



**OREGON
STATE
TREASURY**

Elizabeth Steiner, MD
Oregon State Treasurer

George Naughton
Deputy State Treasurer

Oregon Treasurer Elizabeth Steiner's Testimony on HB 2200

House Committee on Emergency Management, General Government, and Veterans

Chair Tran and members of the committee,

My name is Elizabeth Steiner, and I have the privilege of serving as Oregon State Treasurer. Thank you for the opportunity to testify on HB 2200 and the -1 amendment.

As you heard in our previous public hearing, Treasury is tasked with managing the Oregon Public Employee Retirement Fund (OPERF) and is responsible for maximizing the long-term returns of the fund on behalf of beneficiaries.

Let me reinforce why HB 2200 is necessary for us to stay true to our mission and our obligations to Oregon's public employees – and the public agencies who make contributions to the state's public employee retirement system.

Treasury's most important job is to manage the Oregon Public Employee Retirement Fund (OPERF). In that role, Treasury has a fiduciary responsibility to protect beneficiaries by maximizing the long-term returns of the portfolio and ensuring that public services – from schools to public safety to health care – are not unduly compromised by unfunded liabilities in the pension fund since increased contribution rates would cut into the budgets that support the vital public services Oregonians depend on.

That's why I am fully committed to Treasury's goal of reducing the risks that carbon intensive investments pose to the state public employee retirement fund (OPERF). In general, market forces are making carbon intensive investments riskier, and that risk is expected to accelerate as:

- Markets continue to make the shift toward clean energy sources
- Carbon reduction regulations continue to evolve, and
- Investors re-evaluate holdings that could leave them stuck with stranded assets such as coal-fired power plants that no longer have a place in a future clean energy economy.



Treasurer's Office - Capitol
900 Court Street NE, Room 159
Salem, OR 97301-3896
503.378.4329

Main Office
867 Hawthorne Ave SE
Salem, OR 97301
503.378.4000

oregon.gov/treasury
oregon.treasurer@state.or.us

Since the first hearing, my team and I have been working thoughtfully on crafting the -1 amendment. We are grateful to representatives of the major public employee unions, all beneficiaries of PERS, who have worked closely with our team to draft the -1 amendment. You will hear their perspectives on the -1 directly. Additionally, we have continued to have thorough conversations with advocates on our goals and how this bill moves us forward.

The -1 amendment requires biennial reports from Treasury to the legislature, reaffirms our fiduciary commitment to beneficiaries and OPERF, and asks us to actively analyze and manage the risks of climate change to the Public Employee Retirement Fund. This legislation will allow us to proactively partner with the legislature during the implementation of a plan to fully integrate climate-associated risk assessment into our investment due diligence process, thus allowing us to better meet our fiduciary responsibility to our beneficiaries.

Thank you again for the opportunity to speak with you today. I urge you to support the -1 amendment for HB 2200 and am happy to take any questions you may have.