



**DEBRA BOWEN | SECRETARY OF STATE
STATE OF CALIFORNIA | ELECTIONS**

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September 1, 2010

County Clerk/Registrar of Voters (CC/ROV) Memorandum #10277

TO: All County Clerks/Registrars of Voters and Proponent

FROM:


Rhonda Pascual
Ballot Pamphlet Program Manager

RE: Initiative: 1473, Related to State Retirement Investments

Pursuant to Elections Code section 336, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed initiative measure entitled:

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

The proponent of the above-named measure is:

Chris Yatooma
idccalifornia@yahoo.com

#1473

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

CIRCULATING AND FILING SCHEDULE

1. Minimum number of signatures required: 433,971
California Constitution, Article II, Section 8(b)
2. Official Summary Date: Wednesday, 09/01/10
3. Petitions Sections:
 - a. First day Proponent can circulate Sections for
signatures (Elec. Code § 336)..... Wednesday, 09/01/10
 - b. Last day Proponent can circulate and file with the county.
All sections are to be filed at the same time within each
county. (Elec. Codes §§ 336, 9030(a))..... Monday, 01/31/11*
 - c. Last day for county to determine total number of
signatures affixed to petitions and to transmit total
to the Secretary of State (Elec. Code § 9030(b))..... Thursday, 02/10/11

(If the Proponent files the petition with the county on a date prior to
01/31/11, the county has eight working days from the filing of the petition
to determine the total number of signatures affixed to the petition and to
transmit the total to the Secretary of State) (Elec. Code § 9030(b)).
 - d. Secretary of State determines whether the total number
of signatures filed with all county clerks/registrars of
voters meets the minimum number of required signatures
and notifies the counties..... Saturday, 02/19/11**
 - e. Last day for county to determine total number of qualified
voters who signed the petition, and to transmit certificate
with a blank copy of the petition to the Secretary of State
(Elec. Code § 9030(d)(e))..... Monday, 04/05/11

* Date adjusted for official deadline, which falls on a weekend/holiday (Elec. Code § 15).

** Date varies based on the date of county receipt.

INITIATIVE #1473

Circulating and Filing Schedule continued:

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 02/19/11, the last day is no later than the thirtieth working day after the county's receipt of notification). (Elec. Code § 9030(d)(e)).

- f. If the signature count is more than 477,369 or less than 412,273 then the Secretary of State certifies the petition as qualified or failed, and notifies the counties. If the signature count is between 412,273 and 477,369 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of **all** signatures (EC §9030(f)(g); 9031(a))Friday, 04/15/11*

- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State. (Elec. Code § 9031(b)(c))..... Friday, 05/27/11

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 04/15/11, the last day is no later than the thirtieth working day after the county's receipt of notification.) (Elec. Code § 9031(b)(c).)

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient (Elec. Code §§ 9031(d), 9033) Tuesday, 05/31/11*

*Date varies based on the date of county receipt.

IMPORTANT POINTS

- California law prohibits the use of signatures, names and addresses gathered on initiative petitions for any purpose other than to qualify the initiative measure for the ballot. This means that the petitions cannot be used to create or add to mailing lists or similar lists for any purpose, including fundraising or requests for support. Any such misuses constitutes a crime under California law. Elections Code section 18650; *Bilofsky v. Deukmejian* (1981) 124 Cal.App.3d 825, 177 Cal.Rptr. 621; 63 Ops.Cal.Atty.Gen. 37 (1980).
- Please refer to Elections Code sections 100, 101, 104, 9001, 9008, 9009, 9021, and 9022 for appropriate format and type consideration in printing, typing and otherwise preparing your initiative petition for circulation and signatures. Please send a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file.
- Your attention is directed to the campaign disclosure requirements of the **Political Reform Act of 1974**, Government Code section 81000 et seq.
- When writing or calling state or county elections officials, provide the official title of the initiative which was prepared by the Attorney General. Use of this title will assist elections officials in referencing the proper file.
- When a petition is presented to the county elections official for filing by someone other than the proponent, the required authorization shall include the name or names of the persons filing the petition.
- When filing the petition with the county elections official, please provide a blank petition for elections official use.

EDMUND G. BROWN JR.
Attorney General

State of California
DEPARTMENT OF JUSTICE



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September 1, 2010

Honorable Debra Bowen
Secretary of State of the State of California
State of California Elections
1500 11th Street, 5th Floor
Sacramento, CA 95814

Attention: Ms. Katherine Montgomery
Associate Elections Analyst

Dear Secretary Bowen:

Pursuant to Elections Code, section 9004, you are hereby notified that on this day we sent our title and summary for the following proposed initiative to the proponent:

- 10-0020, "Divestment of State Retirement Funds from Israel Act"

A copy of that title and summary and text of the proposed initiative is enclosed. Please contact me should you have any questions. Thank you.

