



Oregon PERS Retirees Inc.

POLITICAL INSIGHTS THAT MATTER



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About OPRI

The Oregon PERS Retirees, Inc. (OPRI) is the state's largest organization that exists solely to protect the rights and benefits of Oregon's retired public employees. We serve retirees like you by monitoring PERS disbursements, advocating for you at the Legislature and, when necessary, defending you in court. To learn more, please visit our website: www.opri.org

Legislators Juggle Heavy Workload, Federal Funding Uncertainty

We are now at the mid-point of the 160-day Oregon legislative session.

Since convening in January, Oregon's 2025 Session has been characterized by a historic number of bills, full committee agendas, and budget concerns surrounding whether federal funds will materialize or not.

The 2025 Legislature had an abnormally slow start compared to previous years, primarily due to the

volume of bills and a seeming lack of organizing priorities. On the very first day - January 21st - the legislature was already swamped with over 2,000 bills to consider. As legislators continued to propose new legislation in the following weeks, the total grew to over 3,400 bills - by far the largest number of bills of any previous session. This has had an ongoing effect on the legislature, leading to jam-packed committee agendas and very limited time to hear public testimony and have in-depth policy discussions.

Oregon lawmakers face a full plate in 2025 with a surge of bills and concerns about Federal funding.

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Decarbonization of the PERS Investment Fund: HB 2200 & SB

Discussions on ‘decarbonizing’ the PERS Investment Fund (OPERF) have gained momentum in recent years. This session has produced two bills—House Bill 2200 and Senate Bill 681—sparking debate over the balance between the perceived risk of investments tied to fossil fuels and financial performance.

House Bill 2200 – proposed by State Treasurer Elizabeth Steiner (D) - aims to address climate-related financial risks in Oregon’s investment portfolio by directing the Oregon Investment Council to prioritize clean energy investments and reduce carbon emissions in alignment with the state’s climate goals. However, the bill stops short of mandating this approach and requires the Treasurer to only make those investments if they are in line with legal fiduciary requirements.

OPRI urged caution on this approach as OPRI members have made very clear that their highest priority for PERS investments is to maximize returns for retirees.

Meanwhile, Senate Bill 681 goes much further than House Bill 2200 and proposes a five-year moratorium on investments in private market funds with fossil fuel exposure. Supporters believe this would protect state funds from fossil fuel market volatility and align with climate-conscious policies. Opponents, including OPRI, argue that restricting fossil fuel investments could limit diversification and lower returns, potentially affecting public services and pensions.

Oregon Treasurer Elizabeth Steiner strongly supports HB 2200 but opposes SB 681, citing concerns over financial risks and fiduciary duties to maximize returns for PERS beneficiaries. Most labor organizations also supported HB 2200 while opposing SB 681.

OPRI was critical of both bills, but recognizes that HB 2200 was the preferable approach.

A recent survey of OPRI members revealed strong sentiment that the PERS Investment Fund should be managed primarily to maximize returns.

OPRI will continue to monitor these bills. As it stands now, we believe that HB 2200 will most likely pass. We do not believe that SB 681 will pass at this time.



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Additional Priority Bills for OPRI

Senate Bill 847: This bill makes the first update to the health insurance subsidies provided to PERS retirees since 1988, when the Tier One and Tier Two subsidies were set at a maximum of \$60 per month. SB 847 proposes a modest increase in the monthly subsidy to \$100 and to include all members of PERS, including those in OPSRP. SB 847 passed the Senate and is now in the House.

Senate Bill 751: This bill continues the recent focus on Police and Fire retirees by setting up a Task Force on Health Insurance Coverage for Retired Police and Fire PERS Members and directs the task force to evaluate methods of providing health insurance coverage to retired members of PERS who are police officers and firefighters.

Senate Bill 852: This bill is making changes to the IAP post-retirement death payout. Currently, beneficiaries are given the option to take installments or a lump sum. SB 852 would mandate a lump sum payment. The bill also increases the minimum monthly payment for the Police and Fire additional death benefit from \$30 to \$200. SB 852 passed the Senate and is now in the House.

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Governor Kotek made clear early on that she would continue to prioritize the same issues as her previous two years in office: homelessness, increased housing supply, more mental health and addiction treatment, and \$500 million more for Oregon’s K-12 public schools. While legislative leadership has largely deferred to the Governor’s priorities, the legislature struggled to gain its footing because of concerns over potential losses to federal funding and the effect it would have on the state budget. Agencies were asked to propose “cuts” budgets to budget writers in the range of 5% to 10% in anticipation that federal funds may dry up.

It wasn’t until Oregon Office of Economic Analysis issued its official quarterly revenue forecast in March that legislators and budget writers could finally feel a sigh of relief. The forecast indicated lawmakers would have roughly \$350 million more in General Fund revenue to spend in 2025. This forecast has given leaders and budget writers the ability to begin their process for setting the budget blueprint for the upcoming 2025-27 biennium. The final forecast in May will determine the final resources available for the 25-27 budget.





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The date above indicates when your membership is up for renewal. For more information, please visit www.opri.org or send a letter to: Oregon PERS Retirees Inc. | PO Box 12945 | Salem, OR 97309



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