



STATE OF MAINE  
**OFFICE OF THE STATE TREASURER**  
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**JOSEPH C. PERRY**  
State Treasurer

**GREGORY OLSON**  
Deputy State Treasurer

TO: Senator Joseph Baldacci, Chair  
Representative Suzanne Salisbury, Chair  
Joint Standing Committee on State and Local Government

FROM: Joseph C. Perry, State Treasurer

DATE: January 21, 2026

RE: L.D. 1383 "An Act to Require Divestment from Perpetrators of International Human Rights Violations"

Good morning, Senator Baldacci, Representative Salisbury and members of the Joint Standing Committees on State and Local Government, my name is Joe Perry, and I am the State Treasurer. Thank you for this opportunity to come before you today and to testify neither for nor against LD 1383, "An Act to Require Divestment from Perpetrators of International Human Rights Violations"

As Treasurer of State, one of my primary responsibilities is to manage the Treasurer's Cash Pool and the Trust Funds of the State. Both of which are addressed in this bill.

This Cash Pool is made up all state revenues collected but not yet expended. This includes funds such as the Budget Stabilization Fund, the Highway Fund, various special revenue and trust funds of the state such as the Land for Maine's Future, and the State Employee Health Insurance Fund, as well as funds from quasi-state entities like FAME and the University of Maine System. Per the investment policy of the Treasurer, the Cash Pool is invested with the goals of security, liquidity and a competitive return for the state's money, in those order. As of December 31, 2025, the Treasurer's Cash Pool contained just over \$3.563 billion – and has generated \$79 million in investment earnings, in FY26 to date. The Cash Pool is primarily invested in US Treasury notes (72%), collateralized bank deposits (22%) and collateralized certificates of deposit (CDs) (6%). The statute and investment policy permits investment in corporate bonds and commercial paper, but are rarely used and have never been from the defense industry. I don't anticipate this bill for divestment having much impact on the Cash Pool.

The permanent funds managed under Title 5, Section 138, include things like Baxter State Park Trust, IF&W Lifetime License Trust, University of Maine Land Grant Trust and others contain \$95.7M as of December 31, 2025. Per the Trust Investment policy, these funds are invested to preserve capital, appreciate long term and generate regular income for the beneficiaries. The funds are currently invested in stocks (75%) and bonds (25%) in bonds, with the current stock allocation in diversified index funds. These index funds are specifically chosen to exclude fossil fuel companies, to comply with Title 5, Section 135. Excluding defense stocks could reduce some investment options available and could potentially result in higher expenses and lesser returns for the trust beneficiaries. However, if it were the will of the legislature, our office could accomplish this divestment without much difficulty.

Thank you for the opportunity to testify today.