

Donate to the CSF

Follow the example of Oregon Governor Ted Kulongoski, who donates five percent of his annual salary to the CSF. Make your check payable to State of Oregon Common School Fund, and mail it to the Department of State Lands.

The State of Oregon will invest your donation with other CSF assets, and help strengthen public education throughout Oregon. Donations may be tax deductible on your federal and state returns (see Internal Revenue Code Section 170). Consult your tax advisor.



Oregon's Common School Fund

*Ensuring a legacy for Oregonians
and their public schools
through sound stewardship
of lands, waterways,
unclaimed property and estates.*

Oregon's Common School Fund

Since statehood, public lands in Oregon have contributed hundreds of millions of dollars to support K-12 public schools.

That historic process continues today. Revenues from state-owned rangelands in Eastern Oregon, the Elliott State Forest near Coos Bay, and the uses of state waterways help fund every school district in the state.

In recent years, the State Land Board has sent annual payments ranging from \$9 million to \$45 million to Oregon schools. The 2007 estimate is \$48.5 million.

The amount distributed varies depending on the investment value of the Common School Fund (CSF), which has fluctuated from \$600 million to \$1 billion recently due to stock market conditions, and revenue from leases, fees and permits.

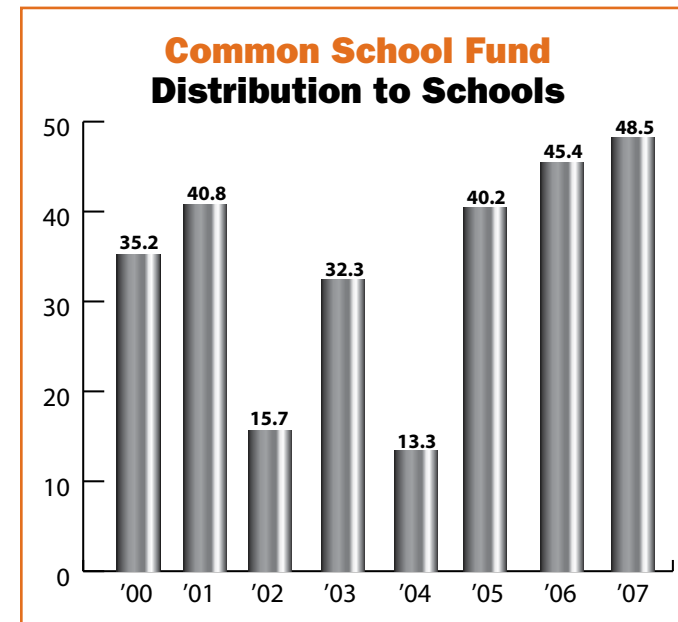
History of the Fund

The act of Congress admitting Oregon to the Union in 1859 granted sections 16 and 36 in every township "for the use of schools." The provision of land for educational purposes was a practical solution for the developing nation that was "land rich, but cash poor."

In Oregon, Congress granted roughly six percent of the new state's land—nearly 3.4 million acres—for the support of schools. Due to various circumstances, only 773,000 acres remain in state ownership today.

The Oregon Constitution established the State Land Board as trustee of the CSF. The Department of State Lands is the administrative agency of the board, which is composed of the Governor, Secretary of State and State Treasurer.

Department of State Lands staff manages lands and their mineral and timber resources, as well as other resources under the State Land Board's jurisdiction, including the submerged and submersible lands underlying the state's tidal and navigable waterways.



