



**OREGON  
STATE  
TREASURY**

**Elizabeth Steiner, MD**  
Oregon State Treasurer

**George Naughton**  
Deputy State Treasurer

**November 3, 2025**

Senator Kate Lieber, Co-Chair  
Representative Tawna Sanchez, Co-Chair  
Joint Interim Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairpersons:

### **Nature of the Request**

As requested by the Legislative Fiscal Office on October 1, 2025, we respectfully submit our reduction options for consideration as part of the 2026 rebalance plan. The Oregon State Treasury only has Other Funds, so we have included our 5% reduction presented in 2.5% increments by fund type from our 2025-27 legislatively adopted budget. We have also included the requested list of new and expanded programs.

### **Oregon State Treasury Statutory Mission**

The statutory authority of the Oregon State Treasury starts with the Oregon Constitution. Oregon Revised Statute 178.050 provides several of the core functions. Treasury has four primary service areas: State and Local Government Financial Services, Public Savings Services, Investment Services, and Trust Property Services. These programs are supported by Administrative Services by providing overall support and leadership for Treasury.

Through its State and Local Government Financial Services programs, Treasury delivers important financial tools and services to state agencies, contracted public universities and university entities, and local governments. This includes State Borrowing (ORS 286A), Local Government Borrowing (287A), and Administering Public Funds (ORS 293).

Public Savings Services offers a suite of simple, cost-effective and tax-advantaged savings programs dedicated to helping Oregonians save for education, retirement and disability related expenses (ORS 178).

Under the guidance of the State Treasurer, Investment Services is responsible for overseeing the state's managed assets (ORS293). Investment services is responsible for providing fiduciary excellence with a focus on earning positive and sustainable risk-adjusted returns on behalf of state beneficiaries.

Trust Property Services provides two important functions in Oregon: 1) it administers the unclaimed property program for the state and protects the property rights of owners forever or until they are able to claim their funds (ORS 98); and 2) it serves as the estate administrator for Oregonians who die without a will or known heir (ORS 111-116). Trust Property holds more than \$900 million in the Common School Fund, which is invested for the benefit of Oregon's public K-12 education.

### **Reduction Option Prioritization**

Treasury has a 2025-27 Legislatively Adopted Budget of \$158,605,399 Other Funds-Limited. In evaluating potential reduction options, our focus was on prioritizing delaying funds included in Policy Option Packages during the 2025 Legislative Session. These policy packages were approved to increase the security of Treasury's information technology systems, allow the investment division to meet the growing complexity of the investment landscape, and address significantly growing demand from Oregonians who are seeking the return of their unclaimed property.

To meet the five percent reduction target, the options for Treasury begin with delaying the hiring of these newly approved positions. Most of the funds were for specific positions needed for increasing workloads, resulting in reduction options focused on delaying the hiring of positions. This approach to our reduction options was intended to be one-time in nature for 2025-27 since Treasury's Other Fund revenue sources are sufficient to cover all programmatic expenditures into the foreseeable future.

To achieve the initial 2.5% reduction target, Treasury would need to extend planned fill dates for all currently vacant positions not in active recruitment by 180 days. We would also need to extend the standard duration for future vacancies by approximately 30 days. To achieve the second 2.5% reduction, further delays in filling of positions would be necessary with many positions being delayed until the 2027-29 biennium.

As the 2025-27 requests were focused on meeting ongoing workload challenges, delaying the hiring of these positions would negatively affect the quality, timeliness, and availability of Treasury services.

Respectfully submitted,



Byron Williams  
Chief Administrative Officer

Oregon State Treasury (OST)

