

**HB 2218 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Mazen Malik, Senior Economist

**Meeting Dates:** 1/24

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**WHAT THE MEASURE DOES:**

Modifies maximum allowable deduction from assets under management for expenses of State Treasurer as investment officer.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Oregon State Treasurer is in the final phase of a three-phase plan (2015, 2017, and 2019) to significantly increase the staffing and resources devoted to the Investment Division to address long-standing deficiencies within the Division and to reduce external investment costs through the in-sourcing of some investment management activities. Internally managed assets now comprise approximately 29.4% of the \$102.6 billion in assets under OST management. The in-house management of assets were reported to reduce external management fee and increase returns exceeding those produced by external management. OST produced and reported these estimates by comparing actual to benchmark returns.