



350PDX
3625 N. Mississippi Avenue
Portland, OR 97227
350pdx.org

May 17, 2025

Re: Support HB 2081

Dear Chair Meek, Vice Chair McLane, and members of the Senate Committee on Finance and Revenue,

On behalf of 350PDX, I urge you to **support HB 2081 with the -1 amendment**. 350PDX, one member of the Divest Oregon coalition, organizes thousands of members around the Portland area who are concerned about climate change and who want to see sustainable and just solutions to this already-present and intensifying threat.

HB 2081 directs the Oregon Investment Council and Treasurer to “actively analyze and manage the risks of climate change to the Public Employees Retirement Fund.” Acknowledging and planning for climate risk and how it will impact the PERS portfolio is of crucial importance. Our state should **avoid risky investments that will become stranded assets**, such as investments in properties and companies located in the likely path of climate disasters, some of which are already having a hard time getting insurance, or investments that contribute to climate chaos through sizable greenhouse gas emissions. Climate change is not a political issue, it is a set of facts demonstrated by scientific consensus across many fields and decades of research and observations, and we are already experiencing its impacts in increased wildfires, less predictable precipitation, heat domes, and more. Though this body of scientific information about the **climate is being made partisan through misinformation and disinformation on the part of climate change deniers**, it already is and will increasingly negatively impact public health and economic stability.

HB 2081 says the Oregon Investment Council and Treasurer will perform the analysis and manage the risk of OPERF due to climate change, then report to the Legislature. It is also important that the Treasury staff prioritizes these concerns as they are selecting funds to begin or continue investing in. Business as usual is not an adequate way for Treasury staff to operate. **The Treasury’s previous analyses have shown that OST’s portfolio is at significant risk due to climate change**, such as the 2022 Ortec climate risk assessment, which shows that **removing fossil fuels from the portfolio would increase returns**,¹ and the 2024 Net Zero Plan, which among other things calls for halting investments in private equity fossil fuels.² And yet, Treasury staff do not appear to be shifting investment strategies, and are instead locking us into long-term investments that cause climate devastation and that are unlikely to receive strong returns.

¹ See highlights of the Ortec report, a link to the report, and Divest Oregon’s analysis here:
<https://www.divestoregon.org/climaterisk>.

² Oregon’s 2024 Net Zero Plan suggests as a “Major Action” on p. 21, “Exclude new investments in private market funds that have a stated intention to invest primarily in fossil fuels.”
<https://www.oregon.gov/treasury/Documents/Site-Documentation/Landing-Page-Documents/Sustainable-Investing/OST-Net-Zero-Plan.pdf>.



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The Legislature has passed many bills over the last several years with the goal of mitigating climate change and reducing our emissions through clean energy and natural climate solutions, and the Treasurer is suggesting HB 2081 as a similar framework for OST. **Passing HB 2081 signals to Treasury staff that the Legislature agrees with avoiding climate risk in OST's portfolio**, seeing it as part of the most fiscally responsible investment strategy.

Though funding is not part of this bill but is part of the Treasury's appropriations ask, we support funding additional OST staff to manage climate risk. Currently, OST has a small staff compared to other similar-sized pension funds, and it tends to hire outside fund managers. **Securing staff with a speciality in climate risk assessment and who can help us transition away from risky funds** that contain Scope 1 and 2 emissions would help ensure the solvency of our public employees' retirement funds. Even better is if staff have expertise in selecting investments that build the sustainable and just future Oregonians value, where Oregon's outdoor activities, clean air, and plentiful water continue to be available into the future.

This bill could be **strengthened by creating a timeline** for enacting findings from climate risk analyses and by putting in **stronger standards for supporting a just transition**. We would also like to see the Treasury craft standards for what types of funds it will invest in to meet the goal of "investments that reduce net greenhouse gas emissions in order to participate in the energy transition." Reducing Scope 1 and Scope 2 investments is helpful, and all scopes should be considered.

Climate change is *the* major risk of our times, exacerbating all other public health, security, and economic concerns, and it must be taken into account if we expect to have strong returns for our retirees. Moving away from risky investments will help **safeguard our public employees' pensions**, will help **create a livable future** for Oregonians and people the world over, and will ensure that **taxpayers are not on the hook** for the additional payouts that would be required to PERS members if their retirement investments are not managed properly. I laud the intentions of this bill to address these risks and to do so in a way that supports a just transition to a sustainable future: an economy that includes everyone will be the strongest path to weathering the coming storms, and reducing their severity. We need much stronger policies in all our state agencies to truly address and reverse climate change, but this bill is an important step. **As a parent, a taxpayer, and a human being for whom Earth is the only available livable planet, I urge you to support HB 2081.**

Dr. Cherice Bock
Climate Policy Director
350PDX

Building the climate justice movement.