Sincerely,

KRYSTAL M. PARIS
Initiative Coordinator

For EDMUND G. BROWN JR.
Attorney General

Proponent:
Chris Yatooma
idccalifornia@yahoo.com
Israeldivestmentcampaign.org

FILED
In the office of the Secretary of State
of the State of California

SEP 01 2010

Debra Bowen, Secretary of State
By Deputy Secretary of State

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.)

Israel Divestment Campaign – IDC

Californians Committed to Peace for Palestinians and Israelis

July 9, 2010

Dear Attorney General's Office:

This letter is a formal request for you to title and summarize the attached ballot Initiative language. I can be reached at the email address listed below should you have any questions.

Sincerely,

Chris Yatoma
Sacramento California
Israeldivestmentcampaign.org
idccalifornia@yahoo.com

10-0020

RECEIVED

JUL 12 2010

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

The proposed statutory language reads as follows:

Section 1: This act shall be known and may be cited as the Divestment of State Retirement Funds from Israel Act.

Section 2: The people of California find and declare the following compelling rationale for the divestment of public retirement funds from certain corporations doing business with the government of Israel:

- (a) The United Nations Human Rights Council as well as independent human rights organizations such as Amnesty International, Human Rights Watch, B'Tselem (Israel Information Center for Human Rights in the Occupied Territories), BADIL Resource Center for Palestinian Residency and Refugee Rights, and the Israeli Committee Against House Demolition have all documented serious and widespread violations by Israel of international law and the human rights of Palestinian civilians in the West Bank and Gaza.
- (b) Leading human rights advocates, such as Nelson Mandela, Archbishop Desmond Tutu and former President Jimmy Carter have condemned the apartheid policies of Israel as well as the human rights abuses to which Palestinians are subjected under Israeli occupation.
- (c) The government of Israel continues the expansion of illegal settlements in the occupied West Bank (including East Jerusalem) in direct violation of Article 49, paragraph 6 of the 4th Geneva Convention which declares "an occupying power shall not deport or transfer parts of its own civilian population into territories it occupies."
- (d) The Israeli government continues to violate the multiple United Nations Security Council Resolutions demanding the end to illegal occupation (242, 338 and 446) and General Assembly Resolution 194 (the right of refugees to return and be compensated) as well as the 2004 Advisory Opinion of the International Court of Justice regarding the Separation Barrier.
- (e) The Israeli government continues to cause physical and social injury to the Palestinian population, including, but not limited to, the eviction of residents and the destruction of their homes; the destruction of crops and confiscation of their lands; and the withholding of vital material assistance, including food, water, and medical supplies.
- (f) The California Public Employees Retirement System (CalPERS) Corporate Responsibility Policy, Section 5.1 Human Rights Violations, provides that "Corporations adopt maximum progressive practices toward the elimination of human rights violations in all countries or environments in which the company operates."
- (g) The California State Teachers Retirement System (CalSTRS) Statement of Responsibility provides that "non-economic factors will supplement profit factors in making investment decisions" in order to ensure that the retirement fund does not promote, condone or facilitate social injury either by its action or inaction;
- (h) CalSTRS and CalPERS have been required to divest from companies doing business in or with other countries, including South Africa, Sudan and Iran.¹
- (i) CalSTRS and CalPERS might presently hold investments in companies that provide supplies, equipment and services to the State of Israel that are used by the military and/or

¹ AB 134, 1986 (South Africa); AB2941, 2007 (Sudan); AB221, 2007 (Iran)

police in actions that cause physical and social injury to the Palestinian people and that are a violation of rights described in (a).

