

Rebuild Loyola. Rebuild New Orleans.

A joint proposal for three interrelated initiatives to complement Loyola 2012:

A Revolving Green Loan Fund,
A Committee on Community Investment and Shareholder Advocacy
A Collaborative Green Collar Job Training Program

Presented to Kevin Wm. Wildes, S.J., President and
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by the Sustainability Committee.

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"Renewal is work. To achieve a renewed New Orleans and a renewed Loyola University, it will take focus, work, and dedication. The work of renewal will meet with frustration and it will test our patience, good will, and charity. But, I believe, it is work worth doing and, if done well, will lead to a better, more humane city and a stronger, better university."

Rev. Kevin Wildes, University President
August 18, 2008 Convocation Remarks

Executive Summary

The proposals presented here – for a Revolving Green Loan Fund, a Committee on Community Investment and Shareholder Advocacy and a collaborative Green Collar Job Training program – have been adopted and adapted from best practices of colleges and universities that are leaders in sustainability and social justice nationwide.

Briefly, a **Revolving Green Loan Fund** would reinvest the monetary savings gained from projects which reduce the University's energy and water usage and lower its overall environmental impact. The reinvested money would be used to create a consistent revenue stream for further “green” building and renovation projects on campus.

A **Committee on Community Investment and Shareholder Advocacy** would serve in an advisory capacity to the Board of Trustees' Finance Committee and the University's Portfolio Manager. They would advise on possibilities of investing a small portion of the University's endowment (as little as 1%) in the local community and on possibilities of joining with other institutions on shareholder resolutions to positively change the practices of companies in which we are invested regarding environmental and human rights issues.

A **Green Collar Job Training Program** – in collaboration with organizations like Delgado Community College and the LA Green Corps – would use the green building and renovations we will be undertaking as an opportunity to create a learning laboratory. Students in the construction management program at Delgado, for instance, could learn cutting-edge skills in green building and, after completing their Associate's Degree, could be offered a scholarship to complete a Bachelor's Degree in Business at Loyola.

Strengthening *Loyola 2012*

What is most noteworthy about all of these initiatives is that they can: (1) strengthen our commitment to our **Jesuit mission and values** institutionally; (2) “foster student connectedness to the University and the New Orleans community” [*Loyola 2012*] through potential internships and service and community-based learning opportunities and thus improve **student retention**; and (3) enhance our **national reputation** simply by instituting mechanisms that can be fairly easily integrated into *Loyola 2012* and *Facilities Master Plan*.

In addition, these initiatives specifically address three areas where Loyola received an “F” on the “Green Report Card” (green building, endowment transparency and shareholder engagement) as well as one where we received a “D” (climate change & energy).

Further, because these initiatives could draw upon the unique opportunity Loyola has to be a partner in rebuilding New Orleans and the region, they offer an attractive possible marketing slogan for the upcoming capital campaign: **Rebuild Loyola. Rebuild New Orleans.**

Overarching Issues: Staffing & Timing

In instituting these initiatives, it will be of crucial importance to have sufficient staffing to ensure that their implementation is solid and well thought-out. Thus, we recommend that Loyola hire a full-time Sustainability Coordinator. If this is not possible in the immediate future, it may be possible to obtain an AmeriCorps VISTA through a sponsoring organization such as the Association for the Advancement of Sustainability in Higher Education (AASHE). It may also be possible to divide the initial work among two or three ½ time positions in the interim.

Given the proposed timeline for *Loyola 2012* and the related *Facilities Master Plan* and capital campaign, we recommend that these initiatives be integrated into the execution of those plans as soon as possible.

Proposal for a *Revolving Green Loan Fund*

“The most common reason cited in studies for not incorporating green elements into building designs is the increase in first cost... It is clear from the substantial weight of evidence in the marketplace that reasonable levels of sustainable design can be incorporated into most building types at little or no additional cost.” – “What Does Green Really Cost?”