2025-27 Biennium

2025-27 LAB

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158,605,339

4,067,299

-

-

162,672,638

Note that no statutory changes are necessary to achieve proposed reductions

Detail of Reductions to 2025-27 Legislatively Adopted Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL FF	TOTAL FUNDS	Pos.	FTE	Gov. Reductio n Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.	
Dept	Prgm/ Div															
1		Treasury	Agency-Wide	Hiring Delay - Extending Planned Recruitments for Current Vacancies (primarily new POP positions) by 180 Days			3,679,690			\$ 3,679,690			No	Yes	This reduction would require extending planned fill dates for all currently vacant positions not in active recruitment by 180 days, with estimated savings based on projected fully-loaded costs for impacted positions. This action would cause delays in implementation of the Investments and Trust Property POPs, and could also cause delays in ongoing projects and negatively affect the quality, timeliness, and availability of Treasury services.	
2		Treasury	Agency-Wide	Hiring Delay - Extending Standard Recruitment Duration for Future Vacancies via Typical Churn in Existing Positions by Additional 30 Days			308,080			\$ 308,080			No	Yes	This reduction would require extending the standard vacancy duration (approx. 2-3 months on average) for all positions that become vacant during the biennium through typical churn (excluding current vacancies, which are addressed above) by 30 days. Estimated savings are based on projected expenditures, and this action would cause delays in ongoing projects and could potentially negatively affect the quality, timeliness, and availability of Treasury services.	
				1st 2.5% REDUCTION SUB-TOTAL	0	0	3,987,770	0	0	\$ 3,987,770						
3		Treasury	Agency-Wide	Hiring Delay - Extending Select Planned Recruitments for Current Vacancies (primarily new POP positions) Through the End of the 2025-27 Biennium			3,402,022			\$ 3,402,022			No	Yes	This reduction would require extending planned fill dates for a subset of the currently vacant positions described in Priority Item #1 above through the end of the 2025-27 biennium (reflecting the difference between savings through the remainder of the biennium in this option and savings from the original 180 days extension included above) , with estimated savings based on current projections for impacted positions. This action would cause further material delays in implementation of the Investments and Trust Property POPs, and could also cause delays in ongoing projects and negatively affect the quality, timeliness, and availability of Treasury services.	
4		Treasury	Agency-Wide	Hiring Delay - Extending Standard Recruitment Duration for Future Vacancies via Typical Churn in Existing Positions by Additional 60 Days			616,160			\$ 616,160			No	Yes	This reduction would require extending the standard vacancy duration (approx. 2-3 months on average) for all positions that become vacant during the biennium through typical churn (excluding current vacancies, which are addressed separately) by an additional 60 days beyond the 30 days described in Priority Item #2. Estimated savings are based on projected expenditures, and this action would cause delays in ongoing projects and could potentially negatively affect the quality, timeliness, and availability of Treasury services.	
				2nd 2.5% REDUCTION SUB-TOTAL			4,018,182			\$ 4,018,182						
				TOTAL	#	#	8,005,952	-	#	\$ 8,005,952	0	0.00				

Target (5%)

