

**Senate Bill No. 105**

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Passed the Senate August 25, 1999

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*Secretary of the Senate*

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Passed the Assembly August 19, 1999

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 1999, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*



## CHAPTER \_\_\_\_\_

An act to add Section 7513.5 to the Government Code, relating to state retirement systems.

## LEGISLATIVE COUNSEL'S DIGEST

SB 105, Burton. State retirement systems: Northern Ireland.

The California Constitution provides that the Legislature may by statute prohibit retirement board investments where it is in the public interest to do so and providing that the prohibition satisfies specified fiduciary standards.

This bill would require the Teachers' Retirement Board and the Board of Administration of the Public Employees' Retirement System, respectively, to annually investigate and report to the Legislature on the extent to which United States and international corporations operating in Northern Ireland, in which their system assets are invested, adhere, in compliance with the law applicable in Northern Ireland, to the principles of nondiscrimination in employment and freedom of workplace opportunity.

This bill would require those retirement boards to compile a list of domestic and international corporations that do business in Northern Ireland, and in whose stocks or obligations it has invested, and determine whether each corporation on the list has, during the preceding year, taken substantial action, in compliance with the law applicable in Northern Ireland, designed to lead toward the achievement of specified goals.

This bill would also require those retirement boards, whenever feasible and consistent with their fiduciary responsibility, to support shareholder resolutions designed to encourage domestic and international corporations in which it has invested to pursue, in compliance with the law applicable in Northern Ireland, a policy of affirmative action in Northern Ireland.



*The people of the State of California do enact as follows:*

SECTION 1. (a) The Legislature of the State of California is concerned about allegations of religious and ethnic discrimination against minority workers in many firms conducting business in Northern Ireland.

(b) The Legislature further finds that the State Teachers' Retirement System and the Public Employees' Retirement System have investments in domestic and international firms presently conducting business in Northern Ireland.

(c) The Teachers' Retirement Board and the Board of Administration of the Public Employees' Retirement System are encouraged to make future retirement system investments in United States and international firms conducting business in Northern Ireland pursuant to the fiduciary standards prescribed by Section 17 of Article XVI of the California Constitution and related statutes and the MacBride Principles of fair employment.

SEC. 2. Section 7513.5 is added to the Government Code, to read:

7513.5. (a) On or before the first day of March of each year, the Teachers' Retirement Board and the Board of Administration of the Public Employees' Retirement System, respectively, shall investigate and report to the Legislature on the extent to which United States and international corporations operating in Northern Ireland, in which the assets of the State Teachers' Retirement System and the Public Employees' Retirement System are invested, adhere, in compliance with the law applicable in Northern Ireland, to the principles of nondiscrimination in employment and freedom of workplace opportunity.

(b) The Teachers' Retirement Board and the Board of Administration of the Public Employees' Retirement System, respectively, shall compile a list of domestic and international corporations that, directly or through a subsidiary, do business in Northern Ireland, and in whose stocks or obligations it has invested, and determine whether each corporation on the list has, during the



preceding year, taken substantial action, in compliance with the law applicable in Northern Ireland, designed to lead toward the achievement of the following goals:

(1) Increased representation of individuals from underrepresented religious groups in the work force, including managerial, supervisory, administrative, clerical, and technical jobs.

(2) Adequate security for the protection of minority employees both at the workplace and while traveling to and from work.

(3) Banning of provocative religious or political emblems from the workplace.

(4) Public advertisement of all job openings and the use of special recruitment efforts to attract applicants from underrepresented religious groups.

(5) Establishment of layoff, recall, and termination procedures which do not, in practice, favor particular religious groupings.

(6) Abolition of job reservations, apprenticeship restrictions, and differential employment criteria, which discriminate on the basis of religion or ethnic origin.

(7) The development of training programs that will prepare substantial numbers of current minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees.

(8) The establishment of procedures to assess, identify, and actively recruit minority employees with potential for further advancement.

(9) The appointment of senior management staff members to oversee affirmative action efforts and the setting up of timetables to carry out affirmative action principles.

(c) Whenever feasible and consistent with their fiduciary responsibility, the Teachers' Retirement Board and the Board of Administration of the Public Employees' Retirement System, respectively, shall support shareholder resolutions designed to encourage domestic and international corporations in which the Teachers'



Retirement Board and the Board of Administration of the Public Employees' Retirement System, respectively, has invested to pursue, in compliance with the law applicable in Northern Ireland, a policy of affirmative action in Northern Ireland in accordance with the goals listed in subdivision (b).



Approved \_\_\_\_\_, 1999

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*Governor*

