STAND. COM. REP. NO.

Honolulu, Hawaii March 29, 2016

RE: H.R. No. 120 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 Labor & Public Employment, to which was referred H.R. No. 120 entitled:

"HOUSE RESOLUTION URGING THE EMPLOYEES' RETIREMENT SYSTEM AND EMPLOYER-UNION HEALTH BENEFITS TRUST FUND TO DIVEST FROM FOSSIL FUEL INVESTMENTS,"

begs leave to report as follows:

The purpose of this measure is to urge the Employees' Retirement System (ERS) and Employer-Union Health Benefits Trust Fund to divest all holdings in companies and stocks with a majority interest in fossil fuels no later than the year 2021.

The University of Hawaii Professional Assembly testified in support of this measure. The ERS Board of Trustees; Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and one individual testified in opposition.

Your Committee has amended this measure by:

(1) Urging the ERS Board of Trustees, working in conjunction with a reputable firm of investment consultants, to submit a report to the Legislature assessing the impact on the ERS portfolio of fossil fuel investments rather than urging the ERS and Employer-Union Health Benefits Trust Fund to divest all holdings in companies and stocks with a majority interest in fossil fuels; and



STAND. COM. REP. NO. 1358 -16 Page 2

(2) Changing its title to read: "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."

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 120, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.R. No. 120, H.D. 1.

HR120 HD1 HSCR LAB HMS 2016-2902

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

MARK M. NAKASHIMA, Chair

State of Hawaii House of Representatives The Twenty-eighth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.:	Committee Referral: LAB, FIN	Date:	3/22/	2016
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: A Pass, unamended (as is) Pass, with amendments (HD) Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	×			
2. KEOHOKALOLE, Jarrett (VC)				
3. AQUINO, Henry J.C.				X
4. HAR, Sharon E.			· · · · · · · · · · · · · · · · · · ·	
5. ICHIYAMA, Linda				
6. JOHANSON, Aaron Ling	X			
7. LoPRESTI, Matthew S.				
8. SAN BUENAVENTURA, Joy A.				
9. TAKUMI, Roy M.				
10. YAMASHITA, Kyle T.	<u> </u>			
11. TUPOLA, Andria P.L.				X
TOTAL (11)				
TOTAL (11) 7 0 4- The recommendation is: Adopted If joint referral, committee acronym(s) If a not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				