



Oregon

Kate Brown, Governor

Department of State Lands

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June 12, 2019

State Land Board

Kate Brown
Governor

Bev Clarno
Secretary of State

Tobias Read
State Treasurer

Co-Chair Rob Wagner & Co-Chair Greg Smith
Ways and Means General Government Sub Committee
900 Court St NE
Salem, OR 97301

re: Support of SB454

Co-Chairs Wagner & Smith and members of the Ways & Means General Government Sub Committee:

Thank you for considering my support for Senate Bill 454, a proposal to transfer Oregon's Unclaimed Property program from the Department of State Lands to the Oregon State Treasury.

In February 2018, when I was hired by the State Land Board, I was asked to review DSL programs and recommend changes that would keep the Department focused on our core mission: managing state lands for the benefit of Oregonians and their public schools.

Oregon's unclaimed property law requires financial institutions and businesses to send unclaimed funds to the state's Unclaimed Property Program. Until claimed by owners, funds are held safe in the Common School Fund, generating interest earnings to benefit schools. While considering whether the Unclaimed Property program should remain at DSL, we learned the following:

As a best practice, most states house Unclaimed Property programs in their State Treasury office. The responsibilities of State Treasury offices align with the responsibilities of Unclaimed Property programs, which allows for more efficient operations. The public also associates treasuries with oversight of funds, creating a logical link when seeking unclaimed money.

Moving Oregon's Unclaimed Property Program to State Treasury would optimize program performance. Moving DSL's unclaimed property experts to State Treasury would increase the capacity of the program to promptly return funds to owners, and to ensure all unclaimed funds are reported to the state.

Stakeholders support transitioning the Unclaimed Property Program to State Treasury. With the assurance that unclaimed funds would continue to generate interest earnings for Oregon schools, stakeholder feedback has been positive regarding a change in program administration.

With these findings in mind, DSL recommended that the State Land Board endorse SB454 and approve the Department's support. The Land Board did so unanimously and directed the Department to work collaboratively with Treasury to assure a successful transition of Oregon's Unclaimed Property Program if approved by the 2019 Legislative Assembly. This initial collaboration has gone well, which encourages our assessment that a transfer of the Unclaimed Property program is a sensible approach to managing this program, as well as a direct benefit to Oregonians.

Sincerely,

A handwritten signature in black ink that reads "Vicki L. Walker". The signature is written in a cursive style with a large initial "V".

Vicki L. Walker, Director
Oregon Department of State Lands



Oregon

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State Land Board

December 18, 2018

Kate Brown

Governor

RESOLUTION

Dennis Richardson

Secretary of State

Supporting Increased Efficiency to Benefit the Common School Fund

Tobias Read

State Treasurer

Whereas Oregon schoolchildren, both present and future, benefit from the Common School Fund;

Whereas the Land Board is the manager of the Common School Fund and has a responsibility to manage the Common School Fund for the benefit of the K-12 schools;

Whereas the Land Board has identified two opportunities to generate additional money and more efficiently use Common School Fund allocations through structural reform of the Department of State Lands;

Whereas there are opportunities to increase efficiency and generate more revenue by moving Oregon's unclaimed property program to the Oregon State Treasury;

Whereas the South Slough National Estuarine Reserve provides education services and important environmental research, and there are opportunities to increase efficiency and reduce costs to the Common School Fund by identifying an alternative funding source and/or moving management of the Reserve out of the Department of State Lands, where it is costing the Common School Fund approximately \$900,000 per year; now, therefore,

Be It Resolved by the State Land Board:

That we, the members of the State Land Board, call on the Oregon Legislative Assembly to pass legislation moving management of the unclaimed property division from the Department of State Lands to the State Treasury in order to improve efficiency and increase funding for the Common School Fund; and be it further

Resolved, that we, the members of the State Land Board, call on the Oregon Legislative Assembly to pass a bill shifting South Slough management costs from the Common School Fund to other sources, and/or identify alternative management options to avoid continued diversion of these funds from their intended use for the benefit of the school children of Oregon.