

Honorable Senators

Please vote against HB1212.

Despite receiving 18 testimonies against this bill compared to 2 favorable testimonies (both from Delegates), the House passed this bill.

Establishing a Diversity, Inclusion, and Equity (DIE) function in the State Retirement and Pension System (SRPS) goes directly against what Martin Luther King, Jr. preached in 1963 when he dreamed that his, "four little children will one day live in a nation where they will not be judged by the color of their skin, but by the content of their character."

Despite what Delegate Lewis contends¹, diversity will not make the SRPS more effective and efficient. Hiring should be based on one's education and experience regardless of skin color, sexual preference or whatever subgroup is underrepresented and not by quotas that will never truly match the various subgroups that supposedly comprise the population of Maryland. .

This bill, if passed, could require the SRPS to not select a superior candidate because the workforce already has too many from that person's subgroup. Instead, someone with less education or experience would be hired because that candidate is from an underrepresented subgroup in the SRPS workforce.

What is worse, Delegate Lewis contends that by creating a DIE function, that its precepts can then be used as part of the SRPS investment strategy.² The SRPS has a fiduciary responsibility to select investments for the retirement system that would have the best chances of earning the most return. By using a DIE investment strategy, one would invest in companies that are allegedly more diverse, but whose return on investment may not be as good as a company that is not as "diverse".

I understand that the preferred acronym is DEI, not DIE, but I believe that DIE is more apropos. Despite the study cited by Delegate Lewis that concludes " ... investment performance by diverse asset managers is equal

¹ Delegate Lewis Testimony, "This legislation will create vital pathways for individuals from historically marginalized communities to enter and excel in the high finance sector, thereby enriching the industry with a wealth of diverse talents and perspectives.. See

https://mgaleg.maryland.gov/cmtetestimony/2024/app/13caCsz_Zz1TnbjdbV2loiyNIh8FL4Jz.pdf

² Delegate Lewis testimony, " ... we are championing a future where diversity in asset management and financial stewardship is not an afterthought but a foundational principle." See

https://mgaleg.maryland.gov/cmtetestimony/2024/app/13caCsz_Zz1TnbjdbV2loiyNIh8FL4Jz.pdf

to or greater than the investment performance of firms that lack diversity in ownership and senior leadership, despite differences in size and length of track record.”³, we have already seen major companies that went broke by going woke as they made advertising and investment decisions based on DEI principles. Please avoid making a similar error by passing this bill just to join the DEI fad.

Please vote against HB1212.

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³ See Testimony of Juan Martinez, Knight Foundation, before the AMAC, July 16, 2020. <https://sec.gov/files/amac-071620-transcript.pdf> and See Testimony of Robert Rabin, Raben Group, before the AMAC, July 16, 2020. <https://sec.gov/files/amac-071620-transcript.pdf>.