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On Behalf Of: Divest Oregon
Committee: House Committee On Emergency Management, General Government, and Veterans
Measure: HB2601

As a PERS member and beneficiary, I care deeply both about the stable future of PERS and the stable future of our climate. Climate chaos from fossil fuels has already created financial and personal mass disasters in Oregon. I do not ever want to be forced to breathe so much smoke again! -- though I thankfully did not lose my home or my life in recent disasters, as, sadly, so many Oregonians have. The destruction of lives, health, and physical assets from future climate disasters is in our power to halt.

Therefore, it is fiscally and morally irresponsible for the Treasury to continue investing our hard-earned incomes in this increasingly risky sector. Treasurer Read acknowledged this reality in his recent New York Times editorial, yet his plan for a plan is weak and lacks urgency. Since his term expires next year there is no guarantee that the Treasury will adopt even his anemic approach. According to the Risky Business Report, over the past 10 years the Treasury's fossil fuel investments have lost 4-10 billion dollars. The Treasury's own Climate Risk Scenario Modelling Report of February 2022 counsels that holding onto PERS public equity fossil fuel investments is a big financial loser. Inexcusably, the Treasury's response was to make half a billion dollars of NEW investments in fossil fuels in January of 2023.

HB 2601 requires the Treasury to quickly exit from current fossil fuel investments in an orderly manner consistent with their fiduciary duty and contractual obligations, and to immediately stop all new fossil fuel investments.

Further, as public trustees, the Treasury owes both the legislature and the public transparency and accountability. Discrepancies, misleading statements, and omissions from the Treasurer mean that we must legally require this transparency. HB 2601 thus requires the Treasury to regularly inform the public and the legislature about their investment decisions, so that we can evaluate whether they are meeting their obligations to PERS members.

The financial opportunities for lucrative green investments continue to increase: Fossil-free alternatives are growing exponentially with the passage of the IRA at the federal level, while Putin's horrible war in Ukraine is forcing all of Europe to accelerate their turn away from fossil fuels, and all the world is crying out for our public servants to turn us away from more climate disasters. Allowing the Treasury to continue business as usual will expose the portfolio to stranded assets and related losses in value. HB 2601 mandates that the Treasury create a portfolio-wide Climate Resilience Plan using an environmental social justice framework, to protect our pensions and our our state.

Please pass HB 2601, to create Treasury transparency and accountability, to

protect the continued financial health of our pensions, and to ensure a better future for our state and our planet. Thank you for your service.