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NEW YORK  
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SENATE



PATRICIA A. FAHY  
SENATOR, 46<sup>TH</sup> DISTRICT

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March 11, 2025

Honorable Thomas P. DiNapoli  
New York State Comptroller  
110 State Street  
Albany, NY 12236

Dear Comptroller DiNapoli:

While recognizing your sole fiduciary responsibility to the New York State pension fund, we write to convey our concerns regarding growing and deeply troubling governance and profitability issues with the fund's investiture in Tesla, Inc. New York State's pension fund is widely regarded as one of the country's best-run and most-effectively managed. We commend and appreciate your continued stewardship and dedication to steering the fund in the best direction for retirees and New York State residents. Despite this, the New York State pension fund's continued investment in Tesla poses an increasingly perilous and financially unsustainable risk.

Given our understanding that Tesla, Inc. constitutes the [seventh largest share of our state pension fund's holdings](#), the performance and governance of this investment may now pose a risk to the financial health of the overall pension fund, especially while Elon Musk remains the CEO. Musk's actions leading President Donald Trump's Department of Government Efficiency (DOGE) have led to a deterioration of the company's reputation among its most loyal customers. [CNBC reports that Tesla shares plunged more than 28%](#) in February of this year, their worst month since a 37% drop in December 2022.

Further, according to a [New York Times report](#), Tesla sales decreased in Germany by 76% in February 2025 compared with a year earlier. Tesla sales have also [decreased](#) in France, Denmark, Sweden, and Norway. Finally, here in the U.S., [various reports](#) show a significant decrease in sales this year, coming after annual sales [dropped](#) in 2024 for the first time since 2011.

For context, Tesla posted a \$2.31 billion profit in the fourth quarter of 2024, marking a 71% drop from the \$7.93 billion it earned during the same period in 2023. Tesla's vehicle profit margin also fell to 13.6% in Q4, missing analysts' expectations and highlighting rising cost pressures. Tesla, at a stock price of \$290.80 per share, is approximately 2 percent of the

total value of the S&P 500. If it were to decline to the price target of \$135 [that some analysts have projected](#), the resulting loss would be 1.2 percent of asset owners' total S&P 500 indexed portfolio.

These figures point to more than just a temporary slump—they signal a broader trend of weakening pricing power and increasing vulnerability to market fluctuations and growing competition. Further exacerbating Tesla's challenges, sales in California—one of its most critical EV markets—dropped 8% in the fourth quarter, while Model 3 registrations plunged by more than a third, underscoring shifting consumer demand and competitive pressures.

We applaud the [pension fund's shareholder proposals](#) and your repeated corporate governance efforts aimed at influencing Tesla's corporate practices. Your office has continued to urge Tesla to remain neutral in labor organizing efforts, publicly report workplace discrimination and harassment, disclose corporate political spending, and enact stronger protections for LGBTQ+ employees. Despite that effort, Tesla remains one of the most [anti-union companies in the U.S.](#) while publicly and regularly opposing internal collective bargaining efforts, and it has experienced continuing [widespread allegations of workplace discrimination](#) and harassment. Further, Tesla most recently scored 0.0% in the [2024 CPA-Zicklin Index of Corporate Political Disclosure and Accountability](#), which reflects Tesla's deep lack of transparency in corporate political spending.

Combined, these actions have raised cause for concern with the New York State's pension fund stability. Furthermore, recent actions by Tesla CEO Elon Musk are having a direct and damaging impact on the value of Tesla, with shares dropping 28% just in February and [more losses](#) expected in the months to come. **Due to the significant risk posed to the pension fund, we write to request that you begin the process of divesting Tesla shares directly owned by the state pension fund.**

Thank you for your attention to this important matter. Please do not hesitate to reach out to me at (518) 455-2225 or [fahy@nysenate.gov](mailto:fahy@nysenate.gov) with any questions or concerns, and we look forward to your response.

Sincerely,



Senator Patricia A. Fahy  
46th District



Senator Liz Krueger  
28th District



Senator Brad Hoylman-Sigal  
47<sup>th</sup> District



Senator Michelle Hinchey  
46<sup>th</sup> District



Senator Shelley Mayer  
37<sup>th</sup> District



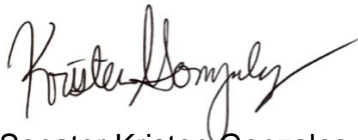
Senator Luis Sepulveda  
32<sup>nd</sup> District



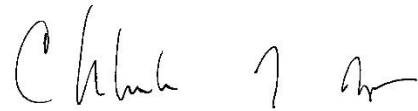
Senator James Sanders  
10<sup>th</sup> District



Senator Rachel May  
48<sup>th</sup> District



Senator Kristen Gonzales  
59<sup>th</sup> District



Senator Chris Ryan  
50<sup>th</sup> District



Senator Gustavo Rivera  
33<sup>rd</sup> District



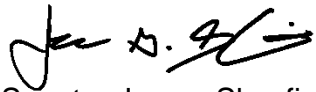
Senator Leroy Comrie  
14<sup>th</sup> District



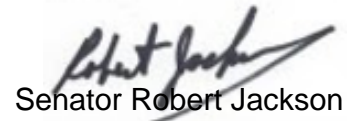
Senator Cordell Cleare  
30<sup>th</sup> District



Senator Julia Salazar  
18<sup>th</sup> District



Senator James Skoufis  
11<sup>th</sup> District




Senator Robert Jackson  
31<sup>st</sup> District




Senator Jessica Ramos  
13<sup>th</sup> District



Senator Nathalia Fernandez  
34<sup>th</sup> District



Senator Kevin Parker  
21<sup>st</sup> District



Senator Jabari Brisport  
25<sup>th</sup> District



Senator Samra Brouk  
55<sup>th</sup> District



Senator Jeremy Cooney  
56<sup>th</sup> District



Senator April Baskin  
63<sup>rd</sup> District

cc: New York State Senate Majority Leader Andrea Stewart-Cousins