

OREGON STATE TREASURER TOBIAS READ

Annual Report

2019



OREGON
STATE
TREASURY



Helping the Oregon of Tomorrow Succeed: Message from Oregon State Treasurer Tobias Read



Dear Oregonians:

There's a surreal quality to writing an introduction to a 2019 annual report in a year – 2020 – that is different in so many dramatic and material ways. We ended 2019 with above-benchmark investment performance, consistent excellence in our debt management projects, and encouraging numbers in our savings programs.

Now, as I write, the country and the world continue to reel from the health effects of COVID-19, protests against police brutality, and an economy that reflects the challenges associated with both a pandemic and systemic inequality. And here in Oregon, we have the added challenge and heartbreak of dealing with a catastrophic wildfire season.

Our team is mostly working from home, doing our best to stay healthy while remaining one hundred percent committed to providing Oregonians services and programs that help keep our state running.

It's natural to want to focus on the immediate, more pressing issues, especially since 2019 feels very much in the rearview mirror. And yet that shortchanges the successes my team worked for and achieved last year. Taking a look back at the work we were able to accomplish in 2019 is important not only because it's our job to be accountable to Oregonians; it's also a recognition of the strong foundation we've built that has helped us weather the many challenges we're all facing in 2020.

That's an important reminder for everything we do in state government: our choices and our decisions reverberate well into the future, and therefore it's incumbent upon us to do our very best today – right now – to help the Oregon of tomorrow succeed.

Thank you for reading about how we did in 2019. We welcome your feedback and questions.

A handwritten signature in blue ink that reads "Tobias Read".

\$92.7 million Treasury budget 2019-21

166 Number of positions

\$111.6 billion Assets Under Management 12/31/2019

16 million Financial transactions processed in 2019

\$294 million Value of transactions processed

\$1.6 billion New debt issued in 2019

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FOR MORE INFORMATION

For more information, and for links to our other reports and publications, please visit:

www.oregon.gov/Treasury

[The Ledger: News & Updates](#)

You can also find us on Facebook and Twitter:

[@OregonStateTreasury](#)

[@OregonTreasury](#)

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Treasurer Read and the Treasury Leadership Team



Tobias Read was elected Oregon's 29th State Treasurer in 2016. Prior to elected office, he worked in the U.S. Treasury and as a liaison between designers, engineers, and manufacturing units for Nike Inc.

In 2006, he was elected to the Oregon House of Representatives. During his decade of service, he championed legislation to invest in public education, improve state financial management, finance critical infrastructure improvements, and help Oregonians save for a more secure future.

As State Treasurer, Read has overseen the successful launch of OregonSaves, the country's first state-based retirement savings program. During his tenure, Treasury has also modernized the way we invest the Oregon Public Employees Retirement Fund, reducing long-term risk while saving millions in fees from Wall Street. And Treasury's careful management of the state's bonding capacity has supported continued investment in critical infrastructure like roads and schools while expanding support for low-income housing and increasing savings for state government and taxpayers.

In 2019, under the leadership of Treasurer Read, Oregon State Treasury:

- Improved the incentive structure for College Savings programs by creating the nation's first refundable tax credit to help low- and moderate-income Oregon families benefit from saving for future education and job training costs.
- Helped people experiencing disabilities save money through the Oregon ABLE Savings Program – with \$17 million in program savings reached just five years after the program began.
- Launched a new partnership with Oregon BottleDrop that allows Oregonians to transfer money from their redemption accounts directly into their Oregon College Savings Plan accounts.
- Helped Oregonians build retirement savings through OregonSaves – with 58,689 people saving more than \$40 million by December 2019, just over two years after the program began.
- Ended the year up 13.56 percent for the Oregon Public Employees Retirement Fund, with approximately \$80 billion in assets on behalf of public employees statewide.

TREASURY LEADERSHIP



Tobias Read
State Treasurer



Dmitri Palmateer
Chief of Staff



Michael Kaplan
Deputy State Treasurer



Jackie Steffens
Chief Human Resources Officer



Deena Bothello J.D.
Director
Legal and Compliance



Rex Kim
Chief Investment Officer



Cora Parker
Director
Finance



Jacqueline Knights
Director
Debt Management



Michael Parker
Director
Oregon Savings Network



Chris Molin
Director
Information Technology



Byron Williams
Chief Administrative Officer

Our Way is Forward: the Treasury Team Works on Behalf of All Oregonians

ABOUT TREASURY

Under Treasurer Read's leadership, we prioritize investing for the long term, ensuring the safety and integrity of public funds, and empowering Oregonians to invest in themselves. We're proud of the work we do to help families, governments, and businesses succeed.

OUR VISION

Leading the way for Oregonians to achieve long-term financial security.

OUR MISSION

Improving Oregon governments' and citizens' financial capabilities.

EMPOWERING YOUR FINANCIAL FUTURE

We help Oregonians save money. Our programs include the OregonSaves program for retirement savings, the Oregon College Saving Plan for college and career training costs, and our Oregon ABLE Savings Plan, which helps people experiencing disabilities to save now and for their future.

SERVING GOVERNMENTS AND TAXPAYERS

We operate the state's investing, banking, and debt programs.

We carefully invest public and pension funds, and sell Oregon bonds to finance community projects like schools, roads and armories.

We stretch taxpayer dollars with a strong rate of return for funds deposited in the Local Government Investment Pool, which is available to all Oregon and Tribal governments.

SAFEGUARDING PUBLIC FUNDS

We partner with banks and credit unions to protect public funds deposited by public bodies throughout Oregon.

HELPING NONPROFITS AND COMMUNITIES

We help secure low-cost loans and bonds for nonprofit projects like hospitals and make money available to Oregon lenders, who can put that money to work in their communities.

MAKING BUSINESSES MORE COMPETITIVE

We engage as a thoughtful shareholder to improve sustainable business practices. Oregon small businesses also benefit from OregonSaves, which allows them to facilitate a retirement savings option with no employer fees or fiduciary risk.



Boards and Commissions Offer Public Expertise and Input to the Treasury Team

VOLUNTEERS WANTED

Do you have an interest in public service and expertise in financial matters? We often seek out Oregonians who can bring new perspectives and ideas to improve our programs and make them work better for people across the state.

Email Treasury for more information

OREGON INVESTMENT COUNCIL

Sets policy for investment of Oregon State Treasury-managed statutory investment funds, including the Oregon Public Employees Retirement Fund and the State Accident Insurance Fund. John Russell, Chair; Patricia Moss, Vice Chair; Cara Samples; Monica Enand; Tobias Read, Oregon State Treasurer (ex officio); and Kevin Olineck, PERS Director (ex officio). ORS 293.706.

OREGON SHORT TERM FUND BOARD

Advises Oregon Investment Council and State Treasury Investment staff in the management of the Oregon Short Term Fund. Members: Douglas E. Goe, Chair; Michael Kaplan, Treasurer's designee; Deanne Woodring; Sharon Wojda; Laurie Steele; Damtpm Wagner; Michelle Morrison. ORS 294.885

OREGON 529 SAVINGS BOARD

Sets policy for Savings Network, which includes the Oregon College Savings Plan and Oregon ABLE Savings Plan. Members: Tobias Read, Oregon State Treasurer, Chair; Jennifer Geller; Sydney Shook; Amy Watson; Brent Wilder. ORS 348.849.

