

MAY 5, 2017

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OREGON

## Oregon State University could help buy Elliott State Forest, under plan offered by Oregon Treasurer Tobias Read





**1/2** – Oregon Treasurer Tobias Read wants the state to partner with Oregon State University to buy the entire Elliott State Forest out from its constitutional obligation to fund K-12 public schools. (Courtesy Oregon Department of State Lands)

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**BY SAUL HUBBARD**

*The Register-Guard*

MAY 5, 2017

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**SALEM** — Oregon Treasurer Tobias Read wants the state to partner with Oregon State University to buy the entire Elliott State Forest out from its constitutional obligation to fund K-12 public schools.

Read's idea, which OSU President Ed Ray has signed onto, would build on Gov. Kate Brown's plan to use \$100 million in state bonds this year to buy environmentally important parts of the forest.

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But where Brown's plan would keep the balance of the Elliott under the control of the State Land Board with the goal of generating logging revenues for K-12 public schools, Read wants a cleaner break.

Under his plan released Thursday, the Land Board would give OSU an option to buy the entire

forest for an additional \$120.8 million at some unspecified point in the future.

OSU could use the forest as a research and education center for its forestry school, Read said in an interview Thursday, and the property, between Reedsport and Coos Bay in the Oregon Coast Range, could generate money for the school through timber harvests as well. It's unclear how the school would fund a purchase of the forest, but Read said OSU might use a mix of state money, private donations and grants, or enter into partnerships with local Native American tribes.

More importantly, the \$220.8 million total that the two-pronged approach could eventually provide for the Common School Fund would match the state's valuation of the forest and an offer that's now on the table from a private timber company to buy the entire forest.

The promise of that \$220.8 million could head off a lawsuit from the Oregon School Boards Association, which has threatened legal action against the State Land Board if it sells the Elliott for less than market value.

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The OSBA is concerned that the governor's plan, with \$100 million up front but only vague commitments about future logging in the Elliott, may fall well short of that valuation.

"Unless we fully sever that tie" between the Elliott and school funding, Read said, "I don't have the confidence that this land board or a future land board might not be in this same situation at some point in the future."

Read's new idea comes just days before the State Land Board's next meeting on May 9.

Both Gov. Brown and Secretary of State Dennis Richardson, the other two land board members, released more information about their plans and positions on the Elliott on Thursday.

Brown largely reiterated her previous proposal, first announced in February. She plans to seek \$100 million in bonds from the Legislature and has begun drafting a habitat conservation plan for the forest, to protect sensitive species and habitat from logging.

Brown's new 25-page framework contains no new information about her logging plans in the forest, and it no longer mentions an annual timber harvest target of 20 million board feet as it did in February.

In a prepared statement, Brown applauded "Treasurer Read's ideas, vision, and the commitment."

"Preserving public lands and protecting our natural resources reflects our values as Oregonians," she said. "Keeping the Elliott State Forest in public hands benefits the Common School Fund, while also protecting the diverse habitats of the forest, and ensuring public access for future generations."

Richardson, meanwhile, said he looks forward to analyzing both the governor's and the treasurer's plan. But he stressed that he agrees with the OSBA's position that a sale of the Elliott must bring in at least \$220.8 million for the school fund.

"We are both morally and constitutionally required to prioritize Oregon's schoolchildren by providing at least \$220.8 million for smaller class sizes, more school days, expanding career training, and increasing graduation rates," he said in a prepared statement.

"If the governor or treasurer produces a plan that meets the above criteria and maintains the Elliott as a public asset, I will welcome such a plan."

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Secretary of State Dennis Richardson's statement about the Elliott:

“Today, I released eight leadership principles for the Oregon Way Forward on the Elliott State Forest. The decision to sell the Elliott Forest and the current sale protocols were proposed by Governor Kate Brown in 2015 and unanimously approved by Governor Brown, former Treasurer and current Portland Mayor Ted Wheeler, and former Secretary of State and current Democratic Party Chair, Jeanne Atkins, who constituted the Oregon Land Board at that time. A fully qualified buyer complied with the sale protocols and stands ready, willing, and able to pay the required sale price of \$220.8 million to support Oregon public education. Although completion of the sale was approved by Treasurer Tobias Read and myself earlier this year, there will be discussions about alternatives at next week’s Land Board meeting.

I can appreciate that people change their minds, and I will earnestly consider both Governor Brown’s and Treasurer Read’s proposals for how best to manage the forest to meet our fiduciary responsibility to help fund Oregon schools.

During my campaign for Secretary of State, voters asked me how I would use my vote on the State Land Board to improve their lives. My response was that our state land policy should grow our economy, conserve state resources for future generations, and honor our constitutional requirement to generate funding for public education. I truly believe that all three of these goals can be accomplished. As we move forward in the discussion about the future of the Elliott Forest, I have developed criteria, listed below, that I will apply before reaching a decision.

