

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 ISRAEL.

INITIATIVE STATUTE. Prohibits the Public Employees' Retirement System and State Teachers' Retirement System from investing in companies doing business in Israel. Requires these funds to sell existing investments in companies that continue to do business in Israel. Requires divestment to comply with fiduciary responsibilities. Requires annual reports to the Legislature on divestment from Israel. Excludes investments in companies engaged in humanitarian, health, education, journalistic, religious, or welfare activities or authorized by the federal government to operate in Israel. Lifts prohibition if certain conditions are met. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Assuming that provisions of the State Constitution or other factors result in pension systems divesting only a limited portion of their Israeli-related investments, there probably would be little or no change in state and local government pension contributions.** (10-0004.)