State Trust Lands

Funding Oregon Schools since 1859

Beginning in the early 1800s, Congress granted specific sections of land to states when they entered the Union with the stipulation that proceeds from these lands be used for public education.

The lands originally granted to Oregon in 1859 under the Oregon Admission Act – Sections 16 and 36 of every township – amounted to roughly six percent of the new state’s land (about 3.4 million acres).

Land Board Manages Common School Trust Lands

The Oregon Constitution and subsequent legislative action dedicated these lands and their mineral, timber, other resources and related income to the Common School Fund, a dedicated trust that remains in effect today. The State Land Board, established under the Oregon Constitution, is trustee of the fund. The Department of State Lands (DSL) administers the day-to-day work of the Board.

Common School Fund (CSF) distributions to schools cannot benefit current students at the disadvantage of future students, or vice-versa. Therefore, the Land Board’s duty is to maximize the value of, and revenue from, trust lands over the long term.

Today, the Board's trust land base consists of about 741,000 acres of state land:

- Agricultural land and rangeland in eastern Oregon (607,000 acres)
- Forestland, mostly in western Oregon (122,000 acres)
- Industrial/Commercial/Residential land (6,700 acres)
- Special stewardship lands (5,500 acres)

The Land Board also owns the sub-surface rights to 767,000 acres of mineral and energy resources.

“The Real Estate Asset Management Plan continues the historic role of the State Land Board in managing its land-based assets for long-term, multi-generational support for the Common School Fund.”

- Real Estate Asset Management Plan

Plan Provides Guidance

In 2012, the Land Board adopted a revised asset management plan to guide the agency’s land management strategies for the next ten years.
The Real Estate Asset Management Plan (REAMP) takes a different approach from previous plans by being less specific on individual state-owned parcels, and focusing more on strategies and procedures to lead DSL in managing its real property portfolio.

Key elements of the plan include:

- Create a consistent, growing stream of revenue to increase distributions to schools
- Balance revenue enhancement and resource stewardship
- Rebalance the portfolio by acquiring assets with a higher performance potential and strategically disposing of selected assets
- Set rates for leases and other authorizations at market values
- Identify a new process to evaluate lands for sale and acquisition for highest and best use, and for returns to the CSF
- Assure that proposed investment in existing land assets will yield targeted returns on the investment

Rebalancing Real Estate Assets

The REAMP emphasizes land management and revenue generation. The Land Board and Department of State Lands continually evaluate the real estate portfolio, comparing revenue generation with land management costs.

Rebalancing the portfolio may involve selling state lands that are difficult or expensive to manage, as well as acquiring new lands through exchange or purchase. All sale proceeds are reinvested in CSF lands managed for revenue generation.

Land sales and exchanges are processed through administrative rules (OAR 141-067), and parcels are carefully evaluated for financial, natural, cultural and recreational impacts. The Land Board must approve all land purchases, sales and sale method, which varies depending on the type of land being sold and the prospective buyer.

Property appraisals are conducted before a sale occurs. Common School trust lands are generally sold through public auction, but may also occur through direct negotiation, particularly when other public agencies or a land exchange are involved.

Some parcels that are candidates for sale or exchange – generally isolated, difficult to manage property – may be suitable for long-term conservation. DSL and the Land Board are interested in working with conservation groups and natural resource agencies as potential buyers for these types of properties.