

Favorable Testimony In Support of HB1455: State Retirement and Pension System – Divestment From Israel

Dear Chair Barnes and Members of the Appropriations Committee:

I urge the House Appropriations Committee to issue a favorable report on House Bill 1455. Maryland's State Retirement and Pension System holds \$65.5 million of investments in Israeli bonds as of Dec. 2025. These unconditional loans to the Israeli treasury provide critical financial support for Israel's continued forced displacement, starvation, and bombings in Gaza, as well as surging Israeli settler attacks, illegal settlement construction, and military operations in the occupied West Bank.

Israel's brutal system of oppression over Palestinians directly conflicts with our pension system's laudable public commitments to socially responsible investing, and obligations as a signatory of the United Nations Principles for Responsible Investment (one of the few state pension systems to have signed on to UNPRI). The pension system's own Investment Policy Manual outlines steps to protect human rights. I believe that these investments in Israel bonds run counter to those commitments.

Not only do the pension system's Israeli sovereign bonds invest in oppression, they present significant financial risks that threaten the retirement security of the state's 420,000 public employees and retirees. The three top global credit rating agencies have downgraded Israel's credit rating since Oct. 7th, 2023, citing "the ongoing military conflict and increased geopolitical risks." Those downgrades were made prior to the current Israel-U.S. attacks on Iran that have only increased the risk of investments in Israel's economy.

As a resident of Maryland, I want my tax dollars to be invested instead in our local communities. We should be investing in companies that employ Marylanders and keep those dollars in our state. As Maryland lawmakers, it's also your responsibility to ensure that our state's public employees, who work hard to preserve our state's excellent quality of life, can depend upon financially sound and ethical investments on the part of our state's pension system.

For these reasons I respectfully urge a favorable report for HB1455.

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