



## *Bill announced to divest California's public pensions from oil and gas*

By [Miriam Eide](#) | January 30, 2023



### *Student-led movement celebrates launch of California Fossil Fuel Divestment Act*

January 30, 2023

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Event Livestream Recording: [Senator Gonzalez's Office](#) | [YouTube Permalink](#)

#### [Event Photos](#) | [Fossil Free California Photos](#)

California — Today amidst devastating flooding, an historic mega-drought, [wildfires](#), and [fossil-fueled public health crises](#), students, retirees, and California communities across the state celebrate as Senator Lena Gonzalez, joined by Sen. Scott Wiener, and Sen. Henry Stern announced that they will introduce new Senate legislation, the California Fossil Fuel Divestment Act (SB 252), which will divest the state's public

pension funds—CalSTRS and CalPERS— from fossil fuels. This new bill is a key part of the slate of bills the Senators introduced today: the Climate Accountability Package.

The California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) are the two largest public pension funds in the United States have an investing power of \$442 billion and \$302 billion, with an estimated \$9 billion

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invested in fossil fuel companies. This legislation will end the contradictory and incongruous policies that place the state of California as a leader in the fight against climate change, even while the state is continuing to channel billions directly in the fossil fuel companies that are causing climate change.

If passed, this critical bill would protect the retirement savings of California's teachers, firefighters, and state workers from being used to finance oil, gas, and coal — the very drivers of the climate chaos upending Californians' lives. Californians are being pummeled by season after season of fossil-fueled extreme weather, from the firestorm in Paradise to the destructive floods of January 2023 that swept away structures from Watsonville to San Francisco, causing over [\\$1 billion in damages](#). It's well past time to divest California's public pension funds.

California students, youth, frontline communities, and pension members have campaigned for CalPERS and CalSTRS to divest for nearly a decade. Since a similar bill was introduced in 2022 with the support of [143 unions, coalitions, and organizations](#), Californians have made thousands of calls, written nearly 20,000 letters, and organized dozens of meetings with legislators to advocate for the divestment of California's public pension funds.

An estimated [1,550 institutions](#) representing over \$40 trillion in assets have already committed to fossil fuel divestment, including the University of California (UC) System, California State University System (CSU), California Academy of Sciences, the Episcopal Diocese of California, the State and City of New York, the State of Maine, and the province of Quebec. If passed, California would be the third state to divest from fossil fuels, following Maine and New York.

The Legislature already began the work of divesting from dangerous carbon emitting companies through the passage of SB 185 (De

Leon, Chapter 605, Statutes of 2015), which required CalPERS and CalSTRS to liquidate investments in thermal coal companies. Further, Governor Newsom also issued an Executive Order on Climate Change in 2019 ([EO N-19-19](#)) which called on CalPERS and CalSTRS to “leverage the state's \$700 billion investment portfolio to advance California's climate leadership.”

Several unions whose members' retirement futures are invested by CalPERS and CalSTRS have passed resolutions calling for the divestment of fossil fuels, including the California Faculty Association. The California Faculty Association is co-sponsoring this bill with Fossil Free California.

Today's bill announcement seizes the momentum of the worldwide divestment movement to end the contradictory and incongruous policies that position the state of California as a climate leader while simultaneously investing billions into the fossil fuel companies causing the climate crisis. Specifically, the California Fossil Fuel Divestment Act would prohibit CalPERS and CalSTRS from investing in the top 200 fossil fuel companies, require that they divest any current investments in those companies by 2030, and require the funds to annually report on their divestment progress beginning in 2024.

Today's legislation introduction comes as fossil fuel-funded politicians peddle anti-ESG legislation and false, politically-motivated claims, [costing taxpayers millions](#). In October 2022, the Institute for Energy Economics and Financial Analysis (IEEFA) released its latest report: [“Two economies collide: Competition, conflict, cooperation and the financial case for fossil fuel divestment”](#) as an update to its 2018 report. The report states “the coal, oil and gas sectors have lost their financial rationale,” affirming that the financial case for divestment is stronger than ever.

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## QUOTES

“With this critical bill, California has clarified its leadership stance in divesting from fossil fuels. It is an unacceptable moral failing that California’s public funds go to the fossil fuel industry, which contributes to public health harms that kill hundreds of thousands of people in the U.S. each year and [disproportionately endanger Black, Brown, Indigenous, and poor communities](#). We owe it to our teachers, students, union members, and the cities and communities of California to stop investing in dirty fossil fuel funds that can become stranded assets. It’s time to future-proof our pension funds.”

– Jane Vosburg, CalSTRS retiree and Board Chair, Fossil Free California.

“I think it’s immoral that fossil fuel companies target low-income and BIPOC folks — Black and Indigenous people and communities of color — causing many of our cousins, family members, and neighbors to develop serious health conditions. I also think the same about the fact that CalSTRS keeps many teachers in the dark about how their pension funds are being invested in fossil fuels. These companies are

investing in the destruction of our futures – destroying the futures that me, my peers, and all California students were working towards. I think divestment is a crucial step to working towards saving those futures.”

– Anaya Sayal, Campaign Coordinator for CalSTRS Divestment, Youth v. Apocalypse

“Today, I was proud to stand in solidarity with Senator Scott Wiener, Senator Henry Stern, and activists, students, youth, and workers from across the state to highlight a package of bills to address the climate crisis by raising the bar on corporate climate action. This includes my legislation to end California’s direct financial support of fossil fuel companies, by requiring our public employee pension funds to be divested. Our future is a fossil-fuel-free future, and we will no longer put the hard-earned pensions of Californians at risk by investing in a dying industry, and we will no longer wait for corporations to do the bare minimum to protect our planet—we demand meaningful action now.”

– Senator Lena Gonzalez (D-Long Beach)

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**NOTE TO THE EDITOR:** Spokespeople available for interview. Fossil Free California works to end financial support for climate-damaging fossil fuels and promotes the transition to a socially just and environmentally sustainable society.

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### **Related [2020 Divestment Wins](#)**

Throughout this year, we have continued to fight alongside our allies to push for divestment of the CalPERS and CalSTRS pension funds. 2020 has turned out to be a formational year in setting the stage for greater wins in 2021 and beyond. This year marked a turning point in the... December 22, 2020 In "CalPERS" ← [Promises, Promises: Evaluating CalPERS’ Climate Engagements](#)

 <p><b>FOSSIL FUEL DIVESTMENT BILL INTRODUCED IN CALIFORNIA LEGISLATURE</b></p>	<p><a href="#">Climate Justice Coalition Cheers as Senator Gonzalez Introduces Pension Fossil Fuel Divestment Bill</a> February 17, 2022 In "CalPERS"</p>	 <p>against shareholder climate resolutions</p>	<p><a href="#">California Pensions Fail to Engage: A review of CalPERS' and CalSTRS' votes against shareholder climate resolutions</a> June 8, 2022 In "Reports"</p>
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