

Common School Fund Distribution to PERS; Senate Bill 1566

- When Measured and Calculated?** At conclusion of fiscal year-end (June 30th) audited financial statements for the Common School Fund (CSF)
- What is Calculated?** The annual distribution amount to be paid in January of the next year
- How is it Paid?** The annual distribution amount is paid to PERS in January of the next year
- What is the Calculation Methodology?** **The lessor of (a) or (b):**
(a) investment earnings of Unclaimed Property's (U/P) pro-rata share of the CSF market portfolio
(b) Unclaimed Property's Net Inflows less statutory operating expenses less CSF investment expenses

Example:

(a)		
1	U/P's pro-rata share of CSF investment portfolio	\$600 million
2	Investment Rate of Return	4%
3	Investment Earnings	\$24 million
<i>Calculations</i> $1a \text{ times } 2a = 3a$		

or

(b)			
4	U/P Inflows (receipts)		\$60 million
5	U/P Outflows (claims)	minus	\$32 million
6	U/P Net Inflows	=	\$28 million
7	CSF Operating Expenses (statutory expenses net of statutory revenue)	minus	\$8 million
8	CSF Investment Expenses	minus	\$5 million
9	U/P Net Inflows less expenses	=	\$15 million
<i>Calculations</i> $4b \text{ minus } 5b = 6b$ $6b \text{ minus } 7b \text{ minus } 8b = 9b$			

* Since \$15 million is less than \$24 million, the Senate Bill 1566 payment would be \$15 million in this example

Distribution Policy

In March 2018, the Oregon Legislative Assembly passed Senate Bill 1566 which is a new CSF distribution to be paid to PERS on behalf of the School Districts' Unfunded Liability Fund; first distribution in January 2019