

Submitter: Valerie Rosenberg
On Behalf Of:
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: SB681

To Members of the Senate Committee on Finance and Revenue:

My name is Valerie Rosenberg and I worked at Oregon State University for 25 years. I am now a retiree with benefits coming from PERS and I am writing in support of SB 681.

I am very concerned that the Oregon State Treasury (OST) is taking unnecessary risks with the money that I, and over 400,000 Oregonians, worked so hard to save. For many years while I was employed with the State of Oregon, we did not receive raises--even cost of living raises. Instead, we were told that we would receive gold standard benefits, including retirement benefits. Now that I am retired and have had more time to study the issue, I find that there are two main areas of risk with our retirement benefits. One is the risk that almost 60% of PERS investments are in financially risky private equity investments and the other is the high number of fossil fuel investments included in the PERS financial portfolio. These investments are managed by the OST and we, as retirees, seem to have little or no say in how our money is invested.

With the future of oil now on a collision course with the future of our planet, it is not the time to assist or invest in fossil fuel industries. Indeed, Europe has already made incredible progress on ridding retirement plans of fossil fuel investments and public retirement plans in the US are starting to realize that our investments in fossil fuels are ruining the quality of life we hoped to have as retirees, not to mention the futures of our children and grandchildren. On the contrary we should be investing in green energy, especially since solar is now the world's cheapest source of energy and renewable capacity is growing at an incredible speed. Its place in Oregon's energy profile reflects our state's support of renewables...not of carbon-based energy. In fact, carbon-based energy is largely responsible for climate change, and as we have seen, Oregon has become more prone to devastating fires and a loss of water resources. While one arm of government is spending millions of dollars in fighting fires and bringing communities back to life after a major fire, another arm is investing heavily in an area that makes the risks of having more, and more deadly, fires possible. This does not make sense.

In addition, I've learned that private equity funds often operate with limited regulatory oversight and are allowed to keep their investments secret because they are not public. My understanding is that the OST is over-invested in private equity in regard to standards set forth by the Oregon Investment Council (OIC). The OIC has set

these standards with private equity because the investments are considered risky.

Public funds, which are often responsible for the retirement security of government employees or the financial stability of local governments, should prioritize more transparent, lower-risk investments to ensure financial stability and accountability to us, the taxpayers, and recipients of retirement benefits. Moreover, private equity firms have been criticized for aggressive cost-cutting measures that can lead to job losses, reduced wages, and negative economic consequences in local communities. I do not want my retirement savings used to disadvantage others.

The Pause Act calls for no NEW investments in the fossil fuel industry for only 5 years and there are plenty of alternative investments that are safe and secure. If we do not have a moratorium on new investments, it seems highly unlikely that we will be able to meet the Net Zero Plan goals as laid out by former Treasury Secretary Read.

Thank you for taking the time to read my testimony.

With Respect,

Valerie Rosenberg