



Common School Fund

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Outline

- History and Purpose of Fund
- Revenue Sources
- Investment of the Fund
- Distribution to the Schools

History of the Common School Fund

- Trust established at statehood to provide funding for public schools
- One of 30 states to receive land under the federal land grant policy
- About one-fifth of our land remains today

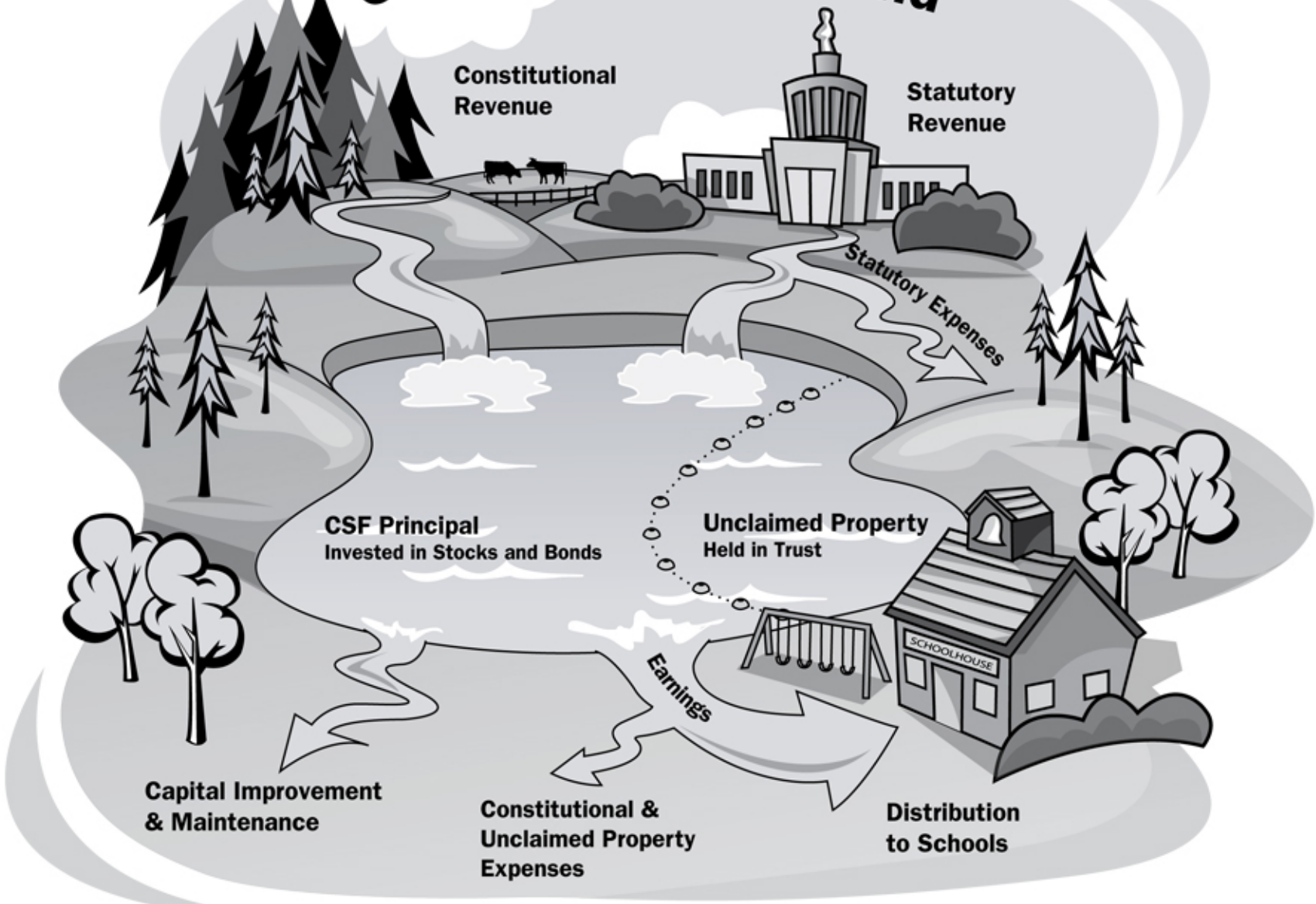
History of the Common School Fund

- By Constitution the State Land Board is the trustee
- Public Schools, K-12, are the beneficiaries
- Managed to provide intergenerational equity

Revenue Sources

- Constitutionally directed
 - Real property granted at statehood
 - Escheat property
- Statutorily directed
 - Waterway programs
 - Removal-Fill