OREGON RETIREMENT SAVINGS BOARD

Sets policy and guides development of the Oregon Retirement Savings Plan. Members: Tobias Read, Oregon State Treasurer, Chair; Jeff Anderson; Kara Backus; Sen. Lee Beyer; Edward Brewington; Rep. Pam Marsh; Cory Streisinger. ORS 178.200.

MUNICIPAL DEBT ADVISORY COMMISSION

Provides technical assistance to local governments and state agencies to improve the market for bond issues in Oregon. Members: Nancy Brewer, Chair; Nick Hogan; Jacqueline Knights, Treasurer's Designee; Bryce Stadick; Paul Matthews; Laurie Steele; and Christine Reynolds. ORS 287A.630-640

INFRASTRUCTURE FINANCE AUTHORITY

Oversees public infrastructure assistance, and industrial land certification. Members: Mark Knudson; James Bellet; Patrick Clancy; Niki J. Iverson, Board Chair; Andrea Klaas; Kristin Retherford; Rep. Karin Power; Sen. Richard Devlin; and Jacqueline Knights, Treasurer's Appointment. Staffed by Business Oregon. ORS 285A.091-108

OREGON FACILITIES AUTHORITY BOARD

Helps nonprofit organizations access low-cost financing for capital projects through the issuance of tax exempt conduit revenue bonds. Members: Eric Johansen, Chair; Kevin McAuliffe, Vice Chair; Sean Hubert; Beth deHamel; Andrea Trenner; Roy Kim. ORS 289.005-250

PRIVATE ACTIVITY BOND COMMITTEE

Facilitates construction of critical facilities for public benefit through tax-exempt bonds using federally allocated funds. Members: Jacqueline Knights, Chair and Treasurer's Designee; Jean Gabriel, Department of Administrative Services Director's Designee; Dan Anderson. ORS 286A.605-630

WEST COAST INFRASTRUCTURE EXCHANGE

Provides technical training and advice to government policymakers about innovative approaches to the procurement of capital projects and infrastructure. Anthony Buckley, Chair (Washington); Travis Brouwer (Oregon); Karmen Fore (Oregon); Mark Pisano (California); Sean Randolph (California); Mark Liedemann, Advisor (British Columbia); Jason Richter (Washington); Scott Boardman, Secretary and Ex Officio Director. ORS 276.285.

STATE DEBT POLICY ADVISORY COMMISSION

Advises policymakers on debt capacity and produces annual state debt affordability report. Members: Treasurer Tobias Read, chair; Rep. Nancy Nathanson; Katy Coba, Department of Administrative Services director; Sen. Betsy Johnson; and Tim Duy, public representative. ORS 286A.250

OREGON LAND BOARD

This board manages state-owned lands for the benefit of the Common School Fund. Its three members are the Governor, the Secretary of State, and the State Treasurer. ORS 273.031.

STATE BOARD OF EDUCATION

The Treasurer or a designee sits on the state committee that oversees curriculum for Oregon's public schools and community colleges. ORS 326.021.

A Secure Retirement for Everyone: OregonSaves

SUPPORTING OUR WORK: OREGON RETIREMENT SAVINGS BOARD OREGON 529 SAVINGS BOARD

Treasury works with oversight panels to improve and support education- and disability-related savings programs administered by the Oregon Treasury Savings Network. Treasurer Read chairs both the Oregon Retirement Savings Board and the Oregon 529 Savings Board. Additional appointed members are listed on page 5.

The Oregon Retirement Savings Board oversees OregonSaves. The Oregon 529 Savings Board oversees the Oregon College Savings Plan, Oregon MFS Savings Plan, Oregon ABLE Savings Plan, and ABLE for ALL.

Midway through 2019, OregonSaves, the statewide retirement program, celebrated a key milestone: \$25 million saved for retirement. This achievement came just two years after the program launched in 2017. By year's end, more than \$40 million had been saved by well over 58,000 Oregonians.

OregonSaves was the first program of its kind in the nation. It's inspired five states and two cities to follow our lead and create programs that respond to the growing retirement savings crisis. In Oregon, an estimated 1 million workers lacked access to a work-based retirement plan prior to OregonSaves.

From the start, OregonSaves has demonstrated effectiveness by a number of measures: more than 7 in 10 workers elect to stay in the program; workers save at a higher percentage of pay than anticipated (an average of \$117 per month); and millions of dollars have been saved by workers who were not saving before.

In 2019, program assets climbed by more than \$2.5 million a month. That's due in part to the important resource it provides employees, who are able to contribute part of their paycheck into their own personal IRAs that stay with them throughout their careers.

But it's also a reflection of consistent outreach by the program team, who reach out to employers and employees and continuously seek ways to make the program simple to join and administer. One of the key benefits for employers: OregonSaves helps businesses that do not offer a qualified retirement plan to compete with businesses that do.

OregonSaves is open to all Oregonians, including the self-employed and gig economy workers, and Treasury continues to promote the program to workers across the state. More and more Oregonians have chosen to self-enroll since that option was made available, joining the ranks of the 58,000+ employees who have enrolled through a facilitating employer and are saving for their future retirement needs.



2017 Program launched

\$40.9 million Total OregonSaves assets 12/31/19

58,689 Number of funded accounts

\$698 Average account balance

\$54.46 Average contribution amount

13,265 Number of registered businesses

Investing in Opportunity: Oregon College Savings Plan



The Oregon College Savings Plan is a state-sponsored savings program that provides tax advantages and can be opened by just about anyone—parents, family, friends, and future students. The money saved in the plan grows tax-free and can be used for qualified expenses at any accredited, post-secondary institution or trade school. In 2019, the Oregon College Savings Plan celebrated its 18th anniversary and a milestone \$2 billion saved. Oregon State Treasury also oversees the Oregon MFS Savings Plan, which, unlike the direct-to-participant OCSP, is sold through financial advisors.

The biggest change in 2019 was the Oregon Legislature's passage of the Education Savings Credit, which authorized the nation's first refundable tax credit to help low- and moderate-income Oregon families save for education.

The Education Savings Credit, which went into effect January 2020, allows families to receive an income tax credit of as much as \$300 for contributions to the Oregon College Savings Plan. The incentive is available to all Oregon taxpayers, and will equal a percentage of the dollars they save in OCSP accounts, on a sliding scale based on financial need.

Also in 2019, OCSP continued to launch new, creative ways to make it easy for Oregonians to invest in education. Initiatives included:

- Partnership with Oregon BottleDrop that allows Oregonians to transfer proceeds from their bottle and can returns directly into an Oregon College Savings Plan account.
- The Oregon Scholars program, launched with Willamette University initially, offers incentives to Oregonians saving for education. The program also partnered with Linfield University in 2019. This first-of-its-kind partnership allows undergraduate students to leverage their college savings with a match at participating schools. Terms of the match vary by school.
- Kinder Grad incentive, which provides \$25 to Kindergarten-aged children opening new college savings accounts. The program is similar to the Baby Grad program, which provides \$25 to Oregon College Savings Plan accounts opened for a child prior to their first birthday. More than \$12 million has been saved since the launch of Baby Grad in 2018.



