



DEPARTMENT OF STATE LANDS FACT SHEET

Common School Fund Benefits Oregon Schools

The State Treasurer and Oregon Investment Council invest the Common School Fund, which exceeded its performance benchmark over the three-year period ending in 2015, earning a 8.11 percent average annual return. The value of the fund fluctuates with changing market conditions, and is now valued at \$1.42 billion. Historically, about 4 percent of the fund has been distributed to school districts annually.



“Every education advocate should understand the Common School Fund’s role in helping fund K-12 schools.”

**Jim Paul, Director
Department of State Lands**

\$53 million earmarked for state’s 197 K-12 districts in 2016

Since Oregon became a state in 1859, a little-known fund – the Common School Fund – has provided hundreds of millions of dollars for Oregon public schools. Common School Fund distributions are considered local revenue in the state funding formula, and the dollars are not insignificant. In a district such as Corvallis, their share in 2016 (\$903,506) supports the equivalent of 11 full-time teaching positions; in Bend, 18; and in Medford, 15.

State Land Board oversees Common School Fund

The act of Congress admitting Oregon to the Union in 1859 granted sections 16 and 36 of every township for the use of schools. Nearly 3.4 million acres – roughly the size of Connecticut – came under state ownership.

Our “land-rich, cash-poor” state quickly sold many school lands, as state officials felt private ownership of these lands would yield more for schools through property taxes and other economic benefits. As a result, less than a fifth of Oregon’s original acreage – about 750,000 acres – remains in state ownership.

2016 Common School Fund Distributions

A sampling of districts and the impact of their distributions

School District	Distribution	Equal to*
Astoria	\$168,255	2 full-time teachers
Bend	\$1,528,435	18 full-time teachers
Coos Bay	\$270,734	3 full-time teachers
Corvallis	\$903,506	11 full-time teachers
Hood River	\$355,006	4 full-time teachers
Medford	\$1,245,032	15 full-time teachers
Pendleton	\$289,469	3 full-time teachers
Portland	\$4,647,808	54.5 full-time teachers
Salem	\$3,837,020	45 full-time teachers

*Based on the annual statewide average of \$85,253 per teacher for salary and benefits; figures are rounded



Common School Fund distributions are sent to school districts twice a year. By law, fund distributions cannot benefit current students at the disadvantage of future students, or vice-versa.



The Land Board's Real Estate Asset Management Plan calls for a "clear commitment to creating a consistent stream of revenue to increase annual distributions to schools." It also recognizes the need to strategically dispose of selected land assets and acquire assets with high performance potential.

"Protecting and enhancing the Common School Fund is arguably the most important thing we do as a state agency," says Jim Paul, director of the Department of State Lands, the administrative arm of the Land Board. "Our goal is to have every education advocate understand its role in funding K-12 schools."

Inputs into the fund include revenues from state-owned lands and waterways, and from estates that transfer to the state from people who die without a will and known heirs. All unclaimed property (money) the state receives is held in the Common School Fund until the rightful owner is located.

Goal is to grow the fund significantly over time

As the Common School Fund grows, so do distributions to Oregon school districts. Since 2000, distributions have ranged from a low of \$13 million in 2004 to a high of \$55.4 million in 2008. Distributions in the 2015-17 biennium will total about \$110 million.

The Department of State Lands is strategically managing the fund's real estate assets to increase revenues to schools. Divesting of non-producing lands, investing in high-quality lands, and ensuring that state land leases reflect market values are among the agency's strategies, says Paul.

"Every dollar helps Oregon schools," he says. "Through balancing revenue enhancement and resource protection, our goal is to provide sustainable funding for schools forever."



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