

September 1, 2010
Initiative 10-0020

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**PROHIBITS STATE RETIREMENT FUNDS FROM INVESTING IN COMPANIES
ENGAGED IN CERTAIN BUSINESS ACTIVITIES IN ISRAEL. INITIATIVE**

STATUTE. Requires the Public Employees' Retirement System and State Teachers' Retirement System to identify investments in companies that do business related to the construction or maintenance of Israeli settlements, including those in the West Bank and East Jerusalem, or that provide military supplies and services to Israel. Requires retirement funds to urge these companies to stop these business activities, and, subject to fund fiduciary responsibilities, to divest from companies still engaged in these activities. Prohibits retirement funds from making new investments in these companies. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Potential increase in state and local government pension contributions, the amount of which would vary from negligible to more significant based on how this measure's divestiture requirements are interpreted and implemented.** (10-0020.)