

Dear Chair Barnes and Members of the Appropriations Committee:

I strongly encourage the House Appropriations Committee to support House Bill 1455. As of December 2024, Maryland's State Retirement and Pension System have \$65.5 million invested in Israeli bonds. These unconditional loans to the Israeli government contradict the pension system's public commitment to socially responsible investing and its obligations as a signatory to the United Nations Principles for Responsible Investment.

The Investment Policy Manual of the pension system specifies measures to safeguard human rights while these bonds fund policies that include forced displacement, starvation, and repeated bombing of defenseless civilian targets in Gaza, alongside illegal settlement expansion and increasing Israeli settler violence and military actions in the occupied West Bank. This unrestricted stream of funding has led to further impunity by the Israeli government, which has now expanded its destabilizing military aggression into Iran, Lebanon, and Syria. This conflict between the pension system's stated commitments and its actual investment strategy undermines public trust.

Israeli sovereign bonds within the pension system not only fund oppression but also pose substantial financial risks that endanger the retirement security of the country's 420,000 public employees and retirees. Since October 7th, 2023, the three leading global credit rating agencies have downgraded Israel's credit rating, citing the "ongoing military conflict and increased geopolitical risks." The pension system owes it to public employees and retirees to invest responsibly, rather than gambling their futures on a rogue state.

Maryland lawmakers also have a critical duty to ensure that our public employees, who diligently maintain our high quality of life, can rely on the pension system's investments being both ethical and financially stable. As a Maryland resident, I want my tax dollars to support our local communities, and I expect our lawmakers to pursue that same goal with a singular focus.

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

Sincerely-
Diana Klein
Laurel
Prince George's County