



Chair Grayber and members of the Emergency Management, General Government, and Veterans Committee my name is Joe Baessler and I work for Oregon AFSCME. Oregon AFSCME represents over 25,000 public employee union members and the majority of those workers rely on PERS investments for their retirement security. We support the goal of this bill and would like to see the state move away from fossil fuels. However, we also are concerned about the impact of this bill on the investment portfolio. If the result of the bill is to divest from private equity funds that could cause a significant increase in the unfunded liability and an increase in PERS employer rates. Different people can have different opinions about how significant the risk is. At this time AFSCME does not think the benefit of divesting outweighs the risk.

Anytime the state investments take a significant hit, public employers have to pay more into PERS to offset that loss. This triggers an attack on our members' benefits. We believe that the Treasurer's approach to divestment over time in a prudent manner to protect the benefits is a better solution. Legislation which can be a blunt instrument is not the best way to accomplish the goals of divesting from fossil fuels and protecting the earned retirement funds of public employees that the state is currently investing for them.

Respectfully Submitted
Joe Baessler
Oregon AFSCME