- (j) The Teachers Retirement Board of CalSTRS and Board of Directors of CalPERS are committed to fulfilling their fiduciary responsibilities in the management of their investment program "to provide members and beneficiaries with benefits as required by law."²
- (k) Israel's continued refusal to abide by international law, UN Resolutions and the Advisory Opinion of the International Court of Justice on the Separation Barrier has resulted in a growing international movement to boycott and divest from domestic and foreign companies doing business in the State of Israel or in the territories it occupies and/or controls, which could materially harm the interests of those vested in the CalSTRS and CalPERS retirement systems.
- (l) Public retirement systems in California (CalPERS and CalSTRS) currently invest on behalf of the citizens of the State in publicly traded domestic and foreign companies that may therefore be at risk due to certain business ties with the State of Israel.³
- (m) CalSTRS has already established a clear procedure to deal with companies whose business practices are in violation of CalSTRS policies in its "Board Investment Policy Regarding Geopolitical and Social Risks." This procedure requires constructive engagement, and alternative investment only when such constructive engagement does not result in sufficient remedies.⁴
- (n) The intent of this initiative is to prevent CalPERS and CalSTRS investment funds from being used to support human rights violations by the State of Israel. It is intended that the need for this initiative would cease to exist if all of the following six developments occurred, as verified by the agencies named. Israel:

(1) Removes its citizens from West Bank settlements (including East Jerusalem) in full compliance with Article 49, paragraph 6 of the 4th Geneva Convention;

(2) Ends its occupation and/or control of the West Bank, Gaza and East Jerusalem in accordance with United Nations Resolutions 242, 338, and 446;

(3) Dismantles the Separation Barrier as constructed on Occupied Palestinian Territory in compliance with the Advisory Opinion on International Law by the International Court of Justice, and as accepted by the United Nations General Assembly;

(4) Ends the blockade of Gaza that violates the prohibition on collective punishment in Article 33 of the 4th Geneva Convention;

² (CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, TOTAL FUND STATEMENT OF INVESTMENT POLICY December 14, 2009, Section II, Strategic Objective).

³ In its "Sudan Related Investments - Second Legislative Report" Cal PERS declared that "In the context of Sudan, it is clear that any company furthering or condoning human rights violations incurs myriad risks, including but not limited to: federal and international sanctions, NGO campaigns and boycotts, and reputational damage which can ultimately damage the company's performance." (California Public Employees' Retirement System Sudan Related Investments - Second Legislative Report December 31, 2009)

⁴ "First, CalSTRS will actively engage, in a constructive manner, corporate management whose actions are inconsistent with this Policy. All forms of engagement will be utilized (letter writing, meetings, participation in advocacy groups, media campaigns, proxy voting etc.) Second, after all reasonable efforts have been made to constructively engage management and there is a clear nexus between the corporate behavior and the CalSTRS Policy violation, and in the CIO's opinion, the corporate remedies are insufficient or non-responsive, CalSTRS will inform its active investment managers that, to the extent that suitable alternative investments are available and that their inclusion in the Portfolio would result in no diminution in portfolio return or increase in risk, the managers shall invest in said alternative(s) until such time as the violations of this policy cease."

(5) Accords Palestinian refugees their rights in accordance with United Nations Resolution 194;

(6) Honors the right of self-determination and respects the human rights of the Palestinian people as embodied in Articles 1 and 2 of the United Nations International Covenant on Civil and Political Rights (1966) to which Israel is a signatory.

Section 3: Therefore, based on the rationale described in Section 2 of this Act, and to support that declaration and findings, the following section is added to Government Code 7513.80

Section 7513.80

(a) The CalPERS Board of Administration and the CalSTRS Teachers Retirement Board shall examine their respective investment funds within six months of passage of this initiative. Upon completion of this six month period, they shall publicly identify and list any investments in companies that provide products or services that contribute to the construction or maintenance of Israeli settlements and/or the Separation Wall in the Palestinian Territories or provide military supplies, equipment and services to the State of Israel. CalPERS and CalSTRS may use information provided by the United Nations and Non-Governmental Organizations such as Amnesty International, Human Rights Watch, B'Tselem, and other similar human rights organizations to help identify companies that provide military supplies, equipment and services to the State of Israel that are used by the military and/or police in violation of internationally recognized human rights.

(b) If it is found that CalPERS and/or CalSTRS funds are currently invested in such companies as described in paragraph (a), then the CalPERS Board of Administration and/or the CalSTRS Teacher Retirement Board shall notify these companies immediately and urge them to stop supplying their goods and services to Israel.

(c) If these companies do not take the actions called for in paragraph (b) within six months of receiving notification from CalPERS and/or CalSTRS, then CalPERS and/or CalSTRS shall divest from these companies within the constraints of their fiduciary responsibility.

(d) CalPERS and CalSTRS shall not make any new investments in companies that meet the criteria described in paragraph (a).

(e) As used in this section, "Company" means a sole proprietorship, organization, association, corporation, partnership, venture, or other entity, its subsidiary or affiliate that exists for profit making purposes or to otherwise secure economic advantage.