



# American Association of University Professors

*Academic Freedom for a Free Society*

March 19, 2025

Senate Committee on Finance and Revenue

Re: House Bill SB 681 – Support

Chair Meek, Vice Chair McLane, and members of the committee:

On behalf of the more than 6,300 members of the American Association of University Professors in Oregon, our collective bargaining chapters at the University of Oregon, Portland State University, Oregon State University, and Oregon Tech, and our faculty members in advocacy chapters across Oregon, we urge you to support SB 681.

As the financial markets and the environment become increasingly unstable, it is the responsibility of our state legislature to support action that will protect both our state's public investments and our state's residents. By supporting SB 681, you and your fellow legislators can meaningfully contribute to both these goals. We can clearly see with each passing year that climate change is no longer a matter of if, but rather of when. In the face of this imminent crisis, our state must take active measures to minimize the environmental harm that our PERS investments create by putting a 5-year moratorium on private equity funds with more than 10% invested in fossil fuels.

Opponents to this bill will speciously claim that applying an environmental lens to our PERS investments is a violation of the Treasury's fiduciary responsibility to maximize investment profits. Such an argument ignores the fact that both private equity funds and fossil fuel investments have become increasingly risky and are less profitable now than ever before. According to the Oregon State Treasury's own analysis, private equity investments are a drag on PERS returns, and companies owned by private equity firms are ten times more likely to go bankrupt than companies not controlled by private equity. Thus, the most responsible fiduciary decision would be to alter our investment strategy so as to not further endanger future returns on investment. Currently, 60% of the PERS fund are private investments, which is almost double that of the average US pension and more than the target set by the Oregon Investment Council. Therefore, passage of SB 681 will give our Treasurer the time needed to transition to less risky investments and bring the portfolio in line with policy targets.

Finally, it is the unionized labor of public employees that builds the PERS fund, and our state and its residents value worker's rights and organized labor. However, companies that are owned by private equity firms are more likely to oppose unionization efforts, and private equity has been a significant contributor to the degradation of wages and working conditions across the United States. SB 681 gives our legislature the opportunity to vote with our dollars by redirecting funds away from companies that degrade both the environment and worker's rights.

In closing, our members have worked hard to build their retirement savings, but a healthy retirement savings account means next to nothing if we do not have a healthy climate in which to enjoy our retirement. The continued use of polluting energy sources is driving the dangerous and deadly impacts of climate change, such as increased frequency and severity of natural disasters, loss of biodiversity, and harm to public health. Therefore, investments in almost any other profitable enterprise would better serve this and future generations of Oregonians.

Please support SB 681. Thank you for your consideration.

Victor Reyes  
Executive Director, AAUP Oregon