



# Oregon Schools Benefit from Common School Fund



*The State Treasurer and Oregon Investment Council invest the Common School Fund, which exceeded its performance target over the three-year period ending in 2013, earning a 9 percent average annual return. The value of the fund fluctuates with changing market conditions, and is now valued at \$1.3 billion. Historically, about 4 percent of the fund has been distributed to school districts annually.*

*“Every education advocate should understand the Common School Fund.”*

Mary Abrams, Director  
Department of State Lands

## \$50.8 million earmarked for state’s 197 K-12 districts in 2014

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 Eugene, their share in 2014 (\$1,711,668) would support 19 full-time teaching positions. In Bend, 16. And in Medford, 13.5.

## 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, only a fifth of Oregon’s original acreage – about 760,000 acres – remains in state ownership.

## 2014 Common School Fund Distributions

A sampling of districts and their distributions

School District	Distribution	Equal to*
Astoria	\$167,985	2 full-time teachers
Bend	\$1,410,473	16 full-time teachers
Coos Bay	\$270,706	3 full-time teachers
Eugene	\$1,711,668	19 full-time teachers
Hood River	\$335,199	4 full-time teachers
Medford	\$1,186,527	13.5 full-time teachers
Pendleton	\$283,646	3 full-time teachers
Portland	\$4,427,154	50 full-time teachers

\* Based on the annual statewide average of \$88,339 per teacher for salary and benefits; figures are rounded



## DEPARTMENT OF STATE LANDS FACT SHEET COMMON SCHOOL FUND

***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 2012 Real Estate Asset Management Plan calls for a more aggressively managed real estate portfolio. The plan emphasizes "strategic investment and reinvestment in industrial/commercial/residential lands to increase land values and Common School Fund revenues over the ten-year life of the plan."***

"Protecting and enhancing the Common School Fund is arguably the most important thing we do as a state agency," says Mary Abrams, director of the Department of State Lands, the administrative arm of the Land Board.

Inputs into the fund include revenues from state-owned lands and waterways, and from estates that escheat 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 2013-15 biennium will total \$105 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 Abrams.



"Every dollar helps Oregon schools – it's just that simple," she says. "My goal is for every education advocate across the state to understand the Common School Fund and the Department of State Lands' role in supporting Oregon's schoolchildren from generation to generation."

### **For more information and copies of this fact sheet, contact:**

Julie Curtis: (503) 986-5298; [julie.curtis@state.or.us](mailto:julie.curtis@state.or.us)

#### **Oregon Department of State Lands**

775 Summer St. NE, Suite 100

Salem, Oregon 97301-1279

(503) 986-5200 | [www.oregonstatelands.us](http://www.oregonstatelands.us)