#

#

7,930,267

Difference

#

#

75,685

<b>Oregon State Treasury (OST)</b> In summary, we completed the table below to ensure we were responsive to the task, but please note all POPs and similar legislative actions in Treasury since 2021-23 have been related to growth in the volume and complexity of existing programs and services (as emphasized below), with no new programs or expansions (adding new types of services, etc. to existing program responsibilities) during that timeframe. However, while we suggest the two items in red text were addressed by existing programs and services, we understand they could be construed as meeting the definition of an expansion and we have called them out for reference.															
<b>2025-27 Biennium</b>															
<b>Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23</b>															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Agency	SCR	Program Establish / Expansion		Program Description		GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Implementation Status
Biennium	Eff Date	Authorization													
Treasury	SLGFS (SCR 010)	2021-23		POP 104 & 106	Positions and resources added in POPs for both biennia supported growth in volume and complexity of <i>existing</i> programs and services, including for debt management housing bond staffing and cash management modernization and resiliency.			2,188,240				\$ 2,188,240	5	4.51	Complete.
		2023-25		POP 103				1,089,588				\$ 1,089,588	4	3.68	Complete.
		2025-27										\$ -			
Treasury	PSS (SCR 020)	2021-23			None							\$ -			
		2023-25			None							\$ -			
		2025-27			None							\$ -			
Treasury	INV (SCR 030)	2021-23		POP 107	Positions and resources added in POPs for both biennia supported growth in volume and complexity of <i>existing</i> programs and services, including for portfolio governance, oversight, and legal support.			854,682				\$ 854,682	3	2.63	Complete.
		2023-25		POP 104 & 105				1,252,497				\$ 1,252,497	3	2.76	Complete.
		2025-27		POP 106	Positions and resources added in POP 106 supported growth in the agency's managed investments, the increasing complexity of investment strategy and the need for additional data analysis for <i>existing</i> programs and services.			6,299,464				\$ 6,299,464	13	7.52	In process.
Treasury	TPS (SCR 040)	2021-23		POP 101, 102 & 103	Existing Trust Property programs and services moved from State Lands in POP 101, and positions and resources were added to support growth in volume and complexity of <i>existing</i> programs and services in POPs 102 and 103.			10,741,455				\$ 10,741,455	19	17.76	Complete.
		2023-25		POP 102 & Pkg 081	Positions and resources added in POPs supported growth in volume and complexity of <i>existing</i> programs and services, including for outreach and estates capacity.			805,438				\$ 805,438	2	2.59	Complete.
		2025-27		POP 107 and Pkg 811 (HB 2089/HB 5006)	Positions and resources added in POP 107 addressed the rapid growth in unclaimed property reported to OST and the increase in the number and complexity of fraudulent claims for <i>existing</i> programs and services. Pkg 811 added positions and resources (in EOS Bill HB 5006) to support foreclosure surplus proceeds modified in policy bill HB 2089 that is considered a new type of property under Treasury's Unclaimed Property program, but is addressed with a new process in Unclaimed property within <i>existing</i> programs and services.			2,276,934				\$ 2,276,934	8	7.15	In process.
Treasury	ADMIN (SCR 070)	2021-23		POP 102, 108, 109, & 110	Positions and resources added in POPs supported growth in volume and complexity of <i>existing</i> programs and services, including for Information Security, public records management, and Treasurer staff. Also included were central staff supporting the Trust Property program included in the program transfer from State Lands (102).			2,070,804				\$ 2,070,804	15	8.80	Complete.
		2023-25		POP 101, 103, Pkg 081, & SB 1561 (2024 Reg Session)	Positions and resources added in POPs andPkgs supported growth in volume and complexity of <i>existing</i> programs and services, including for information technology and accounting. SB 1561 (2024) allocated the remainder of the Monsanto Settlement Agreement revenues, directed Treasury to provide accounting services specific to the related Fund, and authorized a position and resources to support the required services also within <i>existing</i> programs and services.			1,198,449				\$ 1,198,449	4	3.80	Complete.

<div><div>Oregon State Treasury (OST)</div><div>2025-27 Biennium</div></div> <div>In summary, we completed the table below to ensure we were responsive to the task, but please note all POPs and similar legislative actions in Treasury since 2021-23 have been related to growth in the volume and complexity of existing programs and services (as emphasized below), with no new programs or expansions (adding new types of services, etc. to existing program responsibilities) during that timeframe. However, while we suggest the two items in red text were addressed by existing programs and services, we understand they could be construed as meeting the definition of an expansion and we have called them out for reference.</div>															
<div>Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23</div> <div>based on original adopted amounts with no inflation, adjustments, or phases in/out applied</div>															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Agency	SCR	Program Establish / Expansion		Authorization	Program Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Eff Date												
		2025-27		POP 108, 110, & Pkg 801	Positions and resources added in POPs supported growth in volume and complexity of <i>existing</i> programs and services for shared services, information technology, and legal services.			3,315,035				\$ 3,315,035	5	5.45	In process.
				TOTAL		-	-	32,092,586	-	-	-	\$ 32,092,586	81	66.65	

Note: 2 POPs were excluded from the table above: 1. 2021-23 POP 105 was limited to increasing rent in all SCRs to accommodate the new Treasury Resiliency Building, as well as one-time and minimal services and supplies costs. 2. 2023-25 Policy Bill HB 2001 (in Pkg 813) related to a new housing loan program administered by the Oregon Facilities Authority with Treasury support in the 010 and 070 SCRs was established in LAB, and then abolished in the same biennium in the 2025 Regular Session SB 5550.

Instructions

Column (5) - Authorization should identify the source of the new program or program expansion, which could include enabling legislation, approved policy option package, or administrative establishment.  
Column (6) - Program description should include a summary of the program and the expansion (if applicable), including any partner state agencies.  
Column (16) - Current status of program implementation should be summarized, including any future budget requests anticipated upon full program implementation.