May 19, 2021

S.4783-A (Brisport)/A.6331 (Kelles)

Summary: Establishes the teachers’ fossil fuel divestment act; requires the New York state teachers' retirement system to divest the retirement system of any stocks, securities, equities, assets, or other obligations of corporations or companies included on an exclusion list of coal producers and oil and gas producers.

Statement of Support: The Teachers’ Fossil Fuel Divestment Act would require the New York State Teachers Retirement System (NYSTRS), after due consideration of fiduciary responsibility and the prudent investor standard, to divest from its holdings in major coal, oil, and gas producers.

NYSTRS is the second-largest public retirement system in New York and one of the ten largest in the nation. With over $120 billion in assets, the fund has an estimated $4.5 billion in fossil fuel investments including over $425,000,000 in coal. Membership in NYSTRS is mandatory for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York State public schools (excluding New York City). BOCES, charter schools, part time teachers, and some New York State community college teachers are also members.

The risk to all fossil fuel investments will only increase with global actions to curb greenhouse gases, including the implementation of Climate Leadership and Community Protection Act here in New York. This nation-leading law will see a carbon free grid by 2040 and an 85% reduction in overall GHG emissions by 2050. Implementation will require a fully electrified transportation sector, 100% renewable energy procurement, and carbon neutral buildings – all requiring the rapid phase out of fossil fuel use. Each step toward these goals represents a puncture in the carbon bubble — slowly letting the air out of the inflated value of fossil fuels.

In recent years, pension fund divestment has become increasingly common, as many cities and states have recognized the harmful effects of investing in fossil fuels. More than 1,100 institutional investors representing more than $11 trillion in holdings have pursued partial or full divestment from fossil fuel producers, including the New York City Employees Retirement System and the endowment and pension funds of the University of California system.

The Sierra Club also wishes to support the many teachers whose pensions’ source may be negatively impacted by the continued NYSTRS investment in fossil fuels. Moreover, many of these teachers are Sierrans and have expressed concern about their students’ climate future. We call on the New York State Legislature to support The Teachers’ Fossil Fuel Divestment Act as an ethical and financial imperative for the long-term survival of New York’s economy and environment.

The Sierra Club Atlantic Chapter Strongly Urges Your Support of S.4783/A.6331