
HOUSE 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
3

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
7

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
12

13 WHEREAS, Hawaii is particularly vulnerable to the effects
14 of global warming; and
15

16 WHEREAS, continued rising of sea levels caused by global
17 warming threaten to erode State beaches and dramatically alter
18 shorelines; and
19

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
24

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
28

29 WHEREAS, global warming has also affected global weather
30 patterns, leading to periods of drought and flooding worldwide,



1 and to disruptions in tradewind and rainfall patterns in the
2 State; and

3
4 WHEREAS, fossil fuel usage is often cited by scientists as
5 a primary driver of global warming; and

6
7 WHEREAS, many of the world's leaders have taken steps to
8 curb fossil fuel usage and global warming, such as in December,
9 2015, when an international agreement was reached at the United
10 Nations Climate Change Conference in Paris to limit global
11 warming to below two degrees centigrade; and

12
13 WHEREAS, many countries have adopted and will continue to
14 adopt laws that address climate change, evidenced by the over
15 800 laws that address climate change worldwide today, nearly
16 double the amount since 2009; and

17
18 WHEREAS, many of these laws, regulations, and restrictions
19 regarding fossil fuel usage will undoubtedly have effects on the
20 value of coal, oil, and gas companies; and

21
22 WHEREAS, the value of fossil fuel stocks has already
23 decreased by nearly one-third in the past two years; and

24
25 WHEREAS, the New York State Retirement Fund lost at least
26 \$5.3 billion from their investments in top coal, oil, and gas
27 companies; and

28
29 WHEREAS, fossil fuel stock prices face further valuation
30 concerns due to restrictions on fossil fuel reserve consumption
31 set by international global warming goals adopted during the
32 2015 United Nations Climate Change Conference; and

33
34 WHEREAS, financial experts, including the Executive
35 Director for Supervisory Risk and Regulatory Operations of the
36 Bank of England, Paul Fisher; former United States Treasury
37 Secretary, Hank Paulson; former Securities and Exchange
38 Commissioner Bevis Longstreth; and analysts at Citigroup, AXA
39 Investment Managers, Goldman Sachs, Standard and Poor's, and
40 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
4

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,
9

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, that the Board of Trustees of the Employees'
13 Retirement System, working in conjunction with a reputable firm
14 of investment consultants with experience in managing fossil
15 fuel-free portfolios, is urged to prepare and submit a report to
16 the Legislature prior to the convening of the Regular Session of
17 2017 assessing the impact on the Employees' Retirement System's
18 portfolio of fossil fuel investments over the past one, three,
19 and five years and quantify the losses and gains incurred by
20 such investments, compared to the portfolio rebalanced with
21 those investments distributed in other sectors; and
22

23 BE IT FURTHER RESOLVED that a certified copy of this
24 Resolution be transmitted to the Chair of the Board of Trustees
25 of the Employees' Retirement System.

