

## California Pension May Question Political Spending

By James Nash - Sep 8, 2011

The California State Teachers' Retirement System, the second-largest U.S. pension, may use its investment clout to push corporations to disclose their political donations, under a [policy](#) adopted by the fund's investment committee.

The U.S. Supreme Court, citing free-speech protections, ruled last year that companies and unions could spend their own money on elections, not just contributions from employees and political-action committees.

Calstrs has \$147 billion in assets, of which about 52 percent is in global stocks, Chief Investment Officer Christopher Ailman said. The California Public Employees' Retirement System, the largest U.S. pension with \$227 billion in assets, is developing language for a similar policy, Wayne Davis, a Calpers spokesman, said in an e-mail.

"Hopefully other pension systems will follow our lead in adopting this policy," Harry Keiley, a member of the Calstrs board, said at the investment panel's meeting.

Companies that don't cooperate with Calstrs may face a shareholder initiative under the proposal, which goes to the fund's corporate governance committee for final approval.

The Calstrs policy would declare that corporate boards are responsible for political spending by their companies and that contributions should be "in the best interest of shareholders."

Twenty-three percent of social and environmental shareholder proposals this year deal with political spending, according to San Francisco-based As You Sow, which tracks shareholder activism. That is second only to proposals related to the environment, the organization said in a [report](#).

The high court's decision "boosted already substantial investor and public interest in more oversight and disclosure of corporate political spending," the report said.

In June, California Treasurer Bill Lockyer called on Calstrs and Calpers to push for more corporate disclosure of political spending.

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