



**OREGON  
STATE  
TREASURY**

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**March 25, 2025**

**To: House Committee on Revenue**

**From: Jessica Howell, Director of Government Affairs, State Treasurer Elizabeth Steiner**

**RE: HB 2515**

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Chair Nathanson, Vice- Chair Reschke, Vice-Chair Walters, Members of the Committee,

HB 2515 allows public bodies to create investment pools outside of the oversight from the State Treasurer and the Oregon Investment Council and enables them to enter into intergovernmental agreements to create these pooled funds. HB 2515 was reviewed by Oregon State Treasury (OST) and our analysis has raised a number of questions and concerns regarding the legislation.

The current legislation does not outline a due diligence process for public bodies and lacks details on what kind of ongoing monitoring will be in place to ensure that school districts and other public bodies are receiving professional investment management advice that is unbiased, free of conflicts of interest and adheres to fiduciary duties.

Additionally, Treasury is concerned that public bodies may not have the staff with relevant investment experience to properly monitor and provide oversight for the external investment managers of these proposed funds. Staff with experience understanding the risk profiles of the pooled investment funds and who can work with fund managers to ensure diversification of the fund will be important to protecting public dollars.

Further, given that these pooled funds will likely have lower assets under management than the current Oregon Treasury Short Term Fund most school districts and local governments participate in, it is highly likely that these new funds will come with higher management costs that could cut into earnings for public bodies.

In conclusion, HB 2515 has the potential to put taxpayer dollars at risk by allowing for the creation of investment pools that incur higher costs, return reduced earnings, and are exposed to greater legal and investment risks. We understand the desire of public bodies to have more options available to manage their funds, however OST is concerned about a number of potential risks and unintended consequences of this legislation as it does not provide the same safeguards currently in place through Oregon State Treasury.



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