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QuickPoint! – Oregon Land Board Should Take the Deal

By Lydia White

At a time when Legislators threaten to slash government services to cover a \$1.6 billion budget shortfall, Governor Kate Brown and Treasurer Tobias Read plan to make things worse.

Next week, the State Land Board will meet to consider selling 84,000 acres of the Elliott State Forest to Lone Rock Timber Management for \$221 million. If the sale is approved, all the money would be invested in the Common School Fund, generating billions of dollars in earnings for K-12 schools.

Governor Brown, [who supported the sale in 2015](#), now wants the state to [buy out the Elliott](#) for \$100 million by issuing bonds. Taxpayers would pay back the principal and interest for the next 25 years, at a cost of \$120 million or more.

But the Land Board has a constitutional obligation to produce revenue for Oregon schools by either managing the Elliott for a profit or selling off dead assets. Forcing taxpayers to buy an asset they already own, plus forgoing \$121 million in additional funds from a willing buyer and [millions more when factoring in compound interest](#), would violate the Board's fiduciary trust.

Fortunately, the Oregon School Boards Association, one beneficiary of the Common School Funds, [expressed intent to sue](#) if the Land Board refuses to “fulfill its fiduciary duties.”

The Board has a firm offer of \$221 million. They should accept it.

Lydia White is a Research Associate at Cascade Policy Institute, Oregon's free market public policy research organization.