



Committee: Appropriations

Testimony on: SB566 - State Retirement & Pension System - Investment Climate Risk - Fiduciary Duties

Organization: MLC Climate Justice Wing

Submitting: Diana Younts, Co-Chair

Position: Favorable With Amendment

Hearing Date: March 29, 2022

Dear M. Chair and Committee Members:

Thank you for allowing our testimony today in support of SB566. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably with an amendment on SB566 which would require the Maryland State Retirement and Pensions System to consider climate change as a financial factor when making investment decisions. The bill requires the pension system to identify climate risks, determine investment opportunities in emerging technologies, and establish policies to implement and report on these practices.

SB566 would ensure that the state takes proactive measures to protect its investments for its 400,000 retirees. Because Maryland is particularly vulnerable to the effects of climate change, it is urgent that our pension system confronts climate risk as a fiduciary duty.

Former Treasurer Nancy Kopp, in an October 2020 [editorial](#) in the Baltimore Sun, stated that she believed “it would be a breach of [her] fiduciary duties not to adequately analyze and integrate these risks and opportunities in critical investment decisions.” She also stated that ESG Funds (Environmental Social Governance) outperformed more broad-based index funds in 2020 (the year her editorial was written) and that in 2019 they also were either better or on par with other broad-based index funds.

We do recommend an amendment to the current bill requiring that Maryland fully divest from fossil fuels in its pension and retirement funds or that such a measure be studied. As Maryland moves to reduce its greenhouse gas emissions 100% by 2045 and other states institute similar timelines for reducing such emissions, divesting from fossil fuels is both the fiscally responsible thing to do and would serve to accelerate our ability to make a cleaner, healthier, sustainable world.

Please adopt our amendment and recommend a **FAVORABLE** report in committee.

MLC Climate Justice Wing:

Assateague Coastal Trust
Maryland Legislative Coalition
MD Campaign for Environmental Human Rights
Chesapeake Climate Action Network
WISE
Frack Free Frostburg
Mountain Maryland Movement
Clean Water Action
Howard County Indivisible
Howard County Sierra Club
Columbia Association Climate Change and Sustainability Advisory Committee
HoCo Climate Action
CHEER
Climate XChange - Maryland
Mid-Atlantic Field Representative/
National Parks Conservation Association
350 Montgomery County
Glen Echo Heights Mobilization
The Climate Mobilization Montgomery County
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Takoma Park Mobilization Environment Committee
Audubon Naturalist Society
Cedar Lane Unitarian Universalist Church
Environmental Justice Ministry
Coalition For Smarter Growth
DoTheMostGood Montgomery County
MCPS Clean Energy Campaign
MoCo DCC

Potomac Conservancy
Casa de Maryland
Nuclear Information & Resource Service
Clean Air Prince Georges
Laurel Resist
Greenbelt Climate Action Network
Maryland League of Conservation Voters
Unitarian Universalist Legislative Ministry of Maryland
Concerned Citizens Against Industrial CAFOs
Wicomico NAACP
Chesapeake Physicians for Social Responsibility
Chispa MD
Climate Law & Policy Project
Maryland Poor People's Campaign
Labor Network for Sustainability
The Nature Conservancy
Clean Air Prince Georges
350 Baltimore
Maryland Environmental Health Network
Climate Stewards of Greater Annapolis
Talbot Rising
Adat Shalom Climate Action

Climate Parents of Prince Georges
Echotopia
Maryland NAACP State Conference,
Environmental Justice Committee