

**Divest NY**  
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**NYSTRS Faces Complaint over Fossil Fuel Investments, Climate Risk Exposure**

*Fund's fossil fuel investments aren't just immoral, but illegal, assert pension members and civic organizations*

NEW YORK — The New York State Teachers' Retirement System (NYSTRS) is facing a challenge over its failure to address the climate risk facing its investment portfolio. The complaint, which was filed Monday by a coalition of pension members and civic society organizations with assistance from major climate law organizations, asserts that by refusing to divest from fossil fuels and prepare for climate-induced financial disruption, the NYSTRS board is violating its legal obligations to the fund, to its beneficiaries, and to the people of New York.

The complaint was submitted to the New York Department of Financial Services (DFS), the state regulator which oversees pensions like NYSTRS. The system, which serves nearly 434,000 public school teachers and administrators, is one of the nation's largest pension funds. It is also facing disproportionate climate risk — with over \$6.5 billion in oil, gas, coal, and associated industries, the complaint notes, it has one of the [heaviest fossil fuel exposures](#) among its peers.

“We retired teachers spent our careers preparing our students for the best future; the part of our pension that comes from fossil fuel investment is hurting the very future we worked so hard to make better for the kids,” said **Mary Finneran**, a NYSTRS member.

Under the laws and regulations governing the system, NYSTRS' board is required to ensure the stability of members' pensions, to invest with a long-term vision, and to ensure that certain investments don't harm the economic interests of New York State. Such duties, the complaint argues, are hard to square with investment in fossil fuels and other highly climate-vulnerable assets. The complaint also identifies how NYSTRS lacks credible plans and structures for even evaluating or identifying climate risk more broadly, putting New Yorkers in jeopardy as a result.

“For public pension funds like NYSTRS, continued investment in fossil fuels doesn't just fly in the face of climate science and public policy. It's at odds with the fund's long-term financial health and its legal duties to protect the interests of all its beneficiaries, present and future,” said **Steven Feit**, Senior Attorney at the Center for International Environmental Law's Climate & Energy Program. “As a leader in confronting climate risks to the financial system, New York State has a critical role to play in bringing laggards like NYSTRS along. It can start by ensuring pension fiduciaries meet their obligations to avoid the unmanageable risk posed by fossil fuel assets.”

The arguments are matched by a growing consensus in the financial world. In March, for example, [reports](#) released from BlackRock, the world's largest investment house, revealed that funds which divest often perform better than funds which don't. And in November, DFS issued [official guidance](#) to a number of NY-based financial actors noting that consideration of climate risk is no longer optional. Recognizing this reality, several of New York's largest investors, including three of New York City's public pension funds and the New York Common Retirement Fund, have committed to divestment from fossil fuels. The NYSTRS board, however, has repeatedly refused to follow a similar path, despite years of calls from teachers, students, climate experts, and more.

"DivestNY have successfully convinced both the NYC and NYS public pensions to divest from fossil fuels. It is morally wrong to seek to profit from the fossil fuel companies that pose the greatest threat to humanity. Fossil fuels are also a bad investment as the world's governments have agreed to move away from burning fossil fuels. Teachers with their special role in educating young people should be in the lead in taking a stance against climate change. It is time for NYSTRS to divest," said **Mark Dunlea**, an organizer with DivestNY whose school-teaching father received a pension through NYSTRS.

"We are long past the days when fossil fuels were considered good investments," said **Alex Marquardt**, Staff Attorney at Climate Defense Project. "Poor financial performance, along with myriad social and environmental harms disproportionately impacting underserved communities, make fossil fuel investments uniquely bad choices for public pension funds, with their obligation to ensure long-term value and serve the needs of diverse beneficiaries equally."

"As the climate crisis continues to ravage the world, jeopardizing our generation's future as well as that of generations to come and as fossil fuels continue to lose value on the market, NYSTRS owes it to their pensioners and the young students that have been taught by those pensioners to be financially responsible and to play their part in protecting life on Earth by divesting from all of their fossil fuel holdings" said **Matt Oill**, member of the New York Youth Climate Leader's Policy Team.

Attorneys from the [Center for International Environmental Law](#) and [Climate Defense Project](#) assisted state-wide climate coalition DivestNY, which coordinated the effort. In March of 2021, Climate Defense Project worked with student group Fossil Fuel Divest Harvard to file a [similar complaint](#) about Harvard University's endowment holdings. Thanks in large part to the legal pressure, Harvard [committed](#) to fossil fuel divestment a few months later.

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