Why

On any given month, two of the largest checks the university writes go to pay our energy and water bills. Projects that cut those costs, therefore, offer a guaranteed return on investment. In addition, the mission of Loyola as a Jesuit, Catholic institution challenges us to work toward the protection and restoration of our world as both an issue of care for creation and as social and environmental justice.

What & How

A Revolving Green Loan Fund (RGLF) serves both of these purposes. **An RGLF is an internal contract system through which the university reinvests the savings from projects which lessen the University’s environmental impact, since they also typically involve significant savings in energy and water costs, to create a consistent revenue stream for ongoing projects to further improve the university’s sustainability.**

The terms of this internal loan process – payback time, interest rates, etc. – can be developed by a committee which will oversee the fund (see “Who & Where”). Projects would be required to pay back the initial loan, plus a small administrative fee and a small additional amount to ensure that the fund continues to grow. A large collection of many essential resources for developing an RGLF are readily available from universities who have already undertaken this process, including Harvard, and from the Association for the Advancement of Sustainability in Higher Education (AASHE).

Though it is a simple mechanism, it has garnered praise: the President of Harvard University has gone as far as to say that “the best investment in the University is not the endowment but the Green Loan Fund.” [*Summers Doubles Green Campus Funds*. The Harvard Crimson. Friday, April 28, 2006.] He stood by this statement so much that he doubled Harvard’s investment in the fund from \$3 million to \$6 million after the first year and again to \$12 million after the second year. Furthermore, **an RGLF could be seamlessly integrated into *Loyola 2012*** and the related *Facilities Master Plan* and forthcoming capital campaign. The capital campaign could highlight that donations will allow Loyola to undertake LEED-certified*, sustainable building and renovations. In every aspect of building projects and renovations – from energy audits to project completion – there will be numerous opportunities for sustainable design which an RGLF will make more feasible.

As a result of the university signing the American College & University President’s Climate Commitment, the Sustainability Committee is currently undertaking a comprehensive Greenhouse Gas (GHG) Inventory of the university to be completed by December 2009. **An RGLF could use the GHG Inventory to strategically select the best projects to fund.** Another key element of many revolving loan funds is bundling, that is, pairing projects that have longer payback times with ones that payback more immediately. This ensures that projects which may significantly reduce the University’s environmental impact are not overlooked simply because they don’t offer a quick return on the initial investment.

**Leadership in Energy & Environmental Design*. A third party rating system developed by the US Green Building Council

Who & Where

The recently established Sustainability Committee would be the perfect body to oversee a RGLF, as it is composed of a diverse representation of prominent stakeholders from the administration, faculty, staff and student body. A subcommittee could be formed to specifically handle the oversight of the fund. Again, the resources for such a task are readily available.

The committee tasked with overseeing the RGLF would work in collaboration with the Board of Trustees to ensure that its management is consistent with the overall goals of *Loyola 2012*.

Furthermore, as with each of these proposals, there are numerous opportunities for student engagement not only in developing the resources for an RGLF but engaging in research and project proposals for potential initiatives. From independent study courses to internships, an RGLF offers exciting possibilities for students taking ownership of this vital work. Students would also be given the opportunity to have a voice in the oversight and management of an RGLF through a representative on the committee and a portion of the funds could come from student green fees instituted by the Student Government Association.

When

Because an RGLF could be seamlessly integrated into the forthcoming capital campaign and building and renovations on campus, we recommend that it be developed as soon as possible to complement the University's rebuilding efforts.

Further Resources Online

<http://www.aashe.org/resources/funding.php> (Some links require loyno.edu username and password.)

<http://www.greencampus.harvard.edu/loan-fund>

http://www.campusinpower.org/Campus_INpower/REVOLVING_FUNDS.html

“What Does Green Really Cost?” (A seminal meta-analysis of green building costs.)

<http://www.davislangdon.com/upload/images/publications/USA/Morris%20Article.pdf>

Proposal for a *Committee on Community Investment and Shareholder Advocacy*

*“Every Jesuit academy of higher learning is called to live **in** a social reality and to live **for** that social reality, to shed university intelligence upon it and to use university influence to transform it.”*

– Peter Hans Kolvenbach, S.J. (paraphrasing Ignacio Ellacuria, S.J.)

Why

The mission of Loyola as a Jesuit and Catholic institution calls our students to give *more* of themselves for the service of God and their communities. We are thus challenged in all that we do to form men and women with and for others. If we are to teach these habits and values, the university as an institution must model them, not only in opportunities for direct service and academic inquiry, but in our institutional commitments as well. Through community investment and shareholder advocacy, the university can leverage its assets to create profound change in our city and our world.

What & How

There are a number of investment options which promote both socially responsible practices and invest in our local community while promoting fiscally sound choices. This type of investment is called Socially Responsible Investment (SRI). SRI is not limited to negative screening (i.e. eliminating stocks of companies whose social, environmental and governance policies and practices are not consistent with an investor or institution’s values) which is the most common understanding of SRI. While this is one component of SRI – and one which Loyola already practices to a certain extent in screens consistent with its Catholic mission – it is only one of several dimensions of SRI.

Many investors and institutions also engage in **shareholder advocacy**, that is, **voting proxies and proposing shareholder resolutions on environmental and human rights issues**. This requires no shift in investments, but rather simply monitoring what we are invested in and voting on relevant issues. Some institutions specifically keep enough stock (2,000 shares) in certain companies to be able to engage in shareholder advocacy.

Another possibility is **community investment** strategies. By investing as little as 1% of the University’s endowment in the local community, Loyola could leverage significant capital for economic development in the city and the region and place itself amongst leading institutions in the country.

The same range of investment options exist in the local community as in traditional investments, from such low risk options as community development credit unions (CDCUs) to community development loan funds (such as Isaiah Funds and Jewish Funds for Justice’s 8th Degree program, locally) to community development venture capital. The university could move its fixed assets into a CDCU (such as ASI and Hope Community Credit Union, locally) thus making a significant amount of capital more readily available to the local community. CDCUs offer comparable rates, terms and deposit insurance to conventional banks. Additionally, Loyola could create a Social Choice Fund (like those created at Williams College and Brown University) where alumni could give to a quasi-endowment fund to be invested in social choice mutual funds and such community development loan funds. Investing in Isaiah Funds, JFJ’s 8th Degree or CDARS’ Gulf Coast Rebuilding Challenge could promote the “Rebuild New Orleans” theme.

Such **socially responsible investment options** can also be used to complement an RGLF: its initial funding could be invested in socially responsible mutual funds among other options.

The Committee on Community Investment and Shareholder Advocacy would assist the University in choosing the best options for socially responsible investing.

Who & Where

A committed group of stakeholders at the University – administrators, faculty, staff and students involved in community engagement and finance – could form such a committee. It would act in an advisory capacity to the University’s Portfolio Manager and the Board of Trustees Finance Committee. Bylaws for such a committee could be adapted from those of other universities who have undertaken such work.

The work of such a committee could include the following tasks vital to ensuring the University’s institutional commitment to social justice:

1. Stay informed on the practices of companies in which Loyola is invested and relevant shareholder resolutions being proposed by other institutions.
2. Advise the University’s Portfolio Manager on proxy voting.
3. Draft proposals on community investment and shareholder advocacy.
4. Pursue responsible divestment if the practices of corporations do not align with Loyola’s Jesuit values.
5. Receive and review information and proposals from both the Loyola community and the outside community on matters pertinent to community investment.
6. Explore and build potential community capital investments.
7. Create an annual report to update the university on the Committee’s activities and findings.

In addition to stakeholders within the University, it would also serve the University well to have a small council of stakeholders in the local community, particularly those involved in community economic development, to present to the Committee and to act in an advisory capacity.

When

Because the University is currently reviewing its investment options, and because this, along with the other proposals, could be integrated into *Loyola 2012*, we recommend that such a committee be formed as soon as possible.

Further Resources Online

“Demystifying Responsible Investment Performance.” (Meta-analysis of responsible investment practices.)

http://www.unepfi.org/fileadmin/documents/Demystifying_Responsible_Investment_Performance_01.pdf

<http://endowmentethics.org/downloads/UniversityHandbook.pdf> (Handbook for administrators and trustees)

http://endowmentethics.org/downloads/Community_Investment_Handbook.pdf

<http://isaiahfunds.org/> (Isaiah Funds)

<http://www.jewishjustice.org/ifsj.php?page=2.13> (Jewish Funds for Justice’s 8th Degree)

<http://www.gulfchallenge.org/> (CDARS’ Gulf Coast Rebuilding Challenge.)

Proposal for a *Green Collar Job Training Program*

“Energy efficiency not only offsets more greenhouse gas emissions than renewable and alternative fuels combined. It is a new energy strategy that generates significant numbers of domestic jobs.”

- “Greener Pathways”

Why

The significant building and renovation efforts that Loyola will undertake in the next five to ten years will undoubtedly create numerous jobs in the process. If these renovations are to incorporate the latest practices in LEED-certified, sustainable building, they will require professionals with relevant skills. Such construction projects offer the opportunity to create what have been called “green-collar” jobs: those not only with possibilities for career development and adequate benefits but also for learning cutting-edge skills to prepare workers for the emergent market of sustainable building.

Loyola thus has the possibility, in partnering with related job training programs and community colleges, to train a blue-collar workforce for the next wave of green-collar jobs. We can thus play a significant role in the rebuilding of the city through concrete economic development. This program will solidify Loyola’s national reputation as a leader in both sustainability and social justice.

What & How

Green-collar job skills range from energy audits to installing solar panels and retrofitting buildings. Virtually every aspect of sustainable building offers an opportunity for students to learn such skills. In order to staff a green-collar job training program, which would become an integral part of the rebuilding of both Loyola and New Orleans, partnerships with related job training and community college programs would be required. Fortunately, there are a number of these programs in New Orleans. These include job training initiatives like the many programs under the Conservation Corp of Greater New Orleans (CCGNO) and the city’s GreenNOLA program to institutional partners like Dillard’s Deep South Center for Environmental Justice and Delgado Community College’s programs in construction technology and construction management.

In particular, Loyola could offer scholarships for students who work in Delgado’s program and obtain an Associate’s degree to complete a Bachelor’s degree at Loyola, especially in programs through the Business School. Delgado could also offer similar opportunities to young people who complete a GED program through one of the aforementioned job training programs. The two institutions could thus partner to create real opportunities for low-income workers to build their careers in an up-and-coming field.

Further, Loyola could work with these other institutions to secure funding through Federal grants and foundations which target such projects in sustainability and economic development.

Who & Where

This program could be combined with the other two programs proposed here and become part of the responsibilities of a Sustainability Coordinator. In order to ensure that all of these initiatives be fully and effectively integrated into *Loyola 2012* and the life of the University as a whole, we recommend that the Sustainability Coordinator be a full-time position.

There are countless ways that such a program could be integrated into the life of the University. For example, Loyola students could work alongside Delgado students and GED students at virtually every step in the process. From community service and community-based learning opportunities in what would undoubtedly become a program of national stature to internships with related non-profit organizations, a green-collar job training program would offer students, faculty and staff at Loyola opportunities not only for important research, but for intellectual and moral development: to institutionally foster opportunities to become men and women with and for others.

When

As with the other initiatives proposed, we recommend complementing the strategic plan, *Loyola 2012*, the *Facilities Master Plan* and the capital campaign with this green-collar job training program.

Further Resources Online

<http://www.cows.org/greenerpathways/> (Greener Pathways)

<http://www.apolloalliance.org/downloads/greencollarjobs.pdf>

<http://www.urbanhabitat.org/files/Community-Jobs-in-the-Green-Economy-web.pdf>

http://www.green-technology.org/green_technology_magazine/win-win.htm

<http://louisianahelp.org/documents/greenolawithldrfcoverpage.pdf> (GreeNOLA)

<http://www.corpsnetwork.org/> (Under “programs”, choose CCGNO)

<http://www.dscej.org/> (Deep South Center for Environmental Justice)