**\$2.17
billion**

Oregon College
Savings Plan
assets 12/31/19

124,383

Oregon College
Savings Plan
accounts

\$18k

Average OCSP
account balance

**\$152
million**

Amount OCSP
distributed in
2019

+8.8%

Annualized
growth in # of
OCSP accounts
Dec '10-Dec '19



**\$1.68
billion**

MFS assets
12/31/19

83,688

MFS accounts

Saving Without Compromise: Oregon ABLE Savings Plan

Near the end of 2019, just three years after the launch of Oregon ABLE and the ABLE for ALL Savings Plans, Treasury announced that more than 3,000 participants had already saved more than \$18 million—an encouraging sign that the program is meeting an important savings need, and a big jump from the \$12 million saved by year-end 2018.

ABLE accounts are tax-advantaged savings vehicles for individuals with disabilities and their families. They were made possible by the federal Stephen Beck Jr., Achieving a Better Life Experience Act of 2014.

Before Congress and the Oregon State Legislature paved the way for the creation of ABLE plans, people living with disabilities were functionally forced to live in poverty if they wanted to remain eligible for vital means-tested benefits, like Medicaid and Supplemental Security Income, which required individuals to have less than \$2,000 in their name.

Oregon offers two plans: the Oregon ABLE Savings Plan for Oregonians and the nationwide ABLE for ALL Savings Plan. Through ABLE, Oregonians with disabilities have a safe mechanism to save money without jeopardizing their benefits. ABLE funds can be used for anything that helps improve the health, independence, or quality of life of a person with a disability.

In 2019, the program focused on outreach, working with partner organizations across the state while racking up miles to meet people where they are and introduce them to the savings program and how it can benefit them.

Treasurer Read also continued to support changes that would ensure ABLE continues to meet the needs of Oregonians. In 2019, Oregon State Treasury provided formal support for the ABLE Age Adjustment Act (HR 1814 & SB 651), introduced in Congress. This legislation would expand access to ABLE savings accounts by increasing program eligibility for people who acquired a disability before age 46, as opposed to age 26. Adjusting the age of eligibility would expand the benefit of ABLE to populations such as veterans injured in combat, people experiencing mental illness, those who sustained a brain injury later in life or those living with ALS.



**OREGON ABLE
SAVINGS PLAN**

**\$18.5
million**

Total ABLE
Savings Plan
assets

3,197

Number of
ABLE accounts

\$6,488

Average ABLE
account balance
12/31/19

\$100 k

Amount that
someone can
save without
impairing SSI
eligibility

+58.3%

Annualized
growth in # of
ABLE accounts
Dec '17-Dec '19

**92
in 20
Oregon
counties**

Number of 2019
program
outreach events

2019 Investment Highlights: D&I and In-House Savings



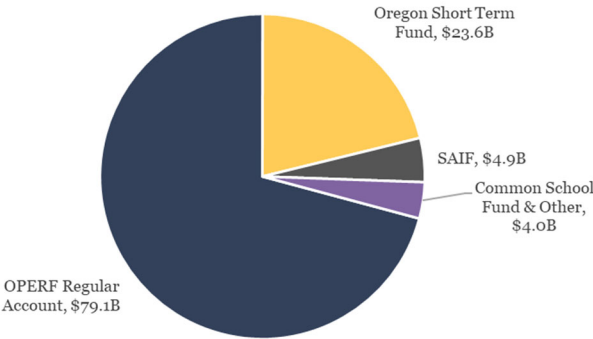
At the February 2019 Oregon Investment Council meeting, Council members approved changes to the set of investment and management beliefs that guide the Treasury investment team’s day-to-day decision-making and investment priorities. The approved changes highlight our commitment to diversity and inclusion, with guidance on how that commitment aligns with the pursuit of positive and sustainable investment outcomes.

Also in 2019, Treasury continued to generate value from moving more investment management activities in-house. Internal management activities include portfolio construction; securities trading; operational functions such as trade reconciliation and settlement; and various accounting services.

By the end of 2019, approximately \$34 billion of assets for the Oregon Short Term Fund, the Oregon Public Employees Retirement Fund, and other state agency clients was managed internally.

The result has been reduced costs and fees and better investment performance. For reduced fees, the savings amount to nearly \$2 million a month—or roughly \$77 million since Treasury expanded our internal management activities in January 2016. The in-sourcing effort has expanded over time; in 2018, the savings were approximately \$1 million a month.

The savings, net of all costs including additional staff, are reinvested. For OPERF, the net value add of investing these savings is approximately \$124 million since January 2016. For the Oregon Short Term Fund, the benefit is approximately \$257 million during the same period. All told, the combined fee savings and outperformance add up to a net benefit to Oregonians of \$458 million since January 2016—or more than \$100 million a year.



\$111.6 billion	Total Assets Under Management 12/31/2019
\$79.1 billion	OPERF
13.6%	OPERF 1-year return
\$23.6 billion	Oregon Short Term Fund
3.3%	OSTF 1-year return
\$4.9 billion	State Accident Insurance Fund
13.8%	SAIF 1-year return
\$1.9 billion	Common School Fund
16%	CSF 1-year return

Investment Division Delivers A More Resilient Retirement Portfolio

In November 2019, Oregon Investment Council members heard a presentation from Treasury staff that marked the end of a five-year project to re-design and reconstitute the Oregon Public Employees Retirement Fund. The goal: help the fund become more resilient in the face of market volatility.

Over several years, deliberate, strategic changes have been implemented to transition OPERF from a high-risk, high-reward fund—one that delivered well during bull markets but suffered during bear markets—to a portfolio that performs well in strong markets and outperforms on a relative basis in down markets.

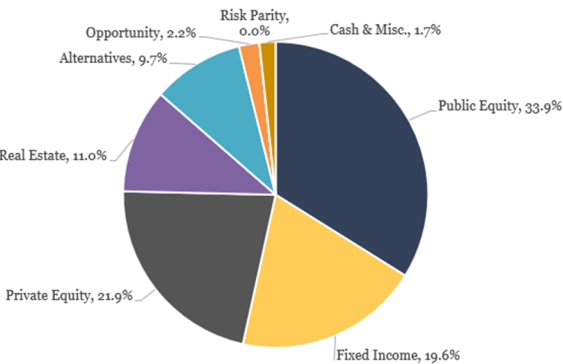
Specifically, Treasury’s investment team:

- Reduced and re-balanced risk across the portfolio.
- Lowered the amount of capital allocated to private equity, and updated OPERF’s fixed income and real estate investment strategies so that those asset classes play more defensive roles.
- Moved toward index strategies that historically have been less sensitive to market fluctuations, helping to diversify the dependence on the broader stock market.
- Reduced operating expenses by increasing the proportion of assets managed internally by Treasury staff.
- Increased our corporate governance activities to support strong, sustainable long-term results.

These changes prioritize consistency and resiliency. That doesn’t mean OPERF will never lose money. There is no way to inoculate OPERF from market volatility while seeking a long-term positive rate of return. However, repositioning the fund should limit

OPERF’s losses *relative* to any given bear market scenario without compromising the fund’s long-term, positive return trajectory.

