

SB 457 (Portantino and Wilk)
Public employee retirement systems: investment portfolios: divestment from Turkey

PROBLEM

Previous legislation attempted to divest California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) from the Government of Turkey due to its ongoing and aggressive denial of the Armenian Genocide. While this bill was approved by Governor Newsom, it does not go far enough.

Continuing to invest in the republic of Turkey sends a dangerous signal and enables the government – through investments in its economy – to continue to deny justice to the victims of the Armenian Genocide. Divestment from Turkish bonds over the government's denial of the Armenian Genocide would impose much needed economic consequences on a regime that continues to engage in policies that constitute crimes against humanity.

BACKGROUND

The State of California has a long history of divesting from countries that violate human rights. In 1986, Governor George Deukmejian condemned South Africa's apartheid policy by signing California's divestiture law, aimed at pressuring the government to end its system of racial segregation. In 2008, Governor Arnold Schwarzenegger

signed a Sudan divestment bill due to the ongoing genocide in Darfur.

In 2019, Governor Newsom signed a divestment bill that attempted to end California's investment in the Government of Turkey. This bill would go into effect once a federal law imposing sanctions on the government of Turkey for its failure to officially acknowledge its responsibility for the Armenian Genocide was passed.

SUMMARY

SB 457 would require the boards of administration of the CalPERS and CalSTRS to provide employers that are school districts and cities that participate in the systems an option to elect an investment portfolio that does not contain investment vehicles that are issued or owned by the government of the Republic of Turkey.

EXISTING LAW

Existing law prescribes specified duties for the boards of administration of the CalPERS and CalSTRS in connection with investment in specified countries and, under certain conditions, limits the authority of the boards to invest in those countries.

SUPPORT

Senator Scott Wilk (R-Santa Clarita)

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Office of Senator Anthony J. Portantino
SB 457– Fact Sheet

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