



Service Employees International Union, Local 503, OPEU

**Testimony before the House Rules Committee
in Support of HB 4144
Rob Sisk, President, SEIU Local 503
February 17, 2014**

SEIU Local 503 supports House Bill 4144, which will improve the quality of services at the Oregon Investment Council. More than 20,000 of our 55,000 members have their pension funds managed by the Oregon Investment Council. The legislation makes it easier for the OIC to bring in-house contracted services that cost the investment funds managed by OIC tens of millions of dollars per year. This will bring work back to Oregon that is now being performed by Wall Street consultants for a very steep price.

An outside review of OIC indicated that bringing risk management in house would bring OIC into line with other states. The investment fund is well-managed, but this is one area that needs improvement.

The savings are estimated at \$23M/year and are expected to grow over time. These efficiencies, over the course of 20 years, would reduce the unfunded pension liability by \$2.8B without reducing workers' benefits.

The proposed amendments enhance the capacity of elected officials to oversee the new Oregon Investment Department. We are very pleased that the bill's oversight provisions have been strengthened from the 2013 version of the bill in some very important ways. It is important to our union that the legislature continues to have strong oversight of government functions like those performed by the Oregon Investment Council and Department. Unless legislators are satisfied that the oversight is strong enough, we would have serious reservations about the bill.

The underlying concept behind the bill is important enough to put in the time and effort this session on the improvements on oversight. This is the sort of innovative reform that Oregon needs, and we look forward to working with the Oregon Investment Council, the Treasurer, and the Legislature to ensure the new model has legislative accountability, public oversight and necessary flexibility.

We urge the committee to adopt the amendments, tighten the oversight, and pass the bill.

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