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On Behalf Of: Divest Oregon
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: HB2081

My name is Andrew Bogrand and I am the communications director for Divest Oregon, a statewide coalition of over 100 organizations.

For almost five years, our coalition has encouraged the Oregon State Treasury and Oregon lawmakers to take seriously the financial risks posed by human rights rollbacks, geopolitical shocks, and climate change. HB 2081 is a step forward in addressing these interrelated risks and we are pleased to offer our endorsement.

Let me be clear: HB 2081 will not solve the climate crisis. But it is not designed to, either.

HB 2081 is designed to protect pensioners and taxpayers from stranded assets such as fossil fuel holdings that will have little value as the wider economy transitions toward cleaner sources of energy. HB 2081 turns existing Treasury policy into law; emphasizes legislative reporting and accountability; and provides Treasury staff with the resources they need to invest in the new global economy.

Far from political motivation, HB 2081 also recognizes challenging new economic realities, where geopolitical contestation, climate-induced technological innovation, and natural resource competition will upend the financial logic of passive investing, as even The Economist has argued.

I will remind colleagues on all sides of the aisle today that the three candidates for Oregon Treasurer in 2024 - Working Families, Democrat, and Republican - highlighted the importance of preparing Oregon for impending financial shocks, be they from climate change, foreign and private equity, or global conflict.

For this reason, HB 2081 is about financial preparation and leadership.

It is also about Oregon values: Too many investments made by the Treasury have come with serious human rights impacts at home and abroad, which Divest Oregon has documented. We celebrate the directive in this bill that the Treasury needs to vet investments in terms of their impact on frontline communities and their potential for creating a just energy transition.

Of course, HB 2081 could go substantially further. It is a relatively conservative bill that does not fully address private equity. Private market investments represent over half of the Treasury's holding and, by Treasury's own admission, these private

investments have been a drain on fund performance.

Still, despite our concerns and caution, we maintain that HB 2081 is an important step forward and reflects many of the concerns raised by Divest Oregon.