Resolution Number:  RF19-389  
October, 2019

Whereas:  
RATIONALE: Global climate change is emerging as a crisis of unprecedented proportion. Continuing to support, even indirectly, companies that facilitate the production and use of fossil fuels, shown conclusively to negatively impact our environment, is morally indefensible. In addition to the moral imperative, CalPERS has a fiduciary responsibility to invest in funds which will add value to the retirement portfolios of those current and former CSU employees and fossil fuel companies can no longer do so. The Academic Senate of San Francisco State University calls on CalPERS to divest from all fossil fuel funds.

Whereas:  
?Global climate change has already had observable effects on the environment. Glaciers have shrunk, ice on rivers and lakes is breaking up earlier, plant and animal ranges have shifted, and trees are flowering sooner. Effects that scientists had predicted in the past would result from global climate change are now occurring: loss of sea ice, accelerated sea-level rise and longer, more intense heat waves?; and,

Whereas:  
The United Nations Paris climate change conference ended with an agreement to work to reduce greenhouse gas emissions to keep global temperature increases ?well below 2 degrees C?. To reach this goal, total carbon emissions must be strictly limited, meaning that existing fossil fuel resources must not be burned or flared; and,

Whereas:  
Due to climate change and the steps that countries around the world are taking to address it, continuing to invest in fossil fuel (coal, gas, and oil, including tar sands) companies represents an increasingly uncertain and risky investment of our California Public Employee Retirement System (CalPERS) retirement funds; and,

Whereas:  
The Institute for Energy Economics and Financial Analysis reports that fossil fuel stocks have underperformed the S & P 500 for a decade and in 2018, ?every other sector outperformed oil and gas?; and,

Whereas:  
The value of fossil fuel stocks is largely based on their known reserves of oil and gas. To effectively address climate change, most of those reserves must remain in the ground, never to be used. At some point, as the world shifts to renewable energy, these investments will be unable to make a profit, and the value of fossil fuel stocks will tumble. These fossil fuel assets are then considered ?stranded assets? for those investing in
them in what is known as the "Carbon Bubble," and it makes fossil fuel stocks risky as a continuing investment; and,

**Whereas:**
State Treasurer and ex officio CalPERS Board Member Fiona Ma correctly stated on September 10, 2019, that, "Where we invest our money reflects our values, and we should be valuing a clean energy future for California." While she has not taken a position on CalPERS divestment, Ma also sits on the CalSTRS board, and on September 10 called on CalSTRS to divest from fossil fuels; and,

**Whereas:**
Divestment in specific segments or business operations by CalPERS is already standard practice and is specifically allowed by the California Constitution; and,

**Whereas:**
The University of California retirement system has announced its intention to divest from fossil fuel companies; and,

**Whereas:**
San Francisco State University’s University Corporation (UCorp) has approved a movement to a Fossil Fuel Free investment portfolio; and,

**Whereas:**
CalPERS is prohibited by law already from investing public employee retirement funds in thermal coal companies (coal used to generate electricity as opposed to producing steel); and,

**Whereas:**
CalPERS has resisted divesting from fossil fuel companies, instead favoring owning fossil fuel stocks and engaging in "shareholder engagement" to change fossil fuel companies. But over two decades of shareholder engagement has completely failed to bring about needed changes, while the fossil fuel industry remains the single most powerful obstacle to addressing climate change; and,

**Whereas:**
CalPERS is the nation’s largest public pension fund and the actions it takes in its investments can make a critical difference. A study from Oxford University about previous divestment movements concerning South African apartheid, tobacco, Darfur and more, found that they had all succeeded in weakening the political power of their target, and had won government action; therefore, be it resolved

**Resolved:**
That the San Francisco State University Academic Senate strongly urges the California
Public Employee Retirement System (CalPERS), of which we are all members, to fully divest from investments in coal, gas, and oil (including tar sands) companies, selling their current investments and refraining from making new investments or renewing existing investments with public employee retirement funds.

Resolved:
This resolution will be distributed to all Board Members and Executive Officers of the California Public Employee Retirement System (CalPERS) and the Academic and University Senates of all California State University campuses and all California community colleges.