



**Committee: Appropriations**

**Testimony on: HB740 - State Retirement & Pension System - Investment Climate Risk - Fiduciary Duties**

**Organization: MLC Climate Justice Wing**

**Submitting: Diana Younts, Co-Chair**

**Position: Favorable With Amendment**

**Hearing Date: February 22, 2022**

Dear M. Chair and Committee Members:

Thank you for allowing our testimony today in support of HB740. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably with amendment on HB740 which would require the Maryland State Retirement and Pensions System to consider climate change as a financial factor when making investment decisions. The bill requires the pension system to identify climate risks, determine investment opportunities in emerging technologies, and establish policies to implement and report on these practices.

HB740 would ensure that the state take proactive measures to protect its investments for its 400,000 retirees. Because Maryland is particularly vulnerable to the effects of climate change, it is urgent that our pension system confronts climate risk as a fiduciary duty.

Former Treasurer Nancy Kopp, in an October 2020 [editorial](#) in the Baltimore Sun, stated that she believed “it would be a breach of [her] fiduciary duties not to adequately analyze and integrate these risks and opportunities in critical investment decisions.” She also stated that ESG Funds (Environmental and Social and Governance) outperformed more broad-based index funds in 2020 (the year her editorial was written) and that in 2019 they also were either better or on par with other broad-based index funds.

We do recommend an amendment to the current bill requiring that Maryland fully divest from fossil fuels in its pension and retirement funds or that such a measure be studied. As Maryland moves to reduce its greenhouse gas emissions 100% by 2045 and other states institute similar timelines for reducing such emissions, divesting from fossil fuels is both the fiscally responsible thing to do and would serve to accelerate our ability to make a cleaner, healthier, sustainable world.

Please adopt our amendment and recommend a **FAVORABLE** report in committee.

**MLC Climate Justice Wing:**

Assateague Coastal Trust  
Maryland Legislative Coalition  
MD Campaign for Environmental Human Rights  
Chesapeake Climate Action Network  
WISE  
Frack Free Frostburg  
Mountain Maryland Movement  
Clean Water Action  
Howard County Indivisible  
Howard County Sierra Club  
Columbia Association Climate Change and Sustainability Advisory Committee  
HoCo Climate Action  
CHEER  
Climate XChange - Maryland  
Mid-Atlantic Field Representative/  
National Parks Conservation Association  
350 Montgomery County  
Glen Echo Heights Mobilization  
The Climate Mobilization Montgomery County  
Montgomery County Faith Alliance for Climate Solutions  
Montgomery Countryside Alliance  
Takoma Park Mobilization Environment Committee  
Audubon Naturalist Society  
Cedar Lane Unitarian Universalist Church  
Environmental Justice Ministry  
Coalition For Smarter Growth  
DoTheMostGood Montgomery County  
MCPS Clean Energy Campaign  
MoCo DCC

Potomac Conservancy  
Casa de Maryland  
Nuclear Information & Resource Service  
Clean Air Prince Georges  
Laurel Resist  
Greenbelt Climate Action Network  
Maryland League of Conservation Voters  
Unitarian Universalist Legislative Ministry of Maryland  
Concerned Citizens Against Industrial CAFOs  
Wicomico NAACP  
Chesapeake Physicians for Social Responsibility  
Chispa MD  
Climate Law & Policy Project  
Maryland Poor People's Campaign  
Labor Network for Sustainability  
The Nature Conservancy  
Clean Air Prince Georges  
350 Baltimore  
Maryland Environmental Health Network  
Climate Stewards of Greater Annapolis  
Talbot Rising  
Adat Shalom Climate Action  
Chesapeake Earth Holders  
Climate Parents of Prince Georges  
Echotopia  
Maryland NAACP State Conference,  
Environmental Justice Committee