

HB 4144

Relating to public investments

HB 4144 creates the Oregon Investment Department under the Oregon Investment Council whose purpose is to invest approximately \$87.5 billion in state-held investment funds. The measure is effective on passage with key provisions becoming operative on January 1, 2015.

The State Treasurer is to become vice chairperson of Oregon Investment Council until becoming chair on January 1, 2017.

The department is not subject to expenditure limitation and therefore its budget and position authority will not be included in the state's overall budget.

The department, however, is to adopt a biennial budget based on generally accepted accounting principles. By February 15 of each odd numbered year, the department is to submit its budget to the Legislature for review. The budget takes effect on July 1 of each odd numbered year unless the Legislative Assembly enacts changes to the budget by June 1 of each odd numbered year.

The department may modify its budget during the course of a biennium after providing at least 30-days advance notice to the Legislature.

The revenue to support the department is from a monthly 0.25 basis point charge against investment funds.

The measure creates the Oregon Investment Department Fund for payment of expenses of the department. Interest earnings are retained by the fund.

The Subcommittee approved a reduction to the State Treasurer's 2013-15 Legislatively adopted budget of \$3.5 million Other Funds. This includes a 4.75 full-time equivalents reduction for 19 positions. The 2015-17 roll-up of the reduction totals \$14,470,173 and 19 positions (19.00 FTE).

The budgetary impact of this measure to other state agencies is indeterminate at this time.

Finally, the Legislature in 2021 is to conduct a comprehensive review of the results of the implementation of this act.

The Capital Construction Subcommittee recommends HB 4144 be amended and reported out do pass, as amended.