
HOUSE CONCURRENT RESOLUTION

URGING THE EMPLOYEES' RETIREMENT SYSTEM TO WORK IN CONJUNCTION WITH A REPUTABLE INVESTMENT CONSULTING FIRM TO ASSESS THE IMPACT OF FOSSIL FUEL INVESTMENTS ON THE EMPLOYEES' RETIREMENT SYSTEM'S PORTFOLIO.

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 set a goal to be the first state to
5 meet 100 percent of its energy needs through renewable energy
6 sources by 2045; and

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8 WHEREAS, the State has also set a goal to meet 40 percent
9 of its energy needs through renewable energy sources by 2030;
10 and

11
12 WHEREAS, the University of Hawaii System, Hawaii's largest
13 institution of higher learning and research, has adopted
14 Executive Policy 4.202, which makes a commitment to carbon
15 neutrality by 2050; and

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17 WHEREAS, Hawaii is particularly vulnerable to the effects
18 of global warming; and

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20 WHEREAS, continued rising of sea levels caused by global
21 warming threatens to erode state beaches and dramatically alter
22 shorelines; and

23
24 WHEREAS, continued increases in ocean temperatures caused
25 by global warming may cause irreversible harm to ocean
26 ecosystems, including the widespread bleaching of coral and
27 increased stress on native plants and animals; and



1 WHEREAS, higher average temperatures caused by global
2 warming may also increase the incidence of heat-related
3 illnesses, such as dengue fever and cholera; and
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5 WHEREAS, global warming has also affected global weather
6 patterns, leading to periods of drought and flooding worldwide,
7 and to disruptions in tradewind and rainfall patterns in the
8 State; and
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10 WHEREAS, fossil fuel use is often cited by scientists as a
11 primary driver of global warming; and
12

13 WHEREAS, many of the world's leaders have taken steps to
14 curb fossil fuel use and global warming, exemplified in December
15 2015, when an international agreement was reached at the United
16 Nations Climate Change Conference in Paris to limit global
17 warming to below two degrees Celsius; and
18

19 WHEREAS, many countries have adopted, and will continue to
20 adopt, laws that address climate change, evidenced by over 800
21 laws that presently address global climate change--nearly double
22 the amount since 2009; and
23

24 WHEREAS, many of these laws, regulations, and restrictions
25 regarding fossil fuel use will undoubtedly have effects on the
26 value of coal, oil, and gas companies; and
27

28 WHEREAS, the value of fossil fuel stocks has already
29 decreased by nearly one-third in the past two years; and
30

31 WHEREAS, the New York State Retirement Fund lost at least
32 \$5.3 billion from their investments in top coal, oil, and gas
33 companies; and
34

35 WHEREAS, fossil fuel stock prices face further valuation
36 concerns due to restrictions on fossil fuel reserve consumption
37 set by international global warming goals adopted during the
38 2015 United Nations Climate Change Conference; and
39

40 WHEREAS, financial experts, including the Executive
41 Director for Supervisory Risk and Regulatory Operations of the
42 Bank of England, Paul Fisher; former United States Treasury



1 Secretary, Hank Paulson; former Securities and Exchange
2 Commissioner, Bevis Longstreth; and analysts at Citigroup, AXA
3 Investment Managers, Goldman Sachs, Standard and Poor's, and
4 HSBC have warned of a looming carbon financial bubble; and
5

6 WHEREAS, the declining value of fossil fuel stocks may pose
7 an ongoing problem for investors, given the global push toward
8 renewable energy; and
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10 WHEREAS, two of the largest pension funds in the nation,
11 California's CalPERS and CALSTRS, have divested from holdings in
12 coal mining companies in response to legislation adopted by the
13 California State Legislature; and
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15 WHEREAS, even oil-rich countries, such as Saudi Arabia, are
16 switching investments into renewable energy; and
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18 WHEREAS, to maintain the State's commitment to its
19 citizens, the State should invest in only renewable energy
20 technologies; now, therefore,
21

22 BE IT RESOLVED by the House of Representatives of the
23 Twenty-ninth Legislature of the State of Hawaii, Regular Session
24 of 2017, the Senate concurring, that the Board of Trustees of
25 the Employees' Retirement System, working in conjunction with a
26 reputable investment consulting firm with experience in managing
27 fossil fuel-free portfolios, is urged to assess the impact of
28 fossil fuel investments on the Employees' Retirement System's
29 portfolio; and
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31 BE IT FURTHER RESOLVED that the Board of Trustees of the
32 Employees' Retirement System prepare and submit a report to the
33 Legislature, prior to the convening of the Regular Session of
34 2018, assessing the impact on the Employees' Retirement System's
35 portfolio of fossil fuel investments over the past one, three,
36 and five years, and quantify the losses and gains incurred by
37 such investments in comparison to the portfolio rebalanced with
38 those investments distributed in other sectors; and



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1 BE IT FURTHER RESOLVED that a certified copy of this
2 Concurrent Resolution be transmitted to the Chair of the Board
3 of Trustees of the Employees' Retirement System.
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OFFERED BY:

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