

Oregon Department of State Lands

Fund Diagram – 2003-05 Actuals*

Common School Fund Principal – \$908 million (market value 6/30/05)

Constitutional Revenue

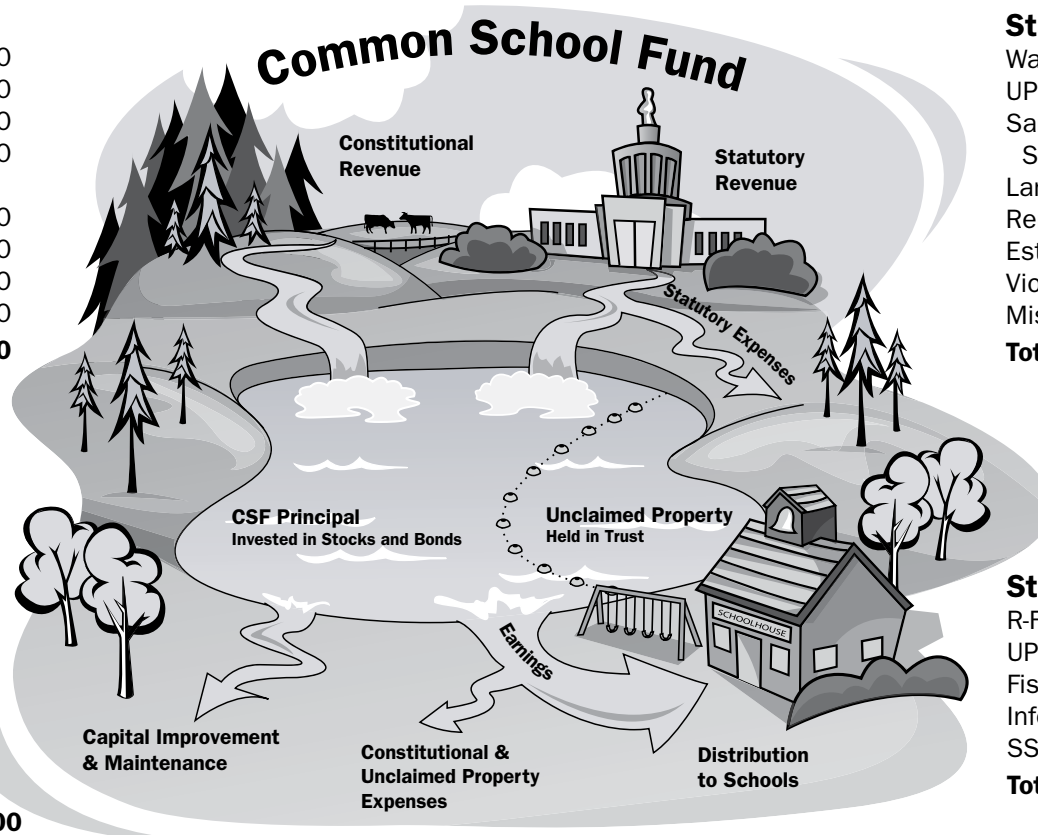
Forestry	\$34,452,000
Rangeland	\$617,000
Agricultural	\$303,000
Ten-Year Estates	\$167,000
Industrial,	
Commercial Properties	\$1,232,000
Natural Gas Leases	\$211,000
Mineral Leases	\$296,000
Sand & Gravel Leases/Upland	\$1,000
Total Constitutional:	\$37,279,000

Investment Earnings \$74,568,000

Capital Improvements & Maintenance Costs \$152,000

Constitutional Expenses

Forestry Costs	\$11,220,000
DSL Operations	\$2,998,000
SSNERR – Land	\$337,000
Other	\$699,000
Total Constitutional:	\$15,254,000



Statutory Revenue

Waterway Leases	\$2,904,000
UP Dividends	\$1,200,000
Sand & Gravel Leases/ Submerged & Submersible	\$974,000
Lands Easements	\$778,000
Removal-Fill Permits	\$692,000
Estates Admin. Fees	\$180,000
Violations & Fines	\$41,000
Miscellaneous	\$109,000
Total Statutory:	\$6,878,000

Statutory Program Expenses

R-F/Wetlands	\$3,557,000
UP Dividends Distribution	\$1,200,000
Fiscal	\$654,000
Info. Systems	\$369,000
SSNERR Non-Land	\$337,000
Total Statutory:	\$6,117,000

Unclaimed Property

UP Trust Receipts	\$68,194,000
(Less Claims)	(\$17,573,000)
UP/Estates held in trust:	\$50,621,000
UP Expenses	\$1,271,000

Estates

Estates Receipts	\$1,136,000
Estates Expenses	\$320,000

Distribution to Schools

\$53,551,000

The amount available for distribution depends on a formula based on the percent change in market value of the CSF principal from year to year and available earnings. All 198 K-12 public school districts in Oregon receive semi-annual distributions from the fund.

Note: CSF principal is currently allocated as follows:

- 72% equities
- 24% fixed income
- 4% short-term investments and cash equivalents

* Note: For illustrative and summary purposes only – does not exactly match budget documents due to rounding.

Oregon Department of State Lands COMMON SCHOOL FUND DIAGRAM

The following provides guidance to understanding the **Common School Fund Diagram** on the reverse side.

Revenue **flows into** the Common School Fund Principal from three sources:

Constitutional Revenue (Trust) – Revenues from land and mineral rights granted to Oregon at statehood by the federal government and held in trust through provisions of Oregon’s Constitution, plus estate assets when heirs can’t be located after 10 years.

Statutory Revenue (Non-Trust) – These revenues accrue from programs and assets assigned to DSL by various state laws (statutes).

Unclaimed Property Held in Trust – Financial assets unclaimed by owners are sent to the Unclaimed Property Section, which holds the funds in trust forever.

Money **flows out** of the CSF in two ways:

Capital Improvements/Maintenance Costs - primarily upkeep on DSL’s headquarters building and costs to improve state land, such as replanting rangelands damaged by fire.

Investment Earnings from stocks and bonds flow out for two purposes:

- **Constitutional Expenses:** some administrative costs and miscellaneous charges, plus costs of managing forests. Payment to the Oregon Department of Forestry for managing forest lands totaled \$11.2 million during the 2003-05 biennium. (Forestry receipts totaled \$34.45 million.)
- **Distribution to Schools:** earnings are distributed according to a formula established by the State Land Board, which consists of the Governor, Secretary of State and State Treasurer. Funds are allocated semi-annually to Oregon’s 198 K-12 public school districts based on school-age population. During the 2003-2005 budget period, \$53.5 million was distributed to schools.

Notes:

- Statutory Expenses are deducted before funds generated by these programs are deposited into the CSF Account.
- Constitutional Expenses are deducted from Earnings along with Distribution to Schools.
- Capital Improvements/Maintenance Costs (\$152,000) are the only expenses taken directly from the CSF Principal.
- Unclaimed Property Held in Trust also is invested with CSF assets and generates earnings for schools, but remains available for claim by owners or their heirs forever. Unclaimed Property operating expenses are paid by CSF earnings.