

Testimony Submitted to the Senate Committee on Finance & Revenue Regarding HB 2081 A

Date: May 19, 2025

Submitted by: Mary Cerulli, Founder and Executive Director, Climate Finance Action

Chair and Members of the Committee, my name is Mary Cerulli. I am the Founder and Executive Director of Climate Finance Action, a national organization dedicated to promoting the integration of climate risk into financial decision-making and advocating for policies that support a just and sustainable economy.

Climate Finance Action commends the Oregon Treasury for its economically prudent action in addressing climate-related financial risks within the Oregon Public Employees Retirement Fund (OPERF) through House Bill 2081 A. Establishing clear objectives, robust strategies, and sound policies to ensure a long-term, sustainable investment portfolio is paramount to securing the dignified retirement of OPERF beneficiaries.

The increasing evidence of material financial risks and opportunities presented by climate change necessitates diligent consideration by fiduciaries. HB 2081 A demonstrates a responsible and forward-thinking approach to managing these critical factors for OPERF.

The provision for biennial reports to the legislature is a prudent measure, recognizing the dynamic and evolving landscape of due diligence and disclosure frameworks. This bill will enhance OPERF's capacity to access and effectively use increasingly sophisticated data and analytical tools. This, in turn, will enable a more accurate assessment of risk exposure and facilitate the identification and implementation of effective strategies to manage climate-related risks and capitalize on emerging opportunities.

The bill's mandate to analyze and manage climate-related financial risks aligns directly with the core fiduciary duties of the Oregon Investment Council and the State Treasurer. A growing body of legal and financial thought suggests that failing to adequately assess and mitigate foreseeable and material climate risks may constitute a breach of these fiduciary obligations. For your reference, we would like to highlight the insights presented in the following reports:

- [Reflections from Columbia's Forum on Climate-Related Fiduciary Duty](#)
- [UK Legal Opinion: Nature-Related Risks and Directors' Duties - Chapter Zero](#)

Enacting HB 2081 A will better position Oregon to make informed and strategic investment decisions and enhance the long-term stewardship of the fund. This legislation will place OPERF alongside a growing cohort of state pension funds that proactively recognize the imperative to address climate risks and opportunities for the enduring health of their portfolios. Leading examples of states moving in this direction include Maryland, Massachusetts, California, and New York.

It is also noteworthy that even traditionally conservative state pension funds, such as the Alaska Permanent Fund, Florida Retirement System Trust Fund, Missouri Local Government Employees' Retirement System, and the Teacher Retirement System of Texas, are actively pursuing investments in clean energy. This demonstrates that the strategic imperative of investing in the energy transition transcends partisan considerations.

Climate Finance Action unequivocally supports the Oregon Treasury's efforts to safeguard OPERF from material financial risks and strategically pursue opportunities to enhance long-term returns. These are essential steps in fulfilling its fundamental duty of protecting the long-term financial security of the state's pension system beneficiaries.

Thank you for your time and consideration of this important matter.