

# State Trust Lands

## *Funding Oregon Schools Since 1859*

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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 780,000 acres of state land:

- Agricultural land and rangeland in eastern Oregon (632,000 acres)
- Forestland in western Oregon (102,033 acres)
- Industrial/Commercial/Residential land (7,000 acres)
- Special stewardship lands (38,800 acres)

The Land Board also owns the rights to 755,750 acres of mineral and energy resources.

***“The primary obligation of the Land Board, as trustee, is to manage and protect these lands for the maximum short- and long-term benefit of Oregon’s public schools, consistent with sound stewardship and business management principles.”***

***2006 – 2016 Asset Management Plan***

## ***Asset Management Plan Provides Guidance***

In 2006, the Land Board adopted a ten-year plan to guide the agency's land management strategies. Key priorities include:

- *Retain core real estate assets*
- *Increase the value of the real estate portion of the CSF portfolio and cash flow from those assets*
- *Rebalance the portfolio and create capital through investment in assets with high performance potential and the strategic disposal of selected assets*
- *Through active management, increase the overall value of the real estate portion of the CSF portfolio*
- *Establish priorities for management actions*
- *Balance revenue enhancement and stewardship of resources*

## ***Rebalancing Real Estate Assets***

The Asset Management Plan emphasizes land management and revenue generation, not simply land disposal. 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 an 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, applying the Asset Management Plan principles. 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 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.



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