Common School Fund



Constitutional Revenue

Statutory Revenue

Statutory Expenses

**CSF Principal
Invested in Stocks and Bonds**

**Unclaimed Property
Held in Trust**

Earnings

**Capital Improvement
& Maintenance**

**Constitutional &
Unclaimed Property
Expenses**

**Distribution
to Schools**

SCHOOLHOUSE

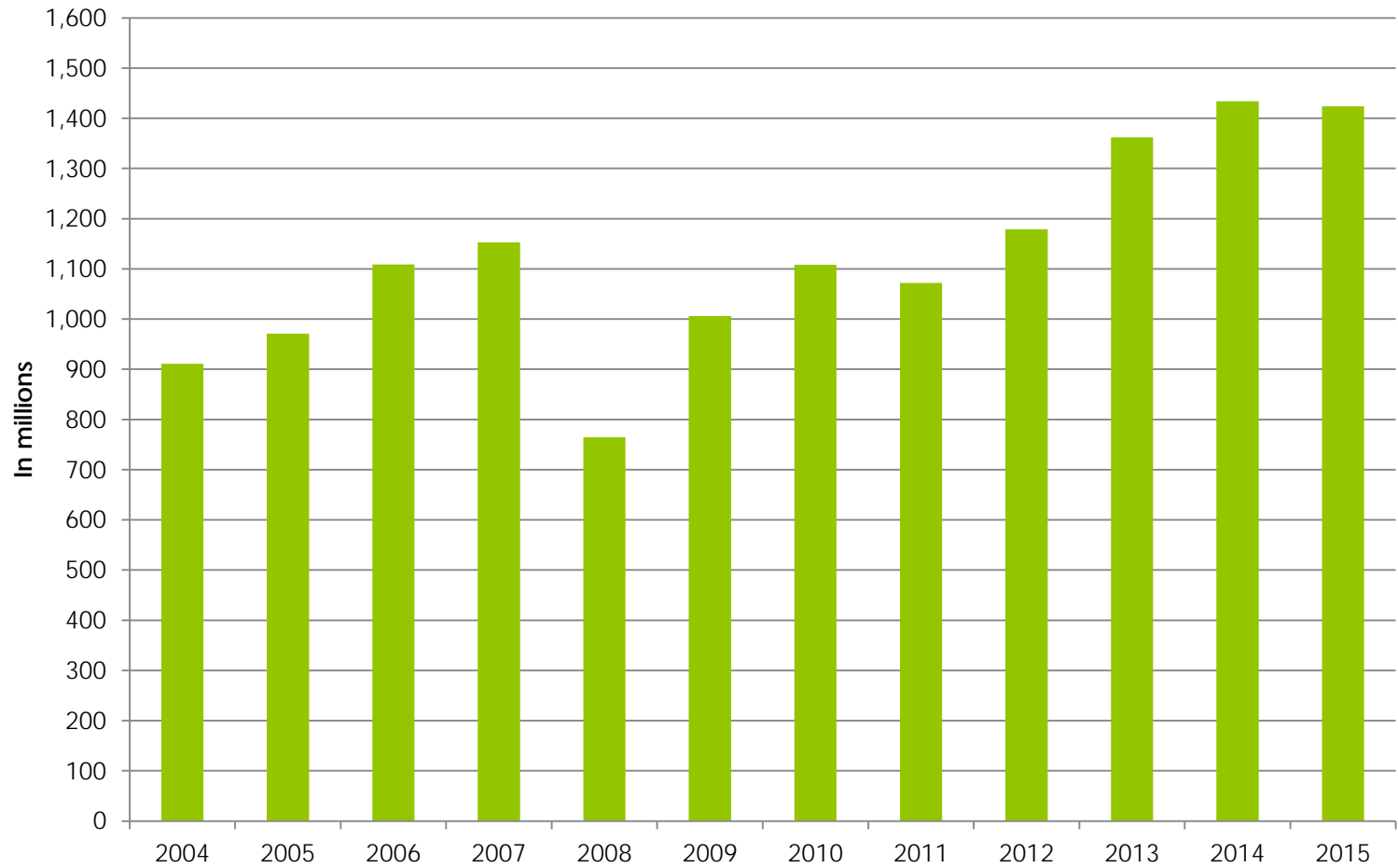
Investments

- Directed by the Oregon Investment Council
 - Asset Allocation
 - Various equities and fixed income
 - Select fund managers

Investments

- Treasury Investment Division
 - Investment Professionals
 - Hire consultants
 - Make recommendations to OIC
 - Handle the transactions and monitor the portfolio

Growth of the CSF



Distributions

- Land Board determines the distribution policy
- Considerations:
 - Sustainability of the fund
 - Consistent v. Volatile amounts

Distributions

- Current Policy: 4% of the 3 year rolling average as of December 31
- Sent to Department of Education twice annually for further distribution

Distribution

