HLS 23RS-921 ORIGINAL

2023 Regular Session

1

HOUSE CONCURRENT RESOLUTION NO. 110

BY REPRESENTATIVE MIGUEZ

RETIREMENT SYSTEMS: Requests the state public retirement systems to avoid Environmental, Social, and Governance investing

A CONCURRENT RESOLUTION

2	To urge and request state and statewide retirement system boards of trustees to uphold their
3	fiduciary duty when making financial decisions and to not allow environmental,
4	social, and governance policies to influence their investment decisions.
5	WHEREAS, states should ensure that state and statewide retirement system funds
6	are invested solely to achieve a return for state employees, teachers, first responders, and law
7	enforcement officers rather than to achieve political or social objectives; and
8	WHEREAS, the boards of trustees of Louisiana's retirement systems have a fiduciary
9	duty to the retirees they represent in making prudent investments with money managers who
10	do not have environmental, social, and governance agendas; and
11	WHEREAS, state law requires each fiduciary of a retirement system and each board
12	of trustees acting collectively on behalf of each system to act with the care, skill, prudence,
13	and diligence under the circumstances prevailing that a prudent institutional investor acting
14	in a like capacity and familiar with such matters would use in the conduct of an enterprise
15	of a like character and with like aims; and
16	WHEREAS, fiduciaries fail to meet this obligation when they take actions or
17	consider factors with a purpose of furthering social, political, or ideological interests,
18	including but not limited to the following purposes:
19	(1) Eliminating, reducing, offsetting, or disclosing greenhouse gas emissions.

1	(2) Instituting or assessing corporate board or employment composition,
2	compensation, or disclosure criteria that incorporate characteristics protected by civil rights
3	laws.
4	(3) Divesting from or limiting investment in any company for failing to meet or not
5	committing to meet environmental standards or disclosures.
6	(4) Divesting from or limiting investment in any company that engages in,
7	facilitates, or supports the manufacture, import, distribution, marketing, or sale of fossil fuels
8	or firearms.
9	WHEREAS, all funds held directly or indirectly by or on behalf of a state or
10	statewide retirement system should be invested in the financial interest of retirees and
11	beneficiaries; and
12	WHEREAS, the United States Department of Labor has made it clear that fiduciaries
13	who are responsible for investing retirement monies should only consider financial factors
14	when evaluating funds for investment potential and that "fiduciaries may not sacrifice
15	investment returns or assume greater investment risks as a means of promoting collateral
16	social policy goals"; and
17	WHEREAS, Louisiana state and statewide retirement systems have a significant
18	fiduciary responsibility when investing retirement funds for law enforcement officers, first
19	responders, teachers, and the public employees of the state.
20	THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
21	urge and request state and statewide retirement system boards of trustees to uphold their
22	fiduciary duty when making financial decisions and to not allow environmental, social, and
23	governance policies to influence their investment decisions.
24	BE IT FURTHER RESOLVED that a copy of this resolution be sent to the directors
25	of each of the state and statewide retirement systems.

## **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HCR 110 Original

2023 Regular Session

Miguez

Requests state and statewide retirement system boards of trustees to uphold their fiduciary duty when making financial decisions and to not allow environmental, social, and governance policies to influence their investment decisions.