

Oregon Schools Benefit from Common School Fund

\$40 million sent to state's 197 K-12 school districts in 2009

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.

In a district such as Corvallis, their share in 2009 (\$632,350) would support nearly eight full-time teaching positions. In Bend, 13. And in Medford, 11. While Common School Fund distributions are considered local revenue in the state funding formula, the dollars are not insignificant.

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 780,000 acres – about a quarter of Oregon’s original acreage – remains in state ownership.

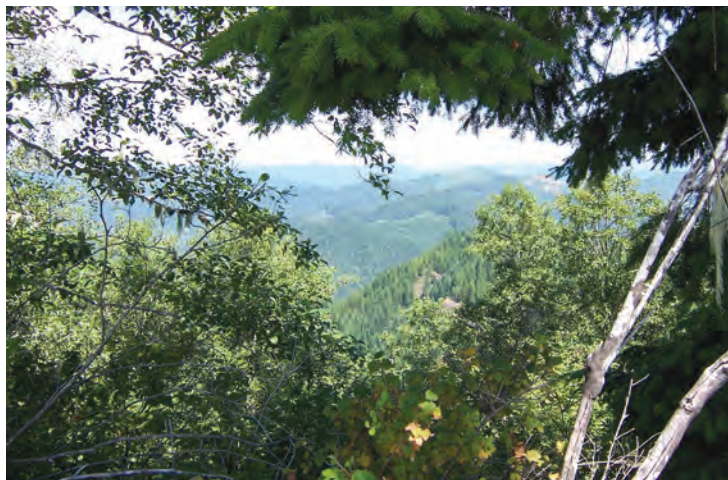
The Oregon Constitution dedicates the mineral, timber and other resource rights of school lands to the Common School Fund, and names the State Land Board as trustee of the fund. The board is composed of the Governor (chair), Secretary of State and State Treasurer.

“Protecting and enhancing the Common School Fund is arguably the most important thing we do as a state agency,” says Louise Solliday, director of the Department of State Lands (DSL), the administrative arm of the Land Board.

Inputs into the fund include revenues from leasing state-owned rangelands and waterways, and harvesting timber on Common School forestlands. In addition, all unclaimed property (money) the state receives is held in the Common School Fund until the rightful owner is located.



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.



About 78 percent of the annual revenue from state school lands comes from forestlands. In 2009, the Elliott State Forest near Coos Bay generated \$9 million. The State Land Board owns 91 percent of the 93,000-acre forest.

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

**Louise Solliday, Director
Oregon Department
of State Lands**

**OREGON DEPARTMENT OF
STATE LANDS**



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 2009-11 biennium are expected to total about \$95.5 million.

The Department of State Lands is strategically managing the fund's real estate assets to increase revenues to schools. Disposing 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 Solliday.

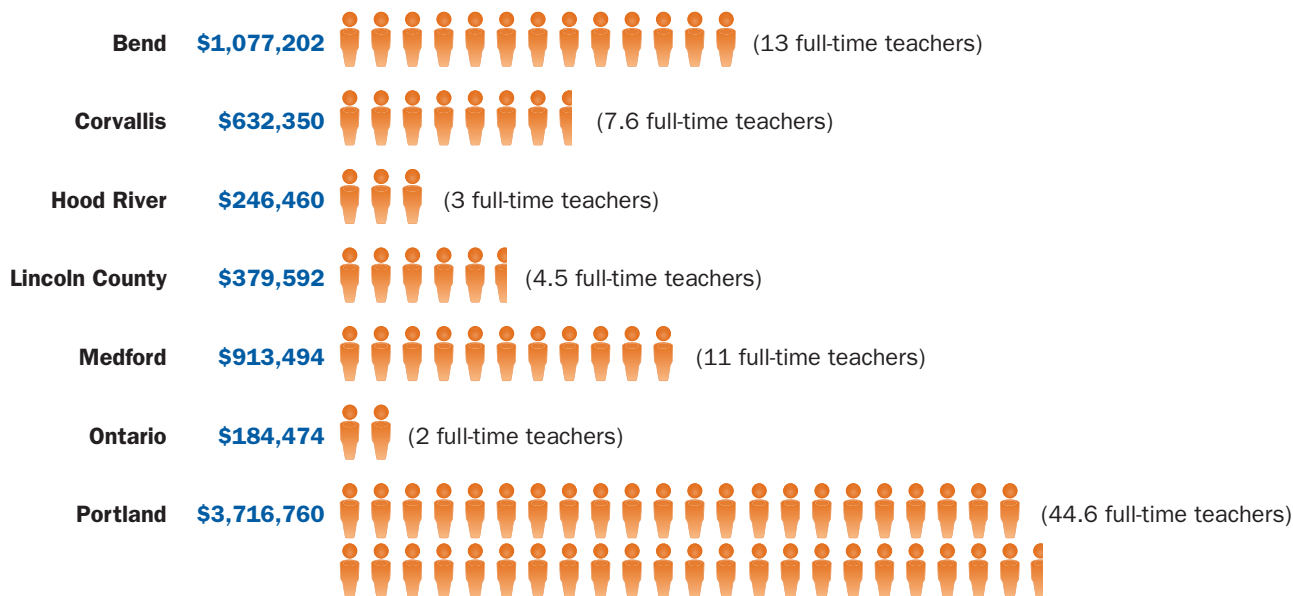
"Every dollar helps Oregon schools – it's just that simple," says Solliday. "My goal is for every education advocate across the state to understand the Common School Fund and the Department of State Lands' role in supporting Oregon's schoolchildren from generation to generation."



The State Treasurer and Oregon Investment Council invest the Common School Fund. In recent years, fund values have ranged from \$600 million to more than \$1 billion, depending on market conditions. The current value of the fund is approximately \$930 million.

2009 Common School Fund Distributions

A sampling of districts and their distributions



For more information and copies of the Common School Fund brochure contact:

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