OPERF Asset Allocation



SUPPORTING OUR WORK: OREGON INVESTMENT COUNCIL

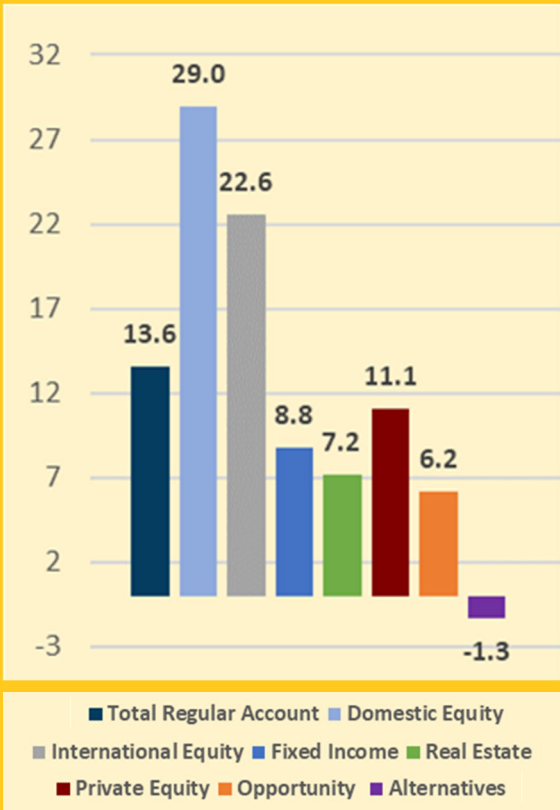
The Oregon Investment Council is a six-member board responsible for setting investment policy for Oregon public trust and other state investment funds. Four members are appointed by the governor. Treasurer Read and the director of the Public Employees Retirement System each serve by position.

The Council has adopted investment and management beliefs that guide policy development and the Treasury investment team’s day-to-day investment activities.

OPERF

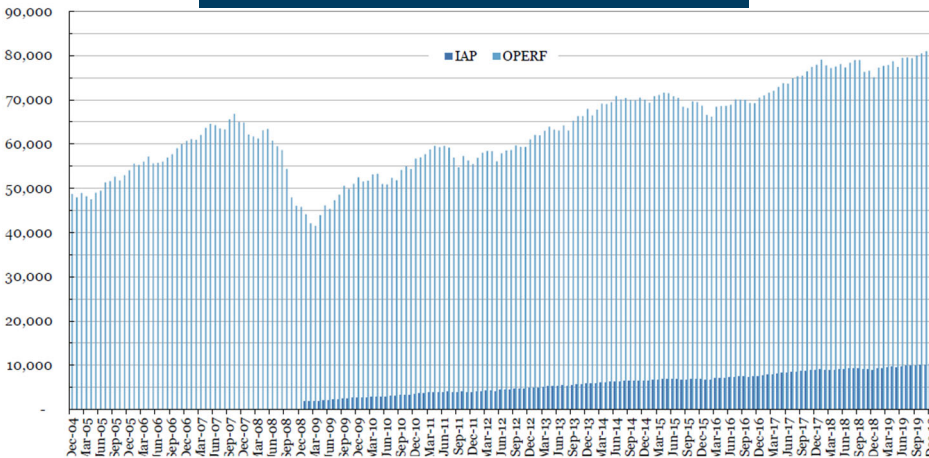
13.6%	OPERF 2019 return
8.9%	OPERF 10-year return
\$79.1 billion	OPERF regular fund assets

2019 OPERF Performance by Asset Class

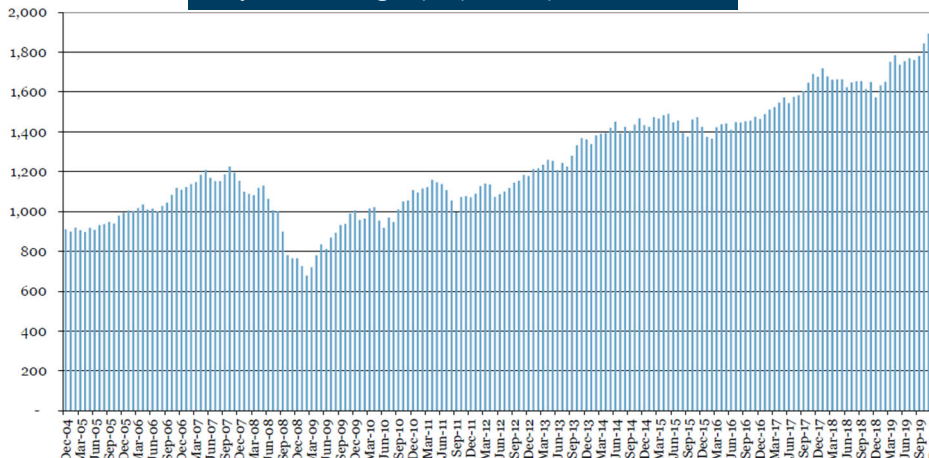


Portfolio Performance: 2019 and Over Time

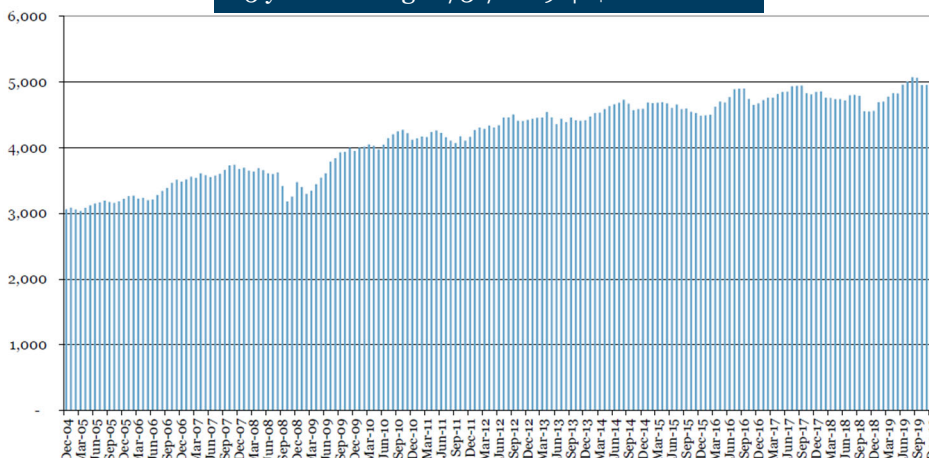
OPERF Net Asset Value
15 years ending 12/31/2019 | \$ in millions



CSF Net Asset Value
15 years ending 12/31/2019 | \$ in millions



SAIF Net Asset Value
15 years ending 12/31/2019 | \$ in millions



Key Fund Performance Over Time

PUBLIC EMPLOYEES RETIREMENT FUND

\$79.1 Billion

Globally diversified financial and real asset portfolio
Doesn't include Variable Fund (\$491 M) or IAP
Target-Date Funds (\$2.5 B)

