



**Maryland General Assembly  
House Appropriations Committee  
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Testimony of Lily Fleischmann

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ADL (the Anti-Defamation League) is submitting this written testimony in strong **opposition** to *House Bill 1455, State Retirement and Pension System – Divestment From Israel*.

As a leading anti-hate organization committed to stopping the defamation of the Jewish people and securing justice and fair treatment for all, we have grave concerns about the impact of this bill, which would require the Board of Trustees for the State Retirement and Pension System to divest from Israeli investments.

The Boycott, Divestment and Sanctions movement (BDS) is an international campaign that seeks to delegitimize and pressure Israel by isolating it diplomatically, financially, professionally, academically and culturally. This isolation targets Israel, Israeli individuals, Israeli institutions, and Jews who support Israel's right to exist. In practice, the global BDS movement seeks to dismantle the Jewish state and end the right to Jewish national self-determination.

The BDS campaign does not support constructive measures to build Israeli-Palestinian engagement, nor does it promote peace negotiations or a mutually negotiated two-state solution to the conflict. Rather, BDS presents a biased and simplistic approach to the complex Israeli-Palestinian conflict, positioning this dispute over territorial and nationalist claims as the fault of only one party – Israel – while ignoring other actors and dynamics. By delegitimizing one party in complex conflicts, divestment makes peaceful resolutions more difficult to achieve.

Beyond the discriminatory nature of this bill, HB1455 raises serious fiduciary and fiscal concerns for the Maryland State Retirement and Pension System — a fund built for one purpose: delivering retirement security to teachers, police officers, firefighters, and thousands of other public servants across the state. Indeed, by applying divestment requirements primarily to actively managed separate accounts while exempting index funds, ETFs, and other pooled vehicles, the legislation creates a direct incentive to migrate pension assets into higher-cost mandates solely to implement divestment. That comes at a real price — higher management fees, transaction costs, and tracking errors against established benchmarks. None of those costs improve benefits for Maryland retirees. In a defined benefit system, they are ultimately absorbed by taxpayers and future public employees through higher required contributions, increased funding pressure, or reduced budget flexibility down the road.

In addition, the bill introduces legal ambiguity that carries genuine operational risk. For example, the phrase “associated with” Israel is undefined, leaving trustees without a workable compliance



standard with respect to certain investment. That vagueness is an invitation — whether intended or not — for future campaigns to push divestment beyond Israeli sovereign debt. Lockheed Martin, Amazon, and Google, for example, are major employers with significant Maryland workforces, and all three have been targets of Israel-related divestment pressure.

Finally, this bill sets a precedent worth taking seriously. If the pension fund can be directed to divest based on today's political demands, it can be redirected based on tomorrow's — different countries, different industries, different companies, as priorities shift. That trajectory turns pension governance into a recurring political battleground rather than the stable, long-term financial framework it needs to be.

Public pensions exist to secure retirements. When they are redirected toward political objectives, the people who often pay the highest price are the teachers, firefighters, and state employees whose retirement security depends on every basis point of returns this fund is obligated to protect.

**We accordingly urge the House Appropriations Committee to give HB 1455 an unfavorable report.**