



Dear State Assembly Member,

On behalf of our members in the State of California, we urge you to oppose Assembly Bill 20, which would require filing annual disclosures of the carbon footprint of California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS).

The initial bill was [described by the editorial board](#) of the Los Angeles Times as “ill-considered” and “attention-getting.” The LA Times also argued that the bill would “blow a multibillion-dollar hole in the pension funds — and the public pocketbook, because state and local taxpayers would be left to fill that hole.”

Protect our Pensions believes that pension funds exist - first and foremost- to serve the needs of the beneficiaries of the funds, not as a means to make a political statement. The annual publication of these disclosures will only serve as an occasion for activists - most of whom are not beneficiaries of the funds to exert pressure on the funds to divest their portfolios from companies they philosophically disagree with.

There is no consensus that divestment actually works to affect social change. Even worse, pursuing divestment will diminish the returns of pension funds and endowments that have attempted to divest from fossil fuel investments. Just recently, CalPERS [stated](#) that “divesting appears to almost invariably harm investment performance,” and “there is considerable evidence that divesting is an ineffective strategy for achieving social or political goals.”

With California’s state pensions chronically underfunded, pressuring CalPERS and CalSTRS to divest, whether directly or indirectly, is a harmful proposition, one that will harm retired state employees and taxpayers alike.

We urge you to review the following materials, consider the risks that divestment entails, and oppose Assembly Bill 20. Critical resources should be taken into consideration include:

- [Los Angeles Times editorial](#): “Divesting pensions from the Dakota Access Pipeline might sound good, but it will hurt Californians”
- [CalSTRS Board Position on AB 20](#)
- [CalPERS AB 20 Recommendation](#)
- [Protect Our Pensions Letter from California residents to the CA Assembly Appropriations Committee on AB 20](#)

Protect Our Pensions Coalition
<http://helpprotectourpensions.org/>