



March 19, 2025

TO: Members of the Senate Committee on Finance and Revenue

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to SB 681

Chair Meek, Vice-Chair McLane, members of the Senate Committee on Finance and Revenue. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to SB 681. By restricting the ability to make investments in funds that include fossil fuels, SB 681 would impose requirements on the State Treasurer and the Oregon Investment Council (OIC) that is inconsistent with its role as the state's fiduciary. OBI opposes the bill because it would require the OIC to divest from certain assets instead of maximizing Oregon's investments in its trust funds.

In its role as a fiduciary for Oregonians, the OIC has worked to grow its trust funds. Current law requires it to "manage the funds prudently, under the circumstances then prevailing and in light of the purposes, terms, distribution requirements and laws governing each investment fund." *ORS* 293.726. As a result, current law already requires the treasurer and the OIC to ensure the investments it makes balance the risks, including the risks associated with climate, with potential rewards.

Under this law, the OIC has helped offset increasing PERS liabilities, fund schools, and grow investment accounts for many Oregonians. For example, the value of the PERS portfolio has grown to \$94 billion and pays over \$400 million in retirement benefits each month. As drafted, SB 681 would threaten the continued growth of this portfolio and the funds it pays out to Oregonians by directly conflicting with the requirement that these funds already be managed prudently.

For those reasons, I request that this committee oppose SB 681. Thank you for your consideration.

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