

**Good morning Chair Meek and Members of the Committee.**

**Thank you for the opportunity to speak with you today. My name is Matt Evans, I'm a native Oregonian and I'm here representing the Taxpayer Association of Oregon. We urge a "no" vote on SB 681.**

**The Public Employee Retirement System (PERS) has a long-term funding shortfall of over \$20 billion dollars. In some recent years, its investments have failed to keep pace with the markets and in some have even lost money. To be able to pay out the future benefits that have been promised, and must legally be paid, PERS is going to have to start making better investment decisions. Limiting any of its investment professionals to try to accomplish social goals rather than financial ones is a mistake.**

**If PERS had invested 100 percent of its assets in something like Exxon Mobil 5 years ago, it would have doubled its money – and more than closed its current funding gap. I might remind the Committee of the State’s disastrous flirtation with Solyndra, a “green energy” solar cell manufacturer that famously went bankrupt in 2011, taking a half a billion taxpayer dollars with it.**

**Not only will SB 681 make the effort to close the funding gap more difficult, but it will also cause PERS investment professionals to violate their own pledge of trust.**

**It’s ironic that this bill mentions the “fiduciary duties” investment advisors adhere to. It is not possible to both artificially limit the kinds of investments one makes on behalf of clients and also maintain fiduciary duties. Those duties require investment advisors to do their absolute best by their**

**clients based on the client's financial interests – not some third party's societal goals. Any PERS financial advisor who accepted the premise of SB 681 would be operating outside his or her fiduciary responsibilities and would open themselves up to legal action by PERS beneficiaries.**

**The purpose of any good investment strategy is to create “alpha” as they say on Wall Street. In other words, the purpose is to have your assets grow over time. Fossil fuels are a legal product whose use is growing, especially as more nations seek economic growth and a better life for their citizens.**

**Some day, the PERS Piper is going to have to be paid. This body's choice may come down to allowing legal investment choices you don't like or cutting programs you do**

**like to fund PERS retirement benefits. A “no” vote on SB 681  
makes those program cuts less likely.**

**We urge a “No” vote on SB 681.**