

**Assembly Concurrent Resolution**

**No. 4**

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**Introduced by Assembly Member Anderson**

December 2, 2008

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Assembly Concurrent Resolution No. 4—Relative to the investments of the University of California.

LEGISLATIVE COUNSEL'S DIGEST

ACR 4, as introduced, Anderson. University of California: divestment from Iran.

This measure would call upon the University of California to fully implement the California Public Divest from Iran Act which prohibits the investment of public employee retirement funds in foreign companies with business activities in the Islamic Republic of Iran.

Fiscal committee: yes.

1 WHEREAS, Chapter 671 of the Statutes of 2007 (AB 221),  
2 which created the California Public Divest from Iran Act, was  
3 approved by the Senate by a vote of 36 to 0, and by the Assembly  
4 by a vote of 76 to 0, and was signed into law by Governor  
5 Schwarzenegger on October 14, 2007; and  
6 WHEREAS, The California Public Divest from Iran Act  
7 prohibits the Public Employees' Retirement System and the State  
8 Teachers' Retirement System from investing public employee  
9 retirement funds in a company with business operations in Iran  
10 that is invested in or engaged in business operations with entities  
11 in the defense or nuclear sectors of Iran, or a company that is  
12 invested or engaged in business operations with entities involved  
13 in the development of petroleum or natural gas resources of Iran,

1 and that company is subject to sanctions under federal law, as  
2 specified, or the company is engaged in business operations with  
3 an Iranian organization that has been labeled as a terrorist  
4 organization by the United States government; and

5 WHEREAS, The University of California currently invests  
6 retirement funds in publicly traded foreign companies that may be  
7 subject to the Public Employees' Retirement System's and the  
8 State Teachers' Retirement System's implementation of the  
9 California Public Divest from Iran Act and California law regarding  
10 divestment from such companies; and

11 WHEREAS, The University of California should comply with  
12 the spirit and intent of Assembly Bill 221; and

13 WHEREAS, Investments in publicly traded foreign companies  
14 that have business operations in or with foreign states such as Iran  
15 are liable for sanctions under United States law, subject to the  
16 California Public Divest from Iran Act, and risk the pensions of  
17 the dedicated employees of the University of California who are  
18 members of the University of California retirement system, as well  
19 as the university's financial holdings generally; and

20 WHEREAS, Divesting from companies subject to the provisions  
21 of Assembly Bill 221 and with business activities in foreign states,  
22 such as Iran, that sponsor terrorism and excluding them from the  
23 investment portfolios of the University of California will help  
24 protect the financial security of the University of California from  
25 investment losses related to these business activities and may  
26 improve the performance of the university's investment portfolios;  
27 and

28 WHEREAS, In Assembly Bill 221, the Legislature found that  
29 "It is unconscionable for this state to invest in foreign companies  
30 with business activities benefitting foreign states such as Iran, that  
31 commit egregious violations of human rights and sponsor  
32 terrorism"; now, therefore, be it

33 *Resolved by the Assembly of the State of California, the Senate*  
34 *thereof concurring,* That the Legislature hereby calls upon the  
35 University of California to fully implement the provisions of  
36 Assembly Bill 221 as to its retirement system investments.

37 *Resolved,* That the Chief Clerk of the Assembly transmit copies  
38 of this resolution to the author for appropriate distribution.

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