



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: MAINE RELAY 711

Michael F. Brennan

49 Wellington Rd.

Portland, ME 04103

Phone: (207) 939-6462

michael.brennan@legislature.maine.gov

Testimony of Representative Michael Brennan Introducing LD 319, "An Act To Promote Socially Responsible Investing by the Maine Public Employees Retirement System by Prohibiting Investment in the Fossil Fuel Industry or For-profit Prisons"
February 24, 2021

Good morning Senator Rafferty, Representative Sylvester and members of the Labor and Housing Committee. I am Michael Brennan and I represent District 36, which is part of Portland. I am pleased to present LD 319, "An Act To Promote Socially Responsible Investing by the Maine Public Employees Retirement System by Prohibiting Investment in the Fossil Fuel Industry or For-profit Prisons."

In 2019, Governor Janel Mills said "Big, out-of-state fossil fuel companies have too tight a grip on too many Maine people, forcing us to dig deeper into our pockets to heat our homes, drive our cars, and live our lives. Enough is enough."

I agree.

This bill would direct the Maine Public Employees Retirement System to divest funds not only from fossil fuel companies, but also include for-profit prisons.

By limiting MainePERS investments in either for-profit prisons or fossil fuel companies, we would have an investment strategy consistent with Maine values.

To its credit, MainePERS does have a policy that outlines its investment philosophy and goals. However, this policy needs to ensure that we are not financially benefiting from investments in fossil fuel companies or for-profit prisons. Because MainePERS continues to purchase mutual funds, there is no guarantee that protects us from investments in either sector.

The recent report by the Maine Climate Council's expert Scientific and Technical Subcommittee (STS) concluded "There is an urgent need for Maine to reduce harmful greenhouse gas emissions to support global efforts to prepare for the impacts of climate change."

This bill is one step to achieving that goal.

Furthermore, Joseph Margules, an attorney and professor of law and government at Cornell University, recently wrote the real reason we should end the use of private prisons is that "justice should not be administered through the prism of profit...The companies that build and run private prisons have financial interests in the continued growth of mass incarceration."

Certainly, that is not a goal we want to embrace in Maine.

Asking MainePERS to take this action is not without precedent. In the 1980's, the state divested from companies in South Africa to express opposition to apartheid.

Our investment strategies should reflect current circumstances and not remain static over time. It is both timely and prudent to make these changes at MainePERS.

Finally, and equally important, this bill is a once in a generation opportunity to align our investment strategy in Maine so that the next generation of Mainers have the chance to live in a state with clean air and a healthy environment.

Thank you for your consideration.