
HOUSE CONCURRENT RESOLUTION

URGING THE EMPLOYEES' RETIREMENT SYSTEM TO WORK IN CONJUNCTION WITH A REPUTABLE FIRM OF INVESTMENT CONSULTANTS TO SUBMIT A REPORT ASSESSING THE IMPACT ON THE EMPLOYEES' RETIREMENT SYSTEM'S PORTFOLIO OF FOSSIL FUEL INVESTMENTS TO THE LEGISLATURE.

1 WHEREAS, the State of Hawaii has a strong and necessary
2 commitment to sustainability; and

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4 WHEREAS, the State has adopted the goal of meeting 40
5 percent of its energy needs through renewable energy sources by
6 2030; and

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8 WHEREAS, the University of Hawaii System, the Hawaii's
9 largest institution of higher learning and research, has adopted
10 Executive Policy 4.202, which sets a university goal of carbon
11 neutrality by 2050; and

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13 WHEREAS, Hawaii is particularly vulnerable to the effects
14 of global warming; and

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16 WHEREAS, continued rising of sea levels caused by global
17 warming threaten to erode State beaches and dramatically alter
18 shorelines; and

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20 WHEREAS, continued increases in ocean temperatures caused
21 by global warming may cause irreversible harm to ocean
22 ecosystems, including the widespread bleaching of coral and
23 increased stress for native plants and animals; and

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25 WHEREAS, higher average temperatures caused by global
26 warming may also increase the incidence of heat-related
27 illnesses such as dengue fever and cholera; and



1 WHEREAS, global warming has also affected global weather
2 patterns, leading to periods of drought and flooding worldwide,
3 and to disruptions in tradewind and rainfall patterns in the
4 State; and

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6 WHEREAS, fossil fuel usage is often cited by scientists as
7 a primary driver of global warming; and

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9 WHEREAS, many of the world's leaders have taken steps to
10 curb fossil fuel usage and global warming, such as in December,
11 2015, when an international agreement was reached at the United
12 Nations Climate Change Conference in Paris to limit global
13 warming to below two degrees centigrade; and

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15 WHEREAS, many countries have adopted and will continue to
16 adopt laws that address climate change, evidenced by the over
17 800 laws that address climate change worldwide today, nearly
18 double the amount since 2009; and

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20 WHEREAS, many of these laws, regulations, and restrictions
21 regarding fossil fuel usage will undoubtedly have effects on the
22 value of coal, oil, and gas companies; and

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24 WHEREAS, the value of fossil fuel stocks has already
25 decreased by nearly one-third in the past two years; and

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27 WHEREAS, the New York State Retirement Fund lost at least
28 \$5.3 billion from their investments in top coal, oil, and gas
29 companies; and

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31 WHEREAS, fossil fuel stock prices face further valuation
32 concerns due to restrictions on fossil fuel reserve consumption
33 set by international global warming goals adopted during the
34 2015 United Nations Climate Change Conference; and

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36 WHEREAS, financial experts, including the Executive
37 Director for Supervisory Risk and Regulatory Operations of the
38 Bank of England, Paul Fisher; former United States Treasury
39 Secretary, Hank Paulson; former Securities and Exchange
40 Commissioner Bevis Longstreth; and analysts at Citigroup, AXA
41 Investment Managers, Goldman Sachs, Standard and Poor's, and
42 HSBC have warned of a looming carbon financial bubble; and



1 WHEREAS, the declining value of fossil fuel stocks may pose
2 an ongoing problem for investors given the global push toward
3 renewable energy; and
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5 WHEREAS, two of the largest pension funds in the nation,
6 California's CalPERS and CALSTRS, have divested from holdings in
7 coal mining companies in response to legislation adopted by the
8 California State Legislature; now, therefore,
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10 BE IT RESOLVED by the House of Representatives of the
11 Twenty-eighth Legislature of the State of Hawaii, Regular
12 Session of 2016, the Senate concurring, that the Board of
13 Trustees of the Employees' Retirement System, working in
14 conjunction with a reputable firm of investment consultants with
15 experience in managing fossil fuel-free portfolios, is urged to
16 prepare and submit a report to the Legislature prior to the
17 convening of the Regular Session of 2017 assessing the impact on
18 the Employees' Retirement System's portfolio of fossil fuel
19 investments over the past one, three, and five years and
20 quantify the losses and gains incurred by such investments,
21 compared to the portfolio rebalanced with those investments
22 distributed in other sectors; and
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24 BE IT FURTHER RESOLVED that a certified copy of this
25 Resolution be transmitted to the Chair of the Board of Trustees
26 of the Employees' Retirement System.

