

Oregon's Common School Fund

The State Land Board (Governor, State Treasurer and Secretary of State) governs the fund; the Department of State Lands (DSL) is the administrative arm of the board. The State Treasurer and the Oregon Investment Council invest the fund.

Inputs into the fund:

- All DSL land management revenue – the largest input is forestry revenues; other revenue comes primarily from waterway and rangeland leases.
- Unclaimed property deposited and held in trust (these moneys are not revenue, but are held and invested as part of the CSF).
- Escheated estates.

The market value of the Common School Fund reached over \$1 billion in 2007; it dropped to around \$750 million in late 2008 due to the economic downturn, and is now valued at approximately \$835 million.

Interest and investment earnings comprise the majority of the distributable income. The Land Board reviews and determines the distribution policy biennially. In early 2009 the Land Board implemented the current policy of distributing 4 percent of the three-year rolling average of the ending balance of the CSF on December 31.

At their June 2009 meeting, the Land Board adopted a resolution that directs the 2009-11 CSF distribution to be 5 percent of the three-year average balance of the CSF provided there are adequate funds to support the amount. If the distributable income account will not support the 5 percent distribution, the distribution will be the entire amount of the distributable income account.

Twice a year (in January and July), the Department of Education sends distributions to all of Oregon's 197 K-12 public school districts. Recent distributions have been:

2005 - \$40.2 million
2006 - \$45.4 million
2007 - \$48.5 million
2008 - \$55.4 million
2009 - \$40.2 million

The projected 2009-11 distribution is \$95.5 million.

The CSF distribution policy considers the issue of "intergenerational equity" meaning fund distributions cannot benefit one generation of schoolchildren over another. By law, CSF funds are dedicated to "support and maintenance of common schools in each school district." County populations ages 4-20 determine each county's share of the earnings.