

**HB 5041**  
**State Treasurer**

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HB 5041 is the budget bill for the State Treasurer. The Treasurer manages short, intermediate, and long-term investments for state agencies and participating local governments. The Treasurer also coordinates and approves bond sales, administers the Oregon 529 College Savings Network, and the Public Funds Collateralization program.

The General Government Subcommittee approved a budget of \$61.3 million Other Funds, which is a \$13.3 million, or 27.7 percent increase, from the 2013-15 legislatively approved budget. The budget includes 119 positions and 115.20 FTE, which is an increase of 23 positions and 23.90 FTE, or 24 percent.

Recent consultant studies have detailed significant and systemic deficiencies within the Investment Division. To address these deficiencies, the budget request, as well as a supplemental request by the State Treasurer, were approved by the Subcommittee.

In combination with expenditures by the Oregon Investment Council, there is a substantial overall investment in the level of resources dedicated to the Investment Division.

HB 5041 adds new investment officers; business analysts or investment operations staff; establishes and staffs a compliance program; adds information technology and data management staff; and adds resources for enhanced internal auditing and general agency administrative functions.

In addition to, but apart from, the Treasurer's budget, the Oregon Investment Council has contracted for a state-of-the-art investment information technology application, risk management consulting services, and a contract for investment accounting services.

The combination of these resources will begin to address almost all of the deficiencies in the Investment Division, although the Treasurer does plan to request more staff in the future.

A budget note directs the Treasurer to report back to the Legislature in 2016 on the impact of these investments.

The Subcommittee also made other investments in the agency to continue the modernization of the state's cash management infrastructure. Additionally, continued funding is provided for an Information Security Management Program and a marketing position for the 529 College Savings program.

The Subcommittee approved the agency's key performance measures and targets.

The General Government Subcommittee recommends HB 5041 be amended by the -1 amendment and be reported out do pass, as amended.