

1 TO THE HONORABLE SENATE:

2 The Committee on Appropriations to which was referred Senate Bill No. 42  
3 entitled “An act relating to divestment of State pension funds of investments in  
4 the fossil fuel industry” respectfully reports that it has considered the same and  
5 recommends that the bill be amended as follows:

6 First: In Sec. 1, public pension funds; fossil fuels; Vermont Pension  
7 Investment Commission; plan and report, by striking out subsection (a) in its  
8 entirety and inserting in lieu thereof the following:

9 (a) Intent.

10 (1) It is the intent of the General Assembly that the Vermont Pension  
11 Investment Commission build upon its effective efforts to manage the State’s  
12 financial risks to climate change, including investing in low carbon indexes,  
13 successfully engaging with fossil fuel and other companies, and supporting  
14 initial studies and reviews on climate change.

15 (2) It is also the intent of the General Assembly that, on or before  
16 December 31, 2030, the Vermont Pension Investment Commission shall,  
17 consistent with sound fiduciary practice, including consideration of any  
18 expected increased funding requirements for the actuarially determined  
19 employer contribution (ADEC) and administrative costs, and subject to any  
20 exceptions, divest the holdings of the Vermont State Employees’ Retirement

1 System, the Vermont Teachers’ Retirement System, and the Vermont  
2 Municipal Employees’ Retirement System from the fossil fuel industry.

3 (3) The General Assembly also intends that that the Vermont Pension  
4 Investment Commission establish a long-term goal to divest from any private  
5 investments that contain assets in the fossil fuel industry on or before  
6 December 31, 2040, if the Commission determines that such divestment is  
7 consistent with sound fiduciary practice.

8 Second: In Sec. 1, public pension funds; fossil fuels; Vermont Pension  
9 Investment Commission; plan and report, by striking out subdivision (d)(1) in  
10 its entirety and inserting in lieu thereof the following:

11 (1) Divestment. Except as provided in subdivision (2) of this  
12 subsection, the Commission, in accordance with sound investment criteria and  
13 consistent with fiduciary obligations, including consideration of any expected  
14 increased funding requirements for the actuarially determined employer  
15 contribution (ADEC) and administrative costs, shall develop a plan to divest  
16 any holdings identified in the review described in subsection (c) of this section  
17 on or before December 31, 2030. The Commission shall include in the plan  
18 consideration of the State’s long-term goal of divestment from any investments  
19 that are exempt from the plan pursuant to subdivision (2) of this subsection on  
20 or before December 31, 2040.

1           Third: By striking out Sec. 2, divestment plan; Vermont Pension  
2 Investment Commission; appropriation, in its entirety and inserting in lieu  
3 thereof the following:

4           Sec. 2. DIVESTMENT PLAN; VERMONT PENSION INVESTMENT  
5                           COMMISSION; APPROPRIATION

6           In FY 2024, the amount of \$127,000.00 is appropriated to the Vermont  
7 Pension Investment Commission to establish one staff position to support  
8 improvements and efficiencies in the administration of the Commission and to  
9 meet the review, planning, and reporting requirements of this act. The  
10 appropriation to the Commission shall be distributed from the following  
11 funding sources pursuant to the allocations set forth below:

12                   (1) 40.86 percent from the Vermont State Retirement Fund,  
13 established in 3 V.S.A. § 473;

14                   (2) 44.01 percent from the Vermont Teachers' Retirement Fund,  
15 established in 16 V.S.A. § 1944; and

16                   (3) 15.13 percent from the Vermont Municipal Employees'  
17 Retirement Fund, established in 24 V.S.A. § 5064.

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1 (Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

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FOR THE COMMITTEE