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**Testimony of Attorney General Kris Kobacch Proponent on HB 2436  
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Chairman Hoheisel and Members of the Committee:

ESG investing uses retirement savings as leverage to force companies to reduce their carbon footprints, adopt racial and gender quotas, or to succumb to the woke social justice fad of the month. When used to guide public employee retirement system investment, such as KPERS, the strategy pays limited heed to whether the investment secures a high return on a worker's lifetime savings. ESG investing puts the lifetime savings of teachers, police officers, and other public employees at risk.

Financial returns on investments should be the top priority for KPERS investment strategies. The pensions of state workers should never be commandeered to advance a partisan agenda.

The return on investment on ESG funds is typically dismal compared to other funds. ESG-driven funds usually deliver a much lower return on investment, to the detriment of the state workers whose pensions are at stake. In the past year, the ten largest ESG funds by assets have all posted double-digit losses, with eight of them underperforming the S&P 500. In 2017, when the ESG investment fad really took off, ESG funds had an annual rate of return of 6.3% versus 8.9% for the stock market as a whole, according to Terrence Keeley, a former BlackRock executive who exposed the scam in the Wall Street Journal.

This legislation addresses that problem and goes one step further to protect individual Kansas investors. Private investors should be notified by their investment firms if and when the firm uses a strategy other than earning the highest rate of return to invest an individual's nest egg.

State funded ESG investment policies should be illegal, and individual investors should be notified when their money is used to advance a political agenda. This bill addresses that. I urge your support.