

Dear Chair Barnes and Members of the House Appropriations Committee,

I write to respectfully urge you to give a favorable report to House Bill 1455 State Retirement and Pension System - Divestment From Israel, also known as the Break the Bonds Act.

HB1455 requires the Maryland State Retirement and Pension System to review and divest from Israeli sovereign bonds and related government investments held in actively managed accounts. It also prohibits new investments therein while preserving fiduciary discretion and providing liability protections for trustees acting in good faith.

This legislation is measured, targeted, and responsible.

It applies only to actively managed separate accounts - not index funds, private equity, or commingled passive investments. It includes safeguards to ensure divestment occurs at fair market value and only in a manner consistent with fiduciary duties under Maryland law. It requires transparent reporting to the legislature. And it explicitly affirms compliance with applicable human rights standards.

Maryland has previously divested from governments and entities implicated in serious human rights violations. HB1455 applies that same standard of ethical consistency and fiscal responsibility.

Public pension funds are intended to safeguard the retirement security of Maryland workers - not to entangle our state financially in foreign sovereign debt tied to ongoing genocide, war crimes, conflict and credible allegations of grave human rights abuses.

Regardless of one's political perspective, Maryland taxpayers and retirees deserve transparency and assurance that our pension assets are being managed in a way that reflects sound fiduciary judgment and ethical consistency.

HB1455 provides a lawful, structured, and accountable framework to do exactly that.

I respectfully urge you to stand with us on the right side of history, move House Bill 1455 forward and give it a favorable report.

Thank you.