

2023 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 110

BY REPRESENTATIVES MIGUEZ AND GAROFALO

A CONCURRENT RESOLUTION

To urge and request 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.

WHEREAS, states should ensure that state and statewide retirement system funds are invested solely to achieve a return for state employees, teachers, first responders, and law enforcement officers rather than to achieve political or social objectives; and

WHEREAS, the boards of trustees of Louisiana's retirement systems have a fiduciary duty to the retirees they represent in making prudent investments with money managers who do not have environmental, social, and governance agendas; and

WHEREAS, state law requires each fiduciary of a retirement system and each board of trustees acting collectively on behalf of each system to act with the care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and

WHEREAS, fiduciaries fail to meet this obligation when they take actions or consider factors with a purpose of furthering social, political, or ideological interests, including but not limited to the following purposes:

- (1) Eliminating, reducing, offsetting, or disclosing greenhouse gas emissions.
- (2) Instituting or assessing corporate board or employment composition, compensation, or disclosure criteria that incorporate characteristics protected by civil rights laws.
- (3) Divesting from or limiting investment in any company for failing to meet or not committing to meet environmental standards or disclosures.

(4) Divesting from or limiting investment in any company that engages in, facilitates, or supports the manufacture, import, distribution, marketing, or sale of fossil fuels or firearms.

WHEREAS, all funds held directly or indirectly by or on behalf of a state or statewide retirement system should be invested in the financial interest of retirees and beneficiaries; and

WHEREAS, the United States Department of Labor has made it clear that fiduciaries who are responsible for investing retirement monies should only consider financial factors when evaluating funds for investment potential and that "fiduciaries may not sacrifice investment returns or assume greater investment risks as a means of promoting collateral social policy goals"; and

WHEREAS, Louisiana state and statewide retirement systems have a significant fiduciary responsibility when investing retirement funds for law enforcement officers, first responders, teachers, and the public employees of the state.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request 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.

BE IT FURTHER RESOLVED that a copy of this Resolution be sent to the directors of each of the state and statewide retirement systems.

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES

---

PRESIDENT OF THE SENATE