



NEW YORK STATE SENATOR

Liz Krueger

Senate Committee Votes In Favor Of Fossil Fuel Divestment

LIZ KRUEGER April 11, 2016

| ISSUE: **CLIMATE CHANGE, FOSSIL FUEL DIVESTMENT, GLOBAL WARMING, CIVIL SERVICE AND PENSIONS**

Albany – Today the State Senate Civil Service and Pensions Committee voted in support of the Fossil Fuel Divestment Bill (S.5873), sponsored by Senator Liz Krueger, which would require the state pension fund to divest from coal, oil, and gas producers. The vote was taken as a result of a motion for committee consideration filed by Sen. Krueger, a procedure provided for under the rules of the Senate which allows members of the minority party to require a committee vote on a select number of bills per session. The bill, sponsored in the Assembly by Assistant Speaker Félix W. Ortiz, will now go to the Senate Finance Committee.

"Climate change presents a clear and present danger not only to the people of New York, but also to the security of our pension investments," said Senator Krueger. "By divesting from fossil fuels, New York can take the lead in a global movement that is rejecting the dirty fuels of the past and embracing a clean energy future for ourselves, our children, and our grandchildren. I applaud my colleagues for supporting this morally and financially responsible legislation, and I call on Comptroller DiNapoli to take the bold action that this moment requires by divesting our state pension funds and getting New York out of the fossil fuel business."

"Our children's safety and the future of our environment will be directly affected by our action to reduce climate change," said Assistant Speaker Ortiz. "In 2015, we experienced the warmest year ever recorded. We have a moral and fiduciary responsibility to do everything we can to reduce this warming trend. With one of the world's largest pension funds, New York can make a significant impact by shifting its investments away from companies which profit from fossil fuel holdings."

The Fossil Fuel Divestment Act (S.5873/A.8011-A) would require the State Comptroller to divest the New York State Common Retirement Fund from all holdings in the 200 largest publicly traded fossil fuel companies, as defined by carbon content in the companies' proven oil, gas, and coal reserves (the CU 200). Divestment from coal companies would be completed within one year; divestment from all other fossil fuel companies would be completed by January 1, 2020.

Supporters of the bill argue not only that it is no longer acceptable to profit from the production of climate-destabilizing fossil fuels, but also that the state pension fund is exposed to increasing financial risk by holding onto fossil fuel companies, which stand to lose significant value as the world acts to mitigate climate change. Financial and investment leaders around the world, including the governor of the Bank of England, Mark Carney, the President of the World Bank, Jim Yong Kim, and former Treasury Secretary Henry Paulson, are sounding the alarm on the risk posed by the stranded assets of fossil fuel companies. A recent study by Corporate Knights found that the New York State Common Retirement Fund would have earned an additional \$5.3 billion dollars if it had divested when the global divestment movement was launched in 2012.

Worldwide there are currently 505 institutions that have committed to divest, including universities, faith-based organizations, non-profits, municipalities, philanthropic

organizations, and national and state pension funds, controlling \$3.4 trillion in assets. Last September the California legislature voted to divest from all coal holdings in the California Public Employees' Retirement System and the State Teachers' Retirement System, together the largest public pension system in the country. The Norwegian Sovereign Wealth Fund, the largest in the world, has also divested from coal. A full list of commitments can be [viewed here](#).

In February, Senator Krueger and Assistant Speaker Ortiz hosted a forum on the issue of fossil fuel divestment, with financial and environmental experts speaking, including Bill McKibben, Co-Founder of 350.org and a leader of the global fossil fuel divestment movement. Video and written statements of the forum can be [viewed here](#).

"Divestment is only one piece of the puzzle, but it is a vital step on the path to a fossil-free future," said Senator Krueger. "Today was an important victory, but now the Divestment Act goes to the Senate Finance Committee, where I will no longer be able to force a vote on the bill. So I ask all New Yorkers who support divestment to call your elected representatives and let them know that now is the time for strong leadership - the reality of climate change demands nothing less."

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