1-year	3-year	5-year	10-year
13.6%	9.6%	7.5%	8.9%
14.0%	10.1%	8.1%	9.2%

OREGON SHORT TERM FUND

\$23.6 Billion

Includes Local Government Investment Pool

1-year	3-year	5-year	10-year
3.3%	2.2%	1.7%	1.2%
2.3%	1.7%	1.1%	0.6%

STATE ACCIDENT INSURANCE FUND

\$4.9 Billion

Managed on behalf of injured workers and their families

1-year	3-year	5-year	10-year
13.8%	6.3%	4.9%	5.9%
12.8%	5.7%	4.4%	5.3%

COMMON SCHOOL FUND

\$1.9 Billion

Managed in trust for Oregon schoolchildren
Includes unclaimed property

1-year	3-year	5-year	10-year
16.0%	9.3%	6.9%	8.4%
15.2%	10.1%	7.4%	8.4%

Guide:

Portfolio Performance %
Benchmark Performance %

IAP 2019 Performance

	2019 RETURN	BIRTH YEAR
IAP 2060 Target Date Fund	16.93%	1993 -
IAP 2055 Target Date Fund	16.90%	1988-1992
IAP 2050 Target Date Fund	16.78%	1983-1987
IAP 2045 Target Date Fund	16.75%	1978-1982
IAP 2040 Target Date Fund	14.01%	1973-1977
IAP 2035 Target Date Fund	14.19%	1968-1972
IAP 2030 Target Date Fund	14.74%	1963-1967
IAP 2025 Target Date Fund	13.58%	1958-1962
IAP 2020 Target Date Fund	10.49%	1953-1957
Retirement Allocation	9.84%	Before 1953

Investing for the Long Term—In Oregon and Beyond

In accordance with ORS 293.731-293.741, the Oregon Investment Council sets investment policy and may contract with external service providers to perform investment management functions. By statute, the OIC and Treasury are fiduciaries required to act for the exclusive benefit of Public Employees Retirement Fund beneficiaries.

In terms of its overall investment responsibilities, the Council aligns policy and fund management activities with the objective of generating the highest returns prudently possible. This section offers an annual report on in-state venture capital investments (ORS 293.734).

While the OIC does not mandate Oregon-specific investments, the Public Employees Retirement Fund has exposure to Oregon companies across the entire portfolio, including publicly traded stocks, fixed income instruments, and privately held real estate.

The fund's allocation to venture capital is narrower, and for this report we considered exposure to Oregon-based investments through the private equity portfolio. Defined as companies headquartered in Oregon, or employing more than 100 employees in the state, "Oregon companies" comprised \$549.2 million or approximately 3.17% of the Fund's private equity portfolio, which totaled \$17.3 billion as of 12/31/2019.

In calendar year 2018, the percentage allocated to this same definition of Oregon companies was 4.85%.

TOP 10 OPERF INVESTMENTS BY MARKET VALUE

	Investment Fund	Value	Weight	Asset Class
1	Government Portfolio	\$5.9 B	7.1%	Fixed Income
2	OST Risk Premia	\$3.5 B	4.4%	Public Equity
3	DFA Large Cap Core	\$3.2 B	4.0%	Public Equity
4	OST S&P 500 Index	\$2.6 B	3.3%	Public Equity
5	Western Asset Core	\$1.8 B	2.3%	Fixed Income
6	Wellington Core	\$1.8 B	2.3%	Fixed Income
7	Alliance Bernstein	\$1.8 B	2.3%	Fixed Income
8	BlackRock Core	\$1.8 B	2.2%	Fixed Income
9	Oak Hill Advisors	\$1.4 B	1.7%	Fixed Income
10	Arrowstreet 130-30	\$1.3 B	1.7%	Public Equity

Private Partnership Commitments—2019

PRIVATE EQUITY—Strategy/Segment/Geography/Amount in millions of Dollars/Euros

- Advent Global Technology L.P. | Buyout/Technology/Global/\$50
- Advent International Global Private Equity Fund IX | Buyout/Large/Global/\$100
- Advent Latin American PE Fund VII | Buyout/Middle Market/Latin America/\$150
- Aquiline Financial Services Fund IV | Buyout/Middle Market/NA & Europe/\$250
- Blackstone Capital Partners VIII | Buyout/Large/Global/\$500
- Cinven Fund VII | Buyout/Large/Europe/€ 200
- Clearlake Capital Partners VI, L.P. | Buyout/Middle Market/North America/\$150
- CVC Capital Partners Asia V, L.P. | Buyout/Middle Market/Asia/\$150
- Genstar Capital Partners IX, L.P. & Opportunity Fund II | Buyout/Upper Middle Market/North America/\$200
- KPS Special Situations Fund V | Special Situations | Turnaround/NA & Europe/\$50
- Odyssey Investment Partners VI, L.P. | Buyout/Middle Market/North America/\$150
- Pathway Private Equity Fund C-III | Co-Invest/Diversified/Global/\$250
- Permira VII, L.P. | Buyout/Large/Global/€ 225
- Veritas Capital Fund VII, L.P. | Buyout/Upper Middle Market/North America/\$250

TOTAL in millions \$2,746
No venture capital commitments in 2019

REAL ESTATE—(in millions of dollars)

- DivcoWest Real Estate Fund VI | \$200
- Harrison Street Core Property Fund Co-Investment | \$150 M
- LBA Logistics Joint Venture | \$250
- Prologis Targeted U.S. Logistics Fund | \$250
- Walton Street Real Estate Core-Plus Fund, L.P. | \$250

ALTERNATIVES PORTFOLIO—(in millions of dollars)

- Appian Natural Resources Fund II | \$100
- Bolt Energy LLC | \$50
- Bridgewater Optimal Portfolio | \$500
- Brookfield Infrastructure Fund IV | \$400
- GMO Systemic Global Macro | \$500
- Northern Shipping Fund IV | \$150
- QL Capital Partners | \$200
- Silver Creek Aggregate Reserves Fund I | \$150
- Taurus Mining Finance Fund II | \$150
- Westbourne (Compartment C - co-invest) | \$50

TOTAL in millions \$3,350

Building a Better Oregon Through Bonds and Debt Management

Treasury’s Debt Management Division approves issuance of all bonds and appropriation credits for state agencies. Public bonding is key to enhancing Oregon’s quality of life: it boosts the economy and helps communities modernize by constructing and updating roads, schools, and vital public facilities.

In addition, the Debt Management team is the clearinghouse for bond data, bond calendars, and information about credit ratings. The division provides technical support to local governments, offers training on selected debt-related topics, and created an online manual to help government officials plan and execute successful bond sales. The list of upcoming state bond sales can be found on the Oregon Treasury website.

In 2019, the Division issued more than \$1.6 billion in new debt for the state. This includes \$100 million for an initiative to help preserve public benefits of the Elliott State Forest, and more than \$40 million for Oregon Housing & Community Service LIFT bonds, which help to finance low- and moderate-income housing.

Further, the Debt Management team also refinanced existing state debt—approximately \$944 million of bonds were refunded, which saves state government and taxpayers money on lower interest payments.

The division reviews the structure of each bond sale, coordinates the timing of state agency bond sales, secures credit ratings, negotiates and accepts bids for bond placement, reviews official statements and other documents, provides for the delivery of bonds, and assists with settlement of bond issues.

