

Submitter: Thomas Busse

On Behalf Of:

Committee: House Committee On Revenue

Measure, Appointment or Topic: HB2515

In addition to echoing the Office of the State Treasurer about the oversight deficiencies of the draft legislation, I wish to also encourage open government and transparency provisions.

The current State Treasurer's office has a website that regularly published data about its portfolio, detailing its holdings by securities. This is very important for public oversight. In 1994, Orange County's Treasurer in California recklessly invested in reverse repurchase agreements. Nobody knew until an opposition candidate paid his own money in a public records request that was resisted by the office. As a result of the bankruptcy caused by these reckless investments, California state law now makes all public holdings available on the internet. There is no such publication requirement in this bill, and Oregonians should not need to pay expensive public records fees to open the portfolios of public investments.

I urge all investment pools created under this act to have a website, undergo an annual audit, publish its portfolio monthly, and form an oversight committee that holds no less than four public meetings.

In addition, there are no limitations on "alternative investments." Oregon's legislature recklessly shielded such private equity contracts from its public records law, meaning the details of certain state investment contracts (and in some cases their existence) are shielded from public knowledge. This is due to lobbying by the private equity industry. It therefore becomes possible for well-placed individuals to play favorites when investing public money - possibly into boondoggles.