

Honolulu, Hawaii
February 8, 2016

RE: H.B. No. 1511
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1511 entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM, "

begs leave to report as follows:

The purpose of this measure in the form in which it was received by your Committee is to prohibit the Employees' Retirement System from investing in fossil fuel companies and to require divestiture of direct holdings in fossil fuel companies.

For purposes of a public hearing, your Committee circulated and published notice of a proposed draft of this measure which deleted all content of the original measure and replaced it with new language requiring the Employees' Retirement System to work in conjunction with a reputable firm of investment consultants with experience managing fossil fuel-free portfolios to produce a report to the Legislature on:

- (1) The impact on the Employees' Retirement System portfolio, including losses and gains realized, of investments in companies in the coal and consumable fuels, integrated oil and gas, and oil and gas exploration and production sectors; and



- (2) An assessment of the future of fossil fuel investments and the potential effects on the Employees' Retirement System of fossil fuel divestment.

Your Committee received the following testimony on the proposed draft of this measure.

The Sierra Club of Hawaii, Sierra Club of Oahu, 350Hawaii.org, and many individuals supported this measure. The Employees' Retirement System, Hawaii Government Employees Association, and one individual opposed this measure. One individual submitted comments.

After deliberation, your Committee has voted to accept the proposed draft of this measure and to amend it further by inserting a new statutory section prohibiting the Employees' Retirement System from investing in any coal company.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1511, H.D. 1, and be referred to your Committee on Labor & Public Employment.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HOCR 09-16

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 1511	Committee Referral: EEP, LAB, FIN	Date: 2/2/16		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	X			
2. LOWEN, Nicole E. (VC)				X
3. CULLEN, Ty J.K.	X			
4. EVANS, Cindy				X
5. ING, Kaniela				X
6. NISHIMOTO, Scott Y.	X			
7. SAY, Calvin K.Y.	X			
8. YAMANE, Ryan I.	X			
9. POUHA, Feki	X			
10. THIELEN, Cynthia	X			
TOTAL (10)	7			3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Cynthia Thielen</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				