



Cascade Commentary

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QuickPoint! – Amateur Hour at the State Land Board

By John A. Charles, Jr.

Oregon owns 1.5 million acres of School Trust Lands that must be managed for the benefit of public education. When profits are earned, the money goes into the Common School Fund, an endowment. Last year, the Fund distributed more than \$70 million to local schools.

The Trust Lands are managed by the State Land Board, comprised of the Governor, the State Treasurer, and the Secretary of State. By policy, they are supposed to sell money-losing lands and keep the profitable ones.

Unfortunately, they tend to do the opposite. At its April meeting, the Board voted to sell a 3-acre industrial parcel in Washington County. There was no compelling reason to sell, as the property had an internal rate of return of 8% since it was purchased in 2012.

The state also owns 74,000 acres of timberland within the Elliott State Forest, near Coos Bay. Earnings on the Elliott have been spiraling downwards since the 1990s. In 2013, it finally started losing money and is expected to continue doing so for the foreseeable future. These losses take money directly out of public school classrooms.

In November 2016, the Board received an all-cash offer of \$221 million dollars for the Elliott from a consortium of private landowners and tribal nations. That offer was rejected last year.

Students deserve professional management of their assets. They will never get it from the State Land Board because it's made up of politicians. It's time to amend the Oregon Constitution to remove trust land management from the Board's jurisdiction.

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