

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 0

Yeas: Baertschiger, Burdick, Close, Prozanski, Roblan

Nays: 0

Exc.: 0

Prepared By: Racquel Rancier, Administrator

Meeting Dates: 2/19, 2/26

WHAT THE MEASURE DOES: Authorizes tribal government of federally recognized Oregon Indian tribe to invest in local government investment pool. Requires investment officer to annually adjust \$30 million limitation by multiplying \$30 million by percentage, if any, that monthly average of U.S. City Average Consumer Price Index (CPI) for 12 consecutive months ending September 9 of current calendar year exceeds monthly average of CPI for 12 consecutive months ending September 9, 1995. Replaces reference to state investment fund with Oregon Short Term Fund. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Efficiency of pooling resources instead of managing investments separately
- History of legislation since 2001 facilitating government-to-government relationship

EFFECT OF COMMITTEE AMENDMENT: Limits authorization for tribal governments to invest in local government investment pool to tribal governments of nine federally recognized Oregon Indian tribes.

BACKGROUND: The Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of this state that by law is made the custodian of, or has control of, any public funds. Since LGIP's inception in 1973, more than 900 local governments in Oregon have participated in the pool.

The policy of the LGIP is to provide a safe environment for the short-term investment of public funds. The LGIP allows public entities to manage their funds to maximize the yield on investments while meeting safety and liquidity requirements. The LGIP is commingled with other state funds in the Oregon Short-Term Fund; therefore, the Oregon State Treasury manages the LGIP in the same manner as it oversees the management of the State's funds and in accordance with the prudent investor rule (ORS 293.726).