



## **SB566 State Retirement and Pension System – Investment Climate Risk**

### **Fiduciary Duties**

### **Testimony before**

### **House Appropriation Committee**

**March 29, 2022**

### **Position: Favorable**

Madame Chair, Mr. Vice Chair and members of the committee, my name is Barbara Matheson, and I represent the 750+ members of Indivisible Howard County. We are providing written testimony today in **support of SB566**. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members).

Climate risk is financial risk. The Maryland Joint Committee on Pensions has approved this SB566 with bi-partisan support. There is significant risk as the state, nation, and global economies transition from a fossil fuel economy to a Net- Zero economy. Major financial institutions, other state governments (Pennsylvania, Minnesota, California, New York, Maine, and others), the federal government, the World Bank and other financial institutions have adopted policies to consider climate risk in investments.

This bill will provide proactive measures to safeguard Maryland's pension fund and insure the best return on investment dollars. It assures proactive measures such as: conducting climate risk assessments, identifying opportunities for investment in green economies, monitoring the impact of climate change on investments, and increasing the use of low carbon economy. It is flexible, there are no mandates for any particular action.

The Maryland Joint Committee on Pensions has done an extensive examination of the problems associated with risk to pensions from climate change. The Senate passed SB566 as an overdue measure to ensure that Maryland retirees' investments are protected and earning are maximized.

**We respectfully urge the committee to issue a favorable report on SB566.**

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