Credit rating firms have applauded Oregon’s careful attention to debt and budget discipline, and the state’s credit ratings remain steady and solid. Oregon’s credit ratings are a barometer of the state’s fiscal health. Managing the state’s debt capacity in a prudent way helps to bolster credit scores while ensuring Oregon can get the most mileage for today’s jobs and tomorrow’s opportunities.

Oregon’s credit ratings at the end of 2019 were:

GO Bonds: S&P: AA+ | Moody’s: Aa1 | Fitch: AA+

Lottery: S&P: AAA | Moody’s: Aa2

ODOT: S&P: AAA | Moody’s: Aa1 | Fitch: AA+

OBDD: S&P: AA+ | Moody’s: Aa2

State Debt

\$1.6 billion New state debt issued in 2019

\$944 million Refunded bonds issued

\$11.5 billion Total outstanding state debt

\$8.7 billion Net state tax-supported debt

\$2,051 NTSD per capita

AA+ / Aa1 / AA+ GO credit ratings: S&P, Moody’s, Fitch

Local Debt

\$5.0 billion Local debt issued in 2019

\$28.5 billion Total outstanding local debt

Schools, Cities, Ports, Independent Universities, Hospitals Top 5 local debt issuances

Debt-Related Services for Communities and Governments

The **Municipal Debt Advisory Commission** implements programs aimed at lowering borrowing costs and improving debt management practices for local governments.

On behalf of the MDAC, the Debt Management Division serves as a resource for Oregon local governments issuing and managing debt.

The **Private Activity Bond Committee** is responsible for determining which private projects qualify. When the construction of a private facility would provide important public benefits, the project can often be financed using tax-exempt bonds.

Under federal law, each state can approve a limited amount of tax-exempt debt that can be used for private projects. To qualify for this lower cost financing, the financed projects need to benefit the public.

Under the **School Bond Guaranty Act**, public school districts and community colleges can lower their borrowing costs by having their bonds based on the state's credit rating, saving taxpayers millions.

In those cases, the districts are responsible for retiring the debt, but the bonds are guaranteed by the full faith and credit of the state. Bonds issued in 2019 through this program listed to the right.

SUPPORTING OUR WORK: STATE DEBT POLICY ADVISORY COMMISSION MUNICIPAL DEBT ADVISORY COMMISSION

Chaired by Treasurer Read, the State Debt Policy Advisory Commission evaluates the level of bonded indebtedness for the state, produces an annual report, and makes recommendations to the Governor and Legislature about prudent debt limit.

The Oregon Municipal Debt Advisory Commission assists local government in the cost-effective issuance, sale, and management of their debt. The Commission is composed of seven members, including Treasurer Read (or his designee), three public body finance officers, one representative for the special districts, and two public members.

[SDPAC Annual Report](#) | [MDPAC Annual Report](#)

School Bond Guarantee Issuances—2019

Issuer	Issued Amt.	Principal + Interest	Maturity Date
Clatsop Cty SD 1 (Astoria)	\$18,108,722	\$46,750,000	6/15/2044
Clatsop Cty SD 1 (Astoria)	\$51,890,000	\$80,851,550	6/15/2037
Clatsop Cty SD 30 (Warrenton-Hammond)	\$17,476,258	\$46,105,000	6/15/2048
Clatsop Cty SD 30 (Warrenton-Hammond)	\$21,020,000	\$30,592,400	6/15/2034
Marion Cty SD 103 (Woodburn)	\$2,395,000	\$2,224,600	6/15/2024
Wasco Cty SD 29 (Dufur)	\$4,000,000	\$4,622,650	6/15/2029
Douglas Cty SD 105 (Reedsport)	\$8,518,000	\$9,663,713	6/15/2033
Lane Cty SD 4J (Eugene)	\$150,000,000	\$217,751,013	6/15/2039
Multnomah Cty SD 10J (Gresham-Barlow)	\$31,795,226	\$58,540,000	6/15/2039
Multnomah Cty SD 10J (Gresham-Barlow)	\$18,205,000	\$24,672,900	6/15/2031
Jackson Cty SD 5 (Ashland)	\$107,380,000	\$177,135,000	6/15/2044
Washington Cty SD 23J (Tigard-Tualatin)	\$90,360,000	\$164,840,500	6/15/2040
Washington Cty SD 23J (Tigard-Tualatin)	\$3,735,000	\$3,945,766	6/15/2023
Deschutes Cty SD 1 (Bend-Lapine)	\$93,300,000	\$128,313,950	6/15/2039
Jackson Cty SD 6 (Central Point)	\$53,730,000	\$83,304,050	6/15/2039
Jackson Cty SD 6 (Central Point)	\$28,269,023	\$68,260,000	6/15/2049
Douglas Cty SD 34 (Elkton)	\$3,000,000	\$4,369,950	6/15/2039
Umatilla Cty SD 61 (Stanfield)	\$12,760,000	\$18,888,050	6/15/2039
Linn Cty SD 129J (Santiam Canyon)	\$17,900,000	\$32,610,300	6/15/2044
Lake Cty SD 14 (North Lake)	\$4,000,000	\$5,845,600	6/15/2039
Clackamas Cty SD 3J (W.Linn-Wilsonville)	\$4,502,366	\$3,125,000	6/15/2024
Douglas Cty SD 116 (Winston-Dillard)	\$6,610,617	\$10,460,000	6/15/2039
Douglas Cty SD 116 (Winston-Dillard)	\$9,385,000	\$11,968,800	6/15/2031
Yamhill Cty SD 8 (Dayton)	\$18,290,000	\$26,580,950	6/15/2039
Grant Cty SD 16J (Dayville)	\$700,000	\$809,712	6/15/2034
Multnomah Cty SD 3 (Parkrose)	\$35,130,000	\$44,919,065	6/15/2036
Lane Cty SD 52 (Bethel)	\$29,625,000	\$37,097,766	6/15/2034
Umatilla Cty SD 16R (Pendleton)	\$46,450,000	\$63,500,070	6/15/2038
Linn Cty SD 9 (Lebanon Community)	\$18,790,000	\$21,172,395	6/15/2030
Total	\$750,522,212	\$1,225,986,790	

State Debt Issued in 2019



State Debt Issuances—2019			
Issuer	Bond Type	Project Description	Issued Amt.
Oregon Facilities Authority	Conduit Revenue Bonds	Acquisition of the Plaza office building, financing for the Rockwood Respite and associated fees	\$9,782,500
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Argyle Apartments	\$16,125,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Argyle Apartments	\$9,175,000
Oregon Facilities Authority	Conduit Revenue Bonds	Finance a portion of building purchase price	\$1,500,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Center Village Apartments	\$8,000,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Article XI-Q State Projects	\$316,860,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Article XI-Q State Projects	\$40,170,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Article XI-Q State Projects	\$19,595,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Article XI-M, XI-N and XI-P State Grant Programs	\$149,495,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Article XI-M, N and P State Grant Programs	\$7,420,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Article XI-M, N and P State Grant Programs	\$84,315,000
Oregon Business Development Commission	Conduit Revenue Bonds	Intel Development Projects	\$138,165,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	North Williams Apartments	\$5,781,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	North Williams Apartments	\$9,842,571
Oregon Department Of Administrative Services	Appropriation Credits	Elliott State Forest	\$100,610,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Gateway and Hermiston Apartment Projects	\$10,106,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Gateway and Hermiston Apartment Projects	\$1,450,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Gateway and Hermiston Apartment Projects	\$10,825,000
Oregon Department Of Administrative Services	Revenue Bonds	Various Projects	\$100,395,000
Oregon Department Of Administrative Services	Revenue Bonds	Various Projects	\$56,235,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Surf View Village Apartments Project	\$12,500,000
Oregon Facilities Authority	Conduit Revenue Bonds	New charter school facilities	\$5,200,000
Oregon Department Of Administrative Services	General Obligation (S) Bonds	Various University and Community College Building and Facility Projects	\$8,260,000

