether or not the banking institution continues to provide adequate services and operate in a manner consistent with the Investment Policy.
4. Produce and present a quarterly written report to the ASUC Senate outlining the how the ASUC should be investing its money
5. Have the authority to direct all holdings, investments, and investment practices of the ASUC

#### **10.5 Investment Practices**

No ASUC assets shall be invested in:

1. The Prison Industrial Complex, including but not limited to:
  - a. Corporations, businesses and companies that use direct inmate labor for manufacturing and service jobs;
  - b. Corporations, businesses and companies that contract with other companies to purchase products or services made by inmate labor;
  - c. Individuals, corporations, organizations and investment companies that support the use of prison labor or enable prison industry operations by contributing financial support to those directly involved in using inmates for labor or invest in or support private prison corporations, and;
2. The Fossil Fuel Industry

**THEREFORE BE IT FURTHER RESOLVED,** The ASUC Investments Committee be reinstated as a standing committee during the first meeting of the 2013-2014 ASUC Senate meeting to continue identifying ASUC and campus assets invested in companies profiting from the prison industrial complex, while also formulating proposals that align with fair and equitable labor practices; and,

**THEREFORE BE IT RESOLVED,** the ASUC Investments Committee must at a minimum meet every quarter in order to review the ASUC's quarterly investments statement from Walden Asset Management, a division of Boston Trust and Investment Management Company; and,

**THEREFORE BE IT RESOLVED,** the ASUC Investments Committee must evaluate all companies in which the ASUC invests and must adjust the ASUC's investment profile to prohibit investment in any company that is found to profit from the prison industrial complex; and,

**THEREFORE BE IT FURTHER RESOLVED,** The ASUC divest all investments, contracts, and business from the aforementioned companies (especially 3M and State Street) as a protest to the establishments that comprise the prison industrial complex; and,

**THEREFORE BE IT FURTHER RESOLVED,** The Commercial and Student Services Board (CSSB) of the ASUC only employ and contract businesses that do not participate in the prison industrial complex; and,

**THEREFORE BE IT FURTHER RESOLVED,** The ASUC do its best to ensure that no funding be allocated by the ASUC and all affiliated organizations, including the ASUC Auxiliary, the Cal Student Store, Event Services, and any student organization seeking funding from the ASUC from this point forward, to any companies profiting from the prison industrial complex, including, but not limited to, 3M and State Street; and,

**THEREFORE BE IT FURTHER RESOLVED,** That the proposed alternatives to the ASUC's current relationship with companies profiting from the prison industrial complex suggest finance institutions that:

- 1) Do not benefit/profit from the prison industrial complex
- 2) Utilize fair trade and labor practices
- 3) Support non-discriminatory hiring practices
- 4) Provide employees with equitable benefits and wages

**THEREFORE BE IT FURTHER RESOLVED,** Following a completed analysis of the ASUC and campus' investments, the ASUC Investments Committee issue a formal recommendation by the 10th week of senate to the ASUC Senate which will include a provision mandating the

ASUC Executives and Senate co-author a letter to Chancellor Birgeneau, Chancellor-Designate Dirks, and Vice Chancellor of **Administration and Finance** John Wilton that specifies all formal investment, banking and/or financial relationships and contracts held by the ASUC and UC Berkeley, its pension funds and subsidiary and/or related organizations (including the names of the entities on the contract, the term of the contract, the value of the contract and/or deposits, payments to date pursuant to the contract, and a description of the services provided; such contracts for financial and other services shall include but not be limited to: maintenance of deposit accounts, custodial agreements, cash management agreements, consultant or advisory agreements, and any agreements related to any services provided in relation to UC Berkeley's issuance and management of its debt portfolio including debt offerings;) should mirror the University's commitment to its students and surrounding community and thus be disinvested from any institution currently profiting from the prison industrial complex, redirected, and reinvested in companies and institutions with morally sound practices; and,

**THEREFORE BE IT FURTHER RESOLVED,** The ASUC Executives and Senators issue a similar recommendation to the UC Regents and UC President Mark Yudof urging the University of California System's finances be disinvested from institutions profiting from the prison industrial complex, redirected, and reinvested in companies and institutions that practice the aforementioned, morally sound practices; and,

**THEREFORE BE IT FURTHER RESOLVED,** That the ASUC External Affairs Vice President issue a formal proposal to UCSA in support of all UC student governments moving their money out of companies currently participating in the prison industrial complex; and

**THEREFORE BE IT FURTHER RESOLVED,** that the ASUC External Affairs Vice President shall be obligated to advocate for the Private Prison Information Act of 2013; and,

**THEREFORE BE IT FINALLY RESOLVED,** The ASUC reassert our commitment to fairness, equity, and equality by investing solely in companies that provide moral and fair services and products.