

HB1455 - State Retirement and Pension System – Divestment from Israel
In the House – Hearing 3/19 at 1pm
Position: FAV

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 in Israeli bonds as of December 2024. 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—and, as we have seen over the past few weeks, horrific bombings in Lebanon and Iran. Israel’s brutal system of oppression of Palestinians and other people in the Middle East directly conflicts with our pension system’s public commitments to socially responsible investing and its obligations as a signatory to the United Nations Principles for Responsible Investment. The pension system’s own Investment Policy Manual outlines steps to protect human rights. Not only do the pension system’s Israeli sovereign bonds invest in oppression, they also 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 October 7, 2023, citing “the ongoing military conflict and increased geopolitical risks.”

Maryland’s HB1455 requires the State Retirement and Pension System to divest from and halt new investments in certain Israel-related holdings, a measure that aligns with the Boycott, Divestment, and Sanctions (BDS) movement’s emphasis on economic divestment as a means of pressuring the Israeli government. The BDS movement is a nonviolent global campaign that seeks to apply economic and political pressure on Israel to comply with international law by ending the occupation of Palestinian territories, ensuring equal rights for Palestinian citizens of Israel, and recognizing the right of return for Palestinian refugees. As a lead organizer for Baltimore’s BDS campaign, known as Apartheid Free Baltimore, I have seen firsthand how quickly support is growing: hundreds of individuals have signed a pledge to divest from Israeli products, and dozens of businesses have committed not to sell goods sourced from Israel. From my experience, divesting from Israel is highly popular among everyday people who believe strongly in avoiding economic engagement with a government they feel consistently fails to uphold basic human rights principles.

As a resident of Maryland, I want my tax dollars to be invested instead in our local communities. As Maryland lawmakers, it is 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 on financially sound and ethical investments by our state’s pension system.

I respectfully urge this committee to support HB1455.

Thank you,

Heather Rounds

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