State Debt Issuances—2019			
Issuer	Bond Type	Project Description	Issued Amt.
Oregon Department Of Administrative Services	General Obligation (S) Bonds	Various University and Community College Building and Facility Projects	\$6,045,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Various University and Facility Projects	\$102,650,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Various Community College Building and Facility Projects	\$39,205,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Various University and Community College Building and Facility Projects	\$3,000,000
Oregon Department Of Environmental Quality	General Obligation (N) Bonds	Pollution Control Projects	\$5,300,000
Oregon Department Of Environmental Quality	General Obligation (N) Bonds	Pollution Control Projects	\$10,000,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Home Forward (85 Stories Group 6) Apartment Projects	\$24,500,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Home Forward (85 Stories - Group 6) Apartment Projects	\$19,530,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Montebello Apartments Project	\$2,925,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Montebello Apartments Project	\$4,325,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	124th and Ash Apartments Project	\$14,887,178
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Halsey 106 Affordable Housing Project	\$2,700,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Halsey 106 Affordable Housing Project	\$5,970,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Milepost 5 Apartment Project	\$7,100,623
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Milepost 5 Apartments Project	\$520,710
Oregon Housing & Community Services Department	Revenue Bonds	New Money	\$99,000,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Claxter Crossing Apartments	\$6,990,438
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Red Rock Creek Commons	\$3,965,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Red Rock Creek Commons	\$3,635,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Red Canyon Apartment Projects	\$2,950,150
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Red Canyon Apartment Projects	\$1,699,850
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Red Canyon Apartment Projects	\$5,350,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Commons on MLK Apartments Project	\$6,500,000
Oregon Department Of Environmental Quality	General Obligation (N) Bonds	DEQ Article XI-H Refunding Bonds	\$2,030,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	2019 State Bond Projects - New Money	\$37,040,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	2019 State Project Bonds - New Money	\$6,530,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Refunding of 2009C and partial refunding of 2009D	\$44,965,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Refunding of 2010B BAB bonds	\$106,830,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Refunding of 2011L and 2012H GO Bonds	\$78,405,000
Oregon Department Of Administrative Services	General Obligation (N) Bonds	Refunding of 2011M and 2013L GO Bonds	\$90,690,000
Oregon Department of Veterans' Affairs	General Obligation (S) Bonds	Oregon Veterans' Loan Program 104	\$28,990,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Merwyn Hotel Apartments	\$875,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Merwyn Hotel Apartments	\$2,275,000
Oregon Department Of Transportation	Revenue Bonds	Highway User Tax Revenue Subordinate Lien Refunding Bonds	\$297,840,000
Oregon Department Of Transportation	Revenue Bonds	Highway User Tax Revenue Senior Lien Refunding Bonds	\$323,050,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Northgate Village and Livingston Village	\$10,700,000
Oregon Facilities Authority	Conduit Revenue Bonds	New Charter School Facilities	\$6,240,000
Oregon Facilities Authority	Conduit Revenue Bonds	New Charter School Facilities	\$385,000
Oregon Housing & Community Services Department	Conduit Revenue Bonds	Rockwood 10 Apartments Project	\$42,620,194
Total			\$1,636,211,214

Managing Public Funds — Now and In the Future

Treasury's Finance Division provides a variety of cash management services to all state agencies, some public universities, and hundreds of local and regional governments across Oregon, including cities, counties, schools, and special districts.

Through the division, Treasury:

- acts as the bank for all state agencies by providing depository, check redemption, and electronic payment services such as wire transfers, merchant card acceptance, and other services
- maintains and reports customer account information via an internally managed core banking system
- facilitates cash management transactions via secure technology infrastructure and vendor relationships
- works with agencies, vendors, and legal representatives to protect public funds by helping to ensure compliance with regulatory and industry requirements and Oregon laws
- administers the Oregon Short Term Fund, which includes the Local Government Investment Pool as a short-term cash investment vehicle for state agencies and roughly 1,000 local governments

Ensuring this work is safe, secure, and reliable is critical to government functions. In 2019, the Treasury's banking team continued its work on a multi-year effort to strengthen and modernize services. Much of that work focused on the **Electronic Funds Transfer (EFT) Business Systems Renewal project**, designed to bring efficiencies and cost-savings to the millions of electronic payments processed each year on behalf of Treasury clients.

Throughout 2019, the Treasury team prepared for the 2020 move of domestic wire origination services to KeyBank. The new delivery model was designed to transform both how Treasury internally operates ACH, wire transfer, and book transfer services and how we deliver those services to our customers—all while streamlining processing, reducing risk, and enhancing services

Also in 2019, the division continued its careful administration of the **Public Funds Collateralization Program** to protect public funds deposited in private financial institutions. Across the state, public entities collect money to fund government services. When these public funds are deposited at local banks and credit unions, collateral is used to protect deposits that exceed levels insured by the Federal Deposit Insurance Corporation and National Credit Union Administration.

Treasury works with the Oregon Department of Consumer and Business Services to monitor the financial health of participating banks and credit unions and to set the required amount of collateral. Treasury works with other institutions to monitor the value and quality of collateral.



Treasury's role as the bank for the State of Oregon:

16 million Number of transactions processed in 2019

\$294 billion Value of transactions processed

Transactions processed on behalf of:

76 state agencies
10 public universities
1,025 local govts

Public Funds Collateralization Program

\$2.2 billion Public funds protected through PFCP

\$1.6 billion Collateral pool by qualified depositories

Serving and Investing on Behalf of State and Local Governments

Oregon local governments are able to invest their short-term funds with the State Treasury via the **Local Government Investment Pool**. The assets of the LGIP are part of the larger **Oregon Short Term Fund**, which is invested in a suite of fixed income securities. State agencies also invest in the Short Term Fund.

The fund was posting a 2.25% rate at the end of 2019.

More than one thousand Oregon local governments utilize the Local Government Investment Pool. By statute, the fund is available to cities, counties, school districts, sovereign tribes, and special service districts such as those that manage cemeteries and parks.

The fund has beaten its policy benchmark, 91-day U.S. Treasury Bills, every year for the past decade. Treasury staff who oversee the fund make themselves available to participants from agencies and local governments to field questions and comments.

In this vein, as part of our mission to serve the public's financial needs, Treasury hosted our second annual Local Government Investment Pool investor meeting in August 2019 for more than 80 government financial officers, who came from across the state.

The daylong session included remarks from Treasurer Tobias Read, updates from investment staff, a review of capital markets, and an overview of the economy by State Economist Mark McMullen. Treasury staff plan to continue the event in future years.

