

## Testimony in Support of HB 2140

February 7, 2013

House Consumer Protection and Government Efficiency Committee  
Oregon State Capitol  
Salem, OR 97301

Chair Holvey and Members of the Committee,

The Association of Oregon Counties welcomes the opportunity to support HB 2140, which is the product of the Government Efficiency Task Force chaired by Rep. Nancy Nathanson. This bill simply offers local governments the option currently enjoyed by the state to invest public funds in the Oregon Intermediate Term Pool.

The Oregon Investment Council authorized the creation of the Oregon Intermediate Term Pool (OITP) in July 2010. The pool is intended to provide Oregon state and state-sponsored entities, primarily the Oregon University System, with an investment vehicle for dollars not needed to cover short-term requirements. The investment guidelines of the State Treasurer's office dictate that funds be invested in investment-grade quality securities and in a manner that will typically provide a return greater than the Oregon Short-Term Fund (OSTF). The overall portfolio must maintain an average modified duration of three years or less. Thus, fund participation fund is best suited to agencies that are comfortable investing monies that they consider longer-term in nature. In addition, it is our understanding that the Treasurer's office will need to approve a local government's participation in the fund to make sure sound investment practices are being followed. We support such a review process.

AOC believes this may be a potentially useful option for certain counties that may, for example, have a sizeable road-fund reserve and wish to earn a greater level of return than the Short-Term fund provides. By way of comparison, during a one-year period ending September 30, 2011, the OITP earned 1.96 percent compared to 0.11 percent for the OSTF.

Thank you for the opportunity to comment and we recommend a **"yes"** vote on **HB 2140**