

Santa Rosa Junior College
1501 Mendocino Avenue
Santa Rosa, CA 95401

November 1, 2020

Dear CalSTRS Trustees,

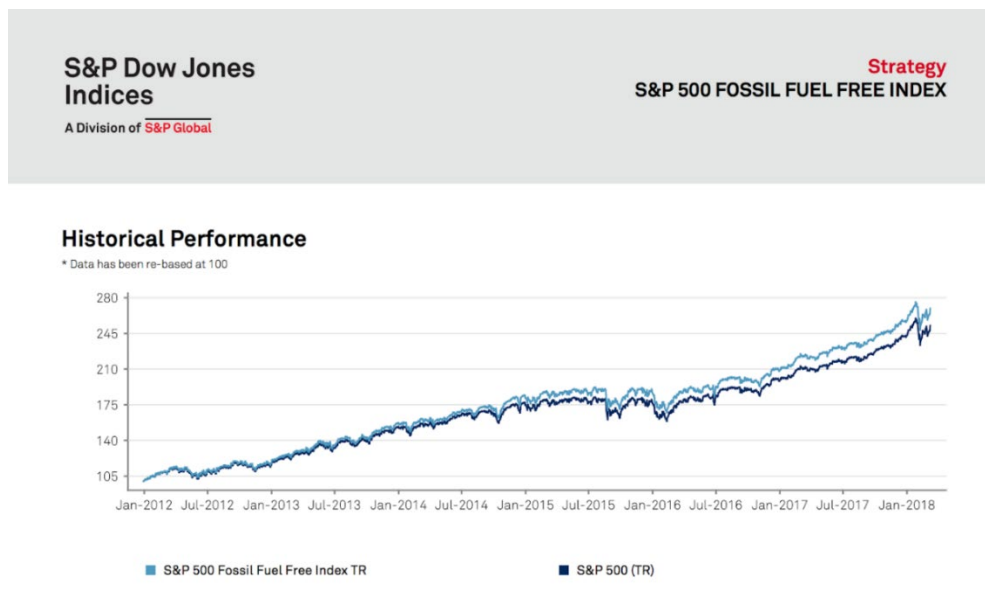
We, the Sustainability Committee of Santa Rosa Junior College, are writing to ask that STRS divest from the fossil fuel industry.

Climate change is here to stay, and with it, the world can expect to witness more frequent and severe hurricanes, sea-level rise, ocean acidification, droughts, fire-storms, extinction of species and an increase in the spread of diseases. We action now will prevent a worsening situation.

Fortunately, there is a powerful tool that CalSTRS could use to aid the transition to a low-carbon economy: divestment. CalSTRS can re-allocate fossil fuel assets and send a strong signal to the market that supporting continued fossil fuel use is unacceptable.

According to Nelson Mandela, it was the University of California's \$1.7 billion divestment in the 1980's that helped end the white-minority rule in South Africa. Today, over [800 institutions](#) with over \$6 Trillion in assets have already committed to divesting from fossil fuels. Please join these institutions and commit to divesting.

Many people mistakenly believe that divesting from fossil fuels will hurt our pension. This is not the case. The Morningstar Ratings service has determined that for the last five years, ExxonMobil investments have underperformed the S&P 500. In contrast, the S&P Fossil Free Index along with the fossil-free version of the Financial Times Stock Exchange Index have out-performed traditional portfolios for the last six years. (Fig. 1).



As well, the future of the fossil fuel industry looks bleak since the world is rapidly transitioning away from fossil fuels to a clean-tech, low-carbon economy. This transition has been spurred on by the Paris Climate Accord, the competitive cost of renewable energy, and advances in clean technology. The cheaper cost of renewable energy has prompted major corporations, banks and cities to commit to being powered by 100% renewable energy. Advances in clean technology are electrifying our transportation system and allowing small off-the-grid communities in developing countries to bypass fossil fuels altogether as they are powered by solar energy. As State Controller Betty Yee declared at a recent rally, "The fossil fuel era is ending!"

Lawsuits from an increasing number of cities and counties pose a further threat to the profitability of the fossil fuel industry. These suits against Big Oil could cost the industry billions, for claims arising from damages caused by climate related disasters; for hiding the results of their research that showed decades ago how the burning of carbon would cause global warming and consequently climate change; and for simultaneously funding a campaign that cast doubt on the existence of climate change.

Finally, large financial institutions including Standard and Poor's have warned investors that fossil fuel investments risk becoming stranded assets. If the world abides by the Paris Climate Accord, 80% of current fossil fuel reserves will have to stay in the ground, causing the value of the industry to plunge and with it CalSTRS investments in fossil fuels.

Please make a break from the fossil fuel industry and create a leadership path for other public financial institutions to follow. Thank you.

Sincerely,

Sara Jones, Co-Chair

David Liebman, Co-chair