

**\_HB 1212 B&T Testimony.pdf**

Uploaded by: Delegate Jazz Lewis

Position: FAV

JAZZ LEWIS  
*Legislative District 24*  
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MAJORITY WHIP

Appropriations Committee



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## THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Testimony of Delegate Jazz Lewis on State Retirement and Pension System – Director of Diversity, Equity, and Inclusion and Governance Program

Chair Guzzone and members of the Budget and Taxation Committee,

For the record, Delegate Jazz Lewis here to testify on my HB1212. At the heart of HB1212 is the establishment of a Director of Diversity, Equity, and Inclusion within the SRPS. This role is crucial in acknowledging the undeniable value that a diverse workforce brings to the realm of asset management. The "2022 Diversity in Asset Management Report" underscores the substantial evidence that diverse asset managers often deliver equal or superior investment returns compared to their less diverse counterparts. Furthermore, the report highlights the critical importance of broadening access to the asset management industry for underrepresented groups, noting the significant benefits of diverse perspectives in enhancing decision-making and fostering innovative solutions.

Maryland, as the 4th most diverse state in the nation, has both the opportunity and the responsibility to be a trailblazer in this area. By establishing a dedicated professional to advocate for and implement strategies aimed at increasing diversity within our asset management practices, we are not just paying lip service to the ideals of equity and inclusion; we are taking concrete steps to realize them. 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.

Additionally, HB1212 seeks to codify the role of the Director of the Governance Program within the Investment Division, ensuring this pivotal position maintains a direct line of communication with the SRPS board. This measure is essential for safeguarding the independence and efficacy of the director, allowing them to champion our goals for diversity among asset managers without fear of repercussion. Such structural

protections are commonly employed across government entities to ensure that advocates for diversity and small business engagement can operate freely and effectively. It's a recognition that real change often requires challenging conversations and bold advocacy, which should be encouraged rather than inhibited.

In marrying these two themes into the fabric of HB1212, we are championing a future where diversity in asset management and financial stewardship is not an afterthought but a foundational principle. This legislation signals to every Marylander, regardless of their background, that there is a place for them at the table of high finance and that their unique perspectives are invaluable assets to our state's prosperity.

With this bill, we are ensuring the SRPS has the independent voices and staffers who are empowered to have the difficult conversations we need to improve our pension system, open more opportunities for diverse asset managers and talent recruitment of diverse applicants and current employees, and ultimately, provide better returns on our pension investments.

For these reasons, I urge a favorable report.

Delegate Jazz Lewis

# **2024 HB1212 Testimony Against 2024-03-26.pdf**

Uploaded by: Alan Lang

Position: UNF

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 contends<sup>1</sup>, 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.<sup>2</sup> 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

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<sup>1</sup> 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](https://mgaleg.maryland.gov/cmtetestimony/2024/app/13caCsz_Zz1TnbjdbV2loiyNIh8FL4Jz.pdf)

<sup>2</sup> 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](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.”<sup>3</sup>, 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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<sup>3</sup> 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>.

**HB1212OPPOSE.pdf**

Uploaded by: Peggy Williams

Position: UNF

HB1212      OPPOSE

State Retirement and Pension System - Director of Diversity, Equity, and Inclusion  
and Governance Program

Dear Committee Members:

I strongly oppose this bill. I do not subscribe to DEI policies nor do I support ANY  
“governance” program which employs ESG standards and procedures, operated by a  
small group of people, and from the top-down in the SRPS system. I am a long-time state  
employee and I am in the SRPS system. Please oppose this bill.

Peggy Williams  
Severna Park  
D31



# **HB1212 Testimony.pdf**

Uploaded by: William Love

Position: UNF

I'm Bill Love of 490 Fairoak Dr, Severna Park MD

Concerning HB1212: State Retirement and Pension System - Director of Diversity, Equity, and Inclusion and Governance Program

Just like CRT, this goes against the MD and US Constitutions to divide and cause the very thing it tries to so called remedy.

Please, vote unfavorably to this unconstitutional bill.

Thank you