Based on what I know today, to receive my “YES” vote on an Elliott Forest plan at the May 9th meeting, it must include details on how to achieve the following:

**Education First.** A plan must be consistent with the moral and constitutional requirements to prioritize Oregon schoolchildren by providing at least \$220.8 million for smaller class sizes, more school days, expanding career training, and increasing graduation rates. The members of the Land Board are Trustees of the Common School Fund and our paramount fiduciary duty is to maximize yields.

**Protect Environment.** A plan must incorporate Forest Stewardship Council principles and clearly meet the requirements of the Endangered Species Act to protect critical habitat and wildlife.

**Create Jobs.** A plan must allow sustainable timber harvest to create permanent family-wage

jobs in struggling rural and coastal communities.

**Recreational Access.** A plan must ensure that hunters, anglers, hikers, and all other Oregonians have access to the forest.

**Tribal Justice.** A plan must keep the promise to restore ownership of ancestral homelands to tribal peoples who have protected them for millennia.

**Generational Equity.** A plan must be financially sound over the long-term and avoid saddling Oregon's children with decades of debt. It should avoid spending General Fund dollars for management, avoid expensive litigation against the state, and avoid public debt to buy an asset the State already owns.

**Public Ownership.** A plan must retain options for public ownership of old growth forest areas.

**State Reputation.** A plan must preserve the state's reputation and the ability to negotiate agreements in good faith with business and nonprofit partners in the future.

I agree with the Oregon School Boards Association that we are both morally and constitutionally required to prioritize Oregon's schoolchildren by providing at least \$220.8 million for smaller class sizes, more school days, expanding career training, and increasing graduation rates. If the Governor or Treasurer produces a plan that meets the above criteria and maintains the Elliott as a public asset, I will welcome such a plan.

It was recently announced that the Oregon School Boards Association is considering litigation against the state for failure to properly manage the Elliott for the Common School Fund. Such litigation would be lengthy and costly. Read the Oregonian article [here](#).

Without commenting on the merits of the Oregon School Boards Association's potential case, I will note that the Oregon Constitution states the Land Board's legal obligation is to fund our public schools.

Collectively, the three members of your Land Board have held public office for decades. We're all experienced enough to understand that we must follow the law as it's written, not as we might desire it to be written. By working together, we can either develop a plan that keeps the Elliott in public hands while generating the necessary funds for our schools, or we can sup-

port the decision reached by the previous Land Board and sell the Elliott while preserving the rights to public access and requirements for good forest management contained in the present sale protocol agreement. Either way, we serve our school districts, teachers, and students while keeping the forest open to the public. The financial baseline will be \$220.8 million, which is the threshold value of benefit to the Common School Fund for any plan under consideration.

My office looks forward to analyzing the proposals from Governor Brown and Treasurer Read to ensure their recommendations meet the constitutional obligations governing the state forest and address the criteria I've outlined above.

In conclusion, Oregonians deserve leaders who will put forward ideas that generate real solutions to our most pressing challenges. I'm hopeful we can have unanimous support for a plan that gives our children \$220.8 million that will be invested in smaller class sizes, more school days, expanded career training, more highly-qualified teachers, and provide a fair shot for a bright future to all Oregon children.

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**Bob Zybach**

**SUBMIT**

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**alig**

19 hours ago

That is a great idea! Hats off to Tobias Reed coming up with an innovative way to preserve a truly special place.



2 Reactions

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**Eldo**

15 hours ago

The appraisal is phony and created out of thin air by Gov Brown. All crap. There was an arm's length appraisal that used a lot of experienced foresters and timber cruisers to establish the timber volume, the growth sites, and there is a 75 year old continuing inventory and record of timber sales, removals, and replanting, roading. All of that is worth money. I want to see the contracted appraisal before I, a part of the public, make a decision on who or what to support or reject.

The land, by law, has to be leased, sold, managed, to make the HIGHEST return possible to the Common School Fund. That is a fund from which only interest and earnings can be used, and the fund itself never is subtracted from or reduced. If it could be, Gov Brown would first in line, as she has stated this week, to sell the CSF to Goldman Sachs, and try to gain re-election in 2018 telling us how she saved our schools. Show us the full appraisal, Register Guard. It

is public record.

 2 Reactions

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**A Nony Mouse**

4 hours ago

\$220.8 million is on the table because it is what Lone Rock was willing to pay for it, and they had no competition. Since it is less than the appraised value of \$285 million to \$400-plus million (1), this price represents a bargain to any buyer. OSU could make great use of it-- look to the Andrews research forest near Blue River for a model of scientific value that creates jobs and preserves timber, important because we all breathe oxygen and trees make it for us. I'll be first in line to buy those bonds when they're issued.

(1) [http://www.oregon.gov/dsl/Land/Documents/Elliott/slb\\_dec2014\\_item4.pdf](http://www.oregon.gov/dsl/Land/