

MINNESOTA DIVESTMENT COALITION – JULY 2021 BRIEFING TO THE SBI

This monthly update highlights global action on fossil fuel divestment and serves to inspire MN State Board of Investment Members to take urgent action to protect our investments and stop climate change.

Maine passes bill to divest state investments from fossil fuels.

In June 2021, Maine became the first state to pass legislation that bans public investments in fossil fuels. The [bill](#) requires the \$17 billion Maine Public Employee Retirement System (PERS) to divest \$1.3 billion from fossil fuels within five years, and orders the state Treasury to do the same with all state funds.

Provisions of the new law include:

- The state treasurer and the Maine PERS board of trustees are not allowed to invest the assets of any state pension or annuity fund in any stocks or other securities of any fossil fuel industry company.
- Fossil fuel industry companies include any subsidiary, affiliate, or parent of any companies that are among the 200 largest publicly traded fossil fuel companies, as set by carbon in the companies' oil, gas, and coal reserves.
- The bill requires the treasurer and Maine PERS board to divest any stocks or other securities, whether they are owned directly or held through separate accounts or any commingled funds, by Jan. 1, 2026.
- Divestment must be done "in accordance with sound investment criteria and consistent with the board's fiduciary obligations." Exempt from the restrictions are short-term investment funds that commingle commercial paper or futures.
- The state treasurer and the Maine PERS board will have to report on the divestment's progress to the joint standing committee of the legislature that has jurisdiction over appropriations and financial affairs by the first of January in 2023, 2024, and 2025. They are also required to make a final report to the committee by Jan. 1, 2026.

It's time for the SBI to demonstrate the moral leadership Minnesotans expect and divest from fossil fuels.

The writing is on the wall: record breaking temperatures in the Northwest, violent flooding in Germany and Belgium, drought in the West and Minnesota, etc. The effects of carbon emissions are being felt in unprecedented ways. In response to the scorching temperatures in Portland, scientists have said they will need to revise their predictive models because temperature increases have far surpassed what they thought possible.

Please recognize the urgency that this summer's extreme heat represents. We can't wait any longer for our leaders to act. The future of our children depends on our leaders taking timely action. We applaud the SBI's decision to undertake a climate risk assessment, and this should be completed at the earliest time possible so that action can be taken immediately. Like New York and Maine, the SBI should determine clear steps and include specific recommendations to divest from fossil fuels by 2025.