

Chair Meek and members of the committee,

For the record, my name is Hollie Oakes-Miller. I serve as the Vice President of Political Action at the American Federation of Teachers-Oregon (AFT-Oregon) and as an instructor at Portland Community College. I am writing on behalf of our thousands of members in higher education, K-12, and education workplaces across the state—most of whom are public sector workers and current or future beneficiaries of the Oregon Public Employees Retirement Fund (OPERF).

AFT-Oregon has been an active partner in supporting the Oregon Treasury's Net Zero Plan, working closely with former Treasurer Read and now Treasurer Steiner through the Net Zero Beneficiary Advisory Committee, on which I serve. We have been encouraged by the Treasury's commitment to evaluating and mitigating financial risks associated with carbon-intensive investments. SB 681, The Pause Act, is a critical next step in that process.

The Pause Act aligns with the Treasury's own Net Zero Plan by placing a five-year moratorium on new or renewed commitments to private funds with more than 10% invested in fossil fuels. This gives the Treasury time to rebalance its portfolio and transition to less risky, more sustainable investments while ensuring the long-term stability of OPERF.

Why is this moratorium necessary? Private market funds pose a growing risk to OPERF:

- Over 54% of OPERF is invested in private market funds—far above the national average of 38% for large public pension funds.
- These funds are illiquid, meaning they must be held for long periods (often 10+ years) and are difficult to sell. This is already creating challenges in generating cash for beneficiary payouts.
- Returns on private investments have declined, making them less lucrative than they once were.
- Fossil fuel investments, in particular, are increasingly risky due to global energy transitions, regulatory shifts, and the risk of stranded assets.

AFT-Oregon members understand that climate change is an escalating crisis—one we continue to learn more about every day. As a geology instructor, I teach the science of climate change, its impacts, and future projections. My students—many of whom will be future educators, scientists, and public servants—are deeply concerned about their futures. They see firsthand the urgency of addressing climate change and are frustrated by the slow political response. Our investments must reflect both financial prudence and climate responsibility.

SB 681 is a commonsense measure that supports the Treasury in aligning with its own Net Zero goals, reducing financial risk, and ensuring the long-term health of OPERF. It gives the new Treasurer the necessary time to transition away from volatile fossil fuel investments while maintaining a strong, stable pension fund for Oregon's public workers.

AFT-Oregon urges your support for SB 681 and thanks legislative sponsors for their leadership in advancing this necessary reform.

Thank you for your time and consideration.

Sincerely,

Hollie Oakes-Miller
VP of Political Action
AFT-Oregon