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# California State Senate

SENATOR  
**JEFF STONE, PHARM.D.**  
TWENTY-EIGHTH SENATE DISTRICT



VICE CHAIR  
ENVIRONMENTAL  
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LABOR & INDUSTRIAL  
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VICE CHAIR  
NATURAL RESOURCES  
& WATER  
MEMBER  
BUDGET & FISCAL REVIEW  
PUBLIC SAFETY

September 19, 2017

The Honorable Jerry Brown  
Governor, State of California  
State Capitol, First Floor  
Sacramento, CA 95814

RE: Requested Veto of AB 20 (Kalra)

Dear Governor Brown:

I would like to respectfully request that you veto AB 20 (Kalra) that encourages CalPERS and CalSTRS to divest from investments with companies involved in constructing the Dakota Access Pipeline.

With our two largest public pension funds facing significant challenges, the State of California should not interfere with portfolio managers charged with ensuring maximum returns on investment. As you know, we have an unfunded pension liability well north of \$200 Billion, and efforts to divest from profitable companies put our future retirees at risk.

This bill requires a study costing the state an estimated \$75,000, but the larger question of divestment is the more important one. If we are to ensure a reliable pension fund for our retirees, adding another prohibited investment will only hamper the ability of PERS and STRS to meet their fiduciary responsibilities.

As I am sure you also realize, blackballing companies is not good public policy, and I hope you share my opinion that we should promote economic development and job creation. The study envisioned under AB 20 appears to be focused on publicly shaming companies involved in the construction of the Dakota Access Pipeline. As such, I respectfully request that you veto AB 20.

Sincerely,

A handwritten signature in black ink that reads "Jeff Stone".

Jeff Stone  
State Senator, 28<sup>th</sup> District