Treasury also reaches out monthly to state agencies and local governments through newsletters and other regular communications about finance, cybersecurity, and the economy.



Oregon Short Term Fund

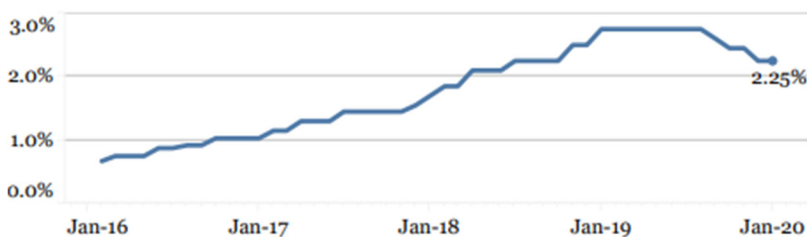
\$23.6 billion OSTF balance as of 12/31/2019

55% of balance Agency/university funds in OSTF

45% of balance Local government funds in OSTF

2.25% Rate paid on deposits 12/31/19

OSTF Historical Monthly Rate Paid



Other Key Treasury Achievements in 2019

RESPONSIBLE INVESTING

As a responsible investor, Oregon Treasury is leading efforts to account for environmental, social, and governance risks—and to press corporations to make decisions that improve long-term value. Priorities include advancing shareholder rights, improving board diversity, and recognizing and acting on material risks and opportunities connected to the environment and climate change. We are also working to better quantify social risks connected to workforce safety, cybersecurity, and customer treatment.

In 2019, we continued to participate in proxy voting, with an emphasis on board diversity, corporate governance, and executive compensation. We also continued to better understand Environmental, Social, and Governance issues and their effects in our Investment Division, including and especially the effects of climate change. In 2019, Treasury worked with an outside firm to evaluate risks to real estate holdings, including risks associated with hurricanes, flooding, sea level rise, water stress, and heat stress. Initial results were presented to the Oregon Investment Council in October 2019, and the review will continue to drive discussions on risk mitigation plans and other steps to reduce risk to physical properties.

The October 2019 OIC meeting presentation contained additional details about Treasury's ESG work. The presentation is available on our website. Oregon trust funds must be invested for the sole and exclusive benefit of beneficiaries, and trust fund capital cannot legally be invested or divested exclusively to advance social, political, or economic development goals.

RESILIENCE

Treasury recognizes the importance of providing critical business services in the face of adverse operational events. No matter what, the core financial activities we oversee keep state government moving and must be available. Recognizing this, we initiated a lengthy and rigorous review of Treasury's capacity and resources, including physical location and potential threats to operations. We ultimately made the decision to begin planning for a move to a new, resilient building



that can withstand a Cascadia Subduction Zone earthquake and other natural disasters and disruptions. Work on this project moved forward steadily throughout 2019. We are currently planning to move into a new headquarters building in Salem in the spring of 2022. As that project moves forward, we've continuously dedicated time to emergency planning, risk identification and mitigation, and continuity of operations planning.

- ARCHITECTURE**
 - A1: Clerestory for daylighting & natural ventilation
 - A2: Roof overhangs to protect and shade below
 - A3: Exterior work areas
 - A4: Super insulated roof R-30
 - A5: Super insulated wall R-50
 - A6: High performance glass & window system
 - A7: Curable cleanable finishes
 - A8: Central light shaft / riser for daylighting
 - A9: Acoustic elements for employee health
 - A10: Interior window blinds to control glare
- STRUCTURAL / SEISMIC**
 - S1: Lightweight structure & skins
 - S2: Seismic base isolation with concrete most allowing up to 18" of horizontal movement in any direction
 - S3: Moment frame & braced frame superstructure
 - S4: Exposed structure for visual inspection
 - S5: High performance glass & window system
 - S6: Reinforced nonstructural elements such as ceilings to improve reoccupancy
- LANDSCAPE**
 - L1: Thoughtful landscape
 - L2: Flexible plaza for emergency situations
 - L3: Wellness path / creek walk connection
 - L4: Landscape bioswale
- MECHANICAL**
 - M1: 100% outside air and fully exhausted
 - M2: Filtered air intake through MERV filters
 - M3: Automated operable windows
 - M4: High performance HVAC system (30% above code)
 - M5: Radiant Floor & VRF-Systems
 - M6: Ceiling fans (per mixing)
 - M7: Automated controls of HVAC based on manual operable window positions
- ELECTRICAL**
 - E1: On site energy / PV array
 - E2: 96-hour emergency power system
 - E3: Solar site lighting
 - E4: Auto dimming controls
 - E5: Well and desk mounted lighting to resist seismic movement
 - E6: (T) EV Vehicle Charging Stations
- PLUMBING**
 - P1: Auxiliary septic tank
 - P2: Low flow plumbing fixtures
 - P3: Touchless plumbing fixtures
 - P4: Well water for backup drinking supply

Other Key Treasury Achievements in 2019



ELLIOTT STATE FOREST

Treasurer Read, as a member of the State Land Board, has continued to work toward solutions that keep the Elliott State Forest in public ownership, with recreation access and conservation components. In 2019, Treasury's Debt Management Division sold \$100 million in bonds as part of the strategy by the Oregon Land Board, and approved by the Legislature, to preserve the public benefits of the forest.

SAFE BANKING

In 2019, Treasurer Read and state treasurers from around the country urged Congress to pass the SAFE Banking Act, which would allow state-level financial institutions to provide financial and banking services to state-licensed cannabis businesses.

CYBERSECURITY

Oregon State Treasury has continued to emphasize the importance of cybersecurity and protecting financial data and information. Much of this work is connected to our emphasis on resilient operations, and the necessity of having "no fail" operations for Treasury and our customers and partners. But it also means achieving and sustaining optimum levels of information confidentiality, integrity, and availability across the platforms we use. Treasury invests considerable time, training, and resources on cybersecurity controls, issue identification and remediation, and ongoing management and training. While this is ongoing work, in 2019, the IT Security team took on several extensive tests of our systems, expanded mandatory training for all staff, and continued enhancements to our cybersecurity posture to ensure the safety and integrity of confidential and/or sensitive information, systems, and networks.

OREGON FACILITIES AUTHORITY

Treasury continued our work with the Oregon Facilities Authority, which helps nonprofit organizations access low-cost financing for capital projects through the issuance of tax exempt conduit revenue bonds. By making low-cost financing available, Treasury is able to assist nonprofits to further their missions that help Oregonians.

OFA bonds are issued by Treasury. OFA's role is to evaluate projects proposed by nonprofits and make recommendations to the State Treasurer for bond issuance. The State Treasurer makes the final decision about whether to issue the bonds. More than \$4.5 billion in bonds have been issued through OFA..

With certain exceptions, OFA can assist on capital projects for nonprofit organizations with a presence in Oregon that qualifies as a section 501(c)(3) organization under federal income tax law. Bonding can cover purchase of facilities or equipment, major remodeling of facilities, construction financing, or refinancing of loans originated for capital purposes.

In 2019, participating nonprofits included Cascadia Behavioral Healthcare, Greenhill Humane Society, Howard Street Charter, Human Solutions, La Clinica, and Northwest Housing Alternatives.

For more information, please see the [Oregon Facilities Authority 2019 Annual Report](#).