

Association of California Cities  
Orange County



# Action Alert

**The ACC-OC Board of Directors opposes SB 252 (Gonzalez), requiring California retirement systems CalPERS and STERS to divest from investments in fossil fuel companies by 2030, with losses to be subsidized by state taxpayers.**

**BILL:** SENATE BILL 252

**POSITION:** OPPOSE

**BILL TITLE:** Public retirement systems: fossil fuels: divestment (Gonzalez)

**BILL BRIEF:** This bill would prohibit the California Public Employees' Retirement System (CalPERS) and the State Teachers' Retirement System (STRS) from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company. SB 252 would further require the boards to liquidate investments in a fossil fuel company on or before July 1, 2030. Lastly, the bill would require a report to the Legislature and the Governor beginning in 2025 to provide information on fossil fuel companies where the board has liquidated their investments.

It is important that we provide CalPERS with the flexibility needed to exercise their fiduciary duties on behalf of public agencies and public employees in California. By limiting their ability to invest in specific industries to achieve other policy goals, the resulting lower returns for these retirement systems destabilizes those systems and requires a further infusion of tax dollars to make up the difference. The Legislature should work with the industries of concern to achieve any meaningful changes they would like to see, rather than inhibit CalPERS' and STRS' abilities to meet their investment goals. This is especially significant as the system has recently dropped from 80% funded to 71% funded. SB 252 has been introduced and not yet assigned to a committee for a hearing.

The CalPERS Board is considering a position on this bill on March 15<sup>th</sup>. It is important cities and local agencies speak up now to protect retirement programs serving public employees and teachers, as well as taxpayers by contacting the CalPERS Board in advance of their public hearing.

***By March 15<sup>th</sup>, please send letters to:***

**The Honorable Lena Gonzalez  
California State Senate, 33<sup>rd</sup> District  
1021 O Street, Suite 7720  
Sacramento, CA 95814**

**Ms. Theresa Taylor  
President, California Public Employees' Retirement System  
400 Q Street  
Sacramento, CA 95811**

***Thank you!***