HB 4083 Talking Points

Basics about the COAL Act

- The COAL Act sets the goal of moving our state's investments out of dirty coal and keeping our pensions and state finances safe.

- PERS and the Oregon Short Term Fund have between $700M and $1B invested in coal over the past 3 years in publicly traded funds.
    - In addition to these public investments, the Treasury has more coal investments in private funds that are kept secret from the public.
    - Private investments make up more than half of the PERS fund.

- The COAL Act will direct the Treasury to:
    - Phase out publicly traded investments in coal
    - Halt new investments in coal
    - Report on the phase out of coal

- There is legislative precedent for the COAL Act in the Sudan Bill, passed by the Oregon Legislature in 2005. In that case, the Treasury was directed to withdraw funds from companies invested in Sudan, which they did, totalling over $300 million in 2008–2014. This legislative directive was followed in such a way that the Treasury could maintain its fiduciary responsibility.

- There is a growing list of HB 4083 chief sponsors and co-sponsors

- **Why we need the COAL Act**

    - The Oregon Treasury's holdings include the pensions of more than 400,000 Oregonians.

    - Coal is no longer a good investment.

        - Since California began removing coal from its CalPers portfolio, it has gained an estimated $598 million in returns.

        - Oregon, on the other hand, has foregone $340 million in returns, according to an analysis by Divest Oregon.

    - Our analysis for the past 3 years shows that OST is continuing to invest in fossil fuels so this legislation will make sure "business as usual" does not continue.

More Talking Points

Why the COAL Act during the 2024 short legislative session?

- The COAL Act was introduced by chief sponsor Rep. Khanh Pham. It has gained support from many legislators, listed here.

- The COAL Act has a good chance of passing because Treasurer Read has engaged regularly with Rep. Khanh Pham and Divest Oregon during the development of the COAL Act, and we believe the Treasurer should support the bill.

- Divest Oregon is in regular contact with Treasurer Read to discuss his proposed net-zero plan — but that plan has not been revealed, the OIC has not approved it, and it could be changed by the next Treasurer. This bill is an urgently needed first step.

- The COAL bill is a right-sized effort for the short session: the provisions of the act are specific, achievable and measurable.

- The act will decrease risk to PERS and the climate at a practical pace to address this urgent problem.

What about the cost of the COAL Act?

- HB 4083 should require no funding.

- The COAL Act will improve Oregon's fiscal performance, as witnessed by its coal investments' $340 million underperformance in the past decade in publicly traded investments.

- Not acting urgently will expose the portfolio to stranded assets and related losses in value.

Who supports HB 4083?

- Tens of thousands of PERS beneficiaries — including all of Oregon's teachers unions, with 66,000 members — along with 100 statewide organizations including racial justice groups, faith communities, adult and youth climate activists who make up the Divest Oregon coalition.

- The lead sponsors for the bill are Representatives Khanh Pham and Mark Gamba and Senator Jeff Golden and is supported by a growing list of legislators.

Environmental and Public Health Costs of Coal

- Coal is damaging to the environment, climate, and public health causing damage to air, soil, and waterways and human health impacts such as cancer, cardiovascular disease, respiratory disease, kidney disease, mental health problems, adverse birth outcomes, impaired child development, and others, and coal across the use continuum impacts vulnerable populations disproportionately.