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On Behalf
Of: 350 Eugene

Committee: House Committee On Emergency Management, General
Government, and Veterans

Measure: HB2601

Thursday Feb 16th, 1pm in the House Committee On Emergency Mgmt, General
Government, and Veterans

Testimony in support of HB 2601: Treasury Investment & Climate Protection Act

As evidenced by the meltdown at OLCC right now, a lack of transparency and accountability are not in Oregon's best interest. This meltdown does cut into state income, but is small potatoes compared to what is happening with our Treasury right now.

The OR. Treasury has the worst transparency record of ANY large public retirement funds in the country. PERS is the 12th largest US public pension fund and scores at the bottom of that list for return on investment! PERS is heavily invested in Private Equity – meaning that none of us, including Treasury, can know what they are investing in. Private Equity is the main supplier of money to Fossil Fuel companies.

In an October 25, 2021 letter Treasurer Read and the OIC told legislative leaders that if the legislature is interested in divestment, a statute is required with the provisions that are in HB 2601 – a mandate, a reasonable timeline, and a fiduciary safety valve.

By passing this bill, you will be supplying what was requested. There is no certainty that Treasury will create policy directives needed to avoid financial peril to state monies, so it is appropriate that the legislature step in to provide a policy framework with appropriate urgency.

The Bill uses a method already being used by Treasury in managing the Public University Fund, called the Carbon Underground 200 list.

Treasurer Read has neglected to even mention to legislators that have met with him or received emails from him, that Treasury paid for two important reports looking at Risk Scenarios. Treasury's Climate Risk Scenario Modelling Report of February 2022 (which Divest Oregon just received in Feb 2023) counsels that holding onto PERS public equity fossil fuel investments is a major loser. Treasury's response was to make half a billion dollars of NEW investments in fossil fuels in January 2023.

It is the Legislature's job to tell Treasury to stop being obtuse, and to use these reports and the Carbon Underground 200 List to turn the ship around before it is too

late and we are stuck with assets that cannot be sold.

I support HB 2601!

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