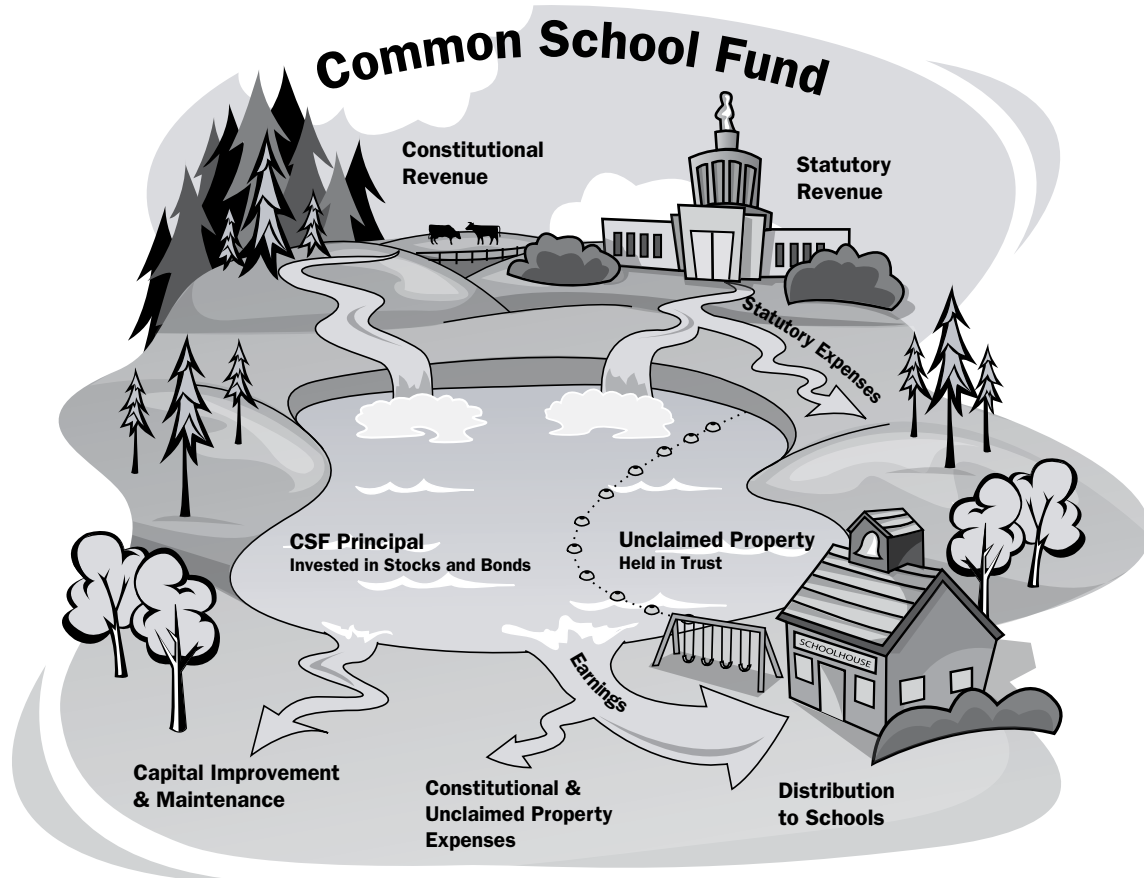
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Sources of the Fund

Many revenue streams feed the Common School Fund.

One portion of the CSF is known as constitutional revenue—derived from sources granted by the federal government at statehood. The major producer of constitutional revenue is timber harvest on the Elliott State Forest near Coos Bay and investment earnings.

Over the years, other state revenues have been directed to the CSF as well. Statutory revenue comes from programs created by the legislature, such as waterway leases, removal-fill permit fees and civil penalties, proceeds of certain forfeitures, and revenue from mineral and geothermal resource rights on non-Admissions Act, state-owned property.

CSF Resources

The Oregon Constitution requires CSF resources to be managed “with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.”

Revenue from the following activities is deposited into the fund:

- **Rangelands** (about 638,000 acres primarily in Eastern Oregon) are leased to ranchers for grazing sheep and cattle and for other uses such as communication sites.
- **Forestlands** (approximately 131,000 acres) are managed for timber production.



- **Waterways** are leased for uses such as sand and gravel extraction, houseboats, marinas and log rafts. They include 800,000 acres of land under navigable and tidal waters, which includes the Territorial Sea within three miles of Oregon’s ocean shore.

Other sources of money contributing to the CSF include:

- **Escheated Estates**—property reverting to the state on an individual’s death because no heir or will exists or can be found.
- **Unclaimed property** held in trust while the agency searches for the rightful owner.
- **Gifts** to the state not designated for some other purpose.
- **Tax revenues** from the production, storage, use, sale or distribution of oil and natural gas.
- **5% of the proceeds** from the sale of federal lands.

percent of the Common School Fund market value as of December 31 each year. To prevent large variations in distributions from year to year, in 2005 the board switched to a three-year rolling average for calculating the fund’s value change, beginning January 1, 2006.

The distribution policy considers the issue of “intergenerational equity” meaning fund distributions cannot benefit current students at the disadvantage of future students, or vice-versa.

By law, the funds are dedicated to “support and maintenance of common schools in each school district.” County population ages 4-20 determine each county’s share of earnings. Every six months, DSL sends investment earnings to the State Superintendent of Public Schools for distribution to Oregon’s 198 K-12 public school districts.

Investment and Distribution

The State Treasurer and the Oregon Investment Council invest the CSF. Over the years, the fund has increased significantly due to revenues generated for the fund and investment performance. In recent years, fund values have ranged from \$600 million to \$1 billion, depending on market conditions.

The Land Board has developed a sliding-scale distribution policy based on the annual change in value of the fund. The policy establishes a sliding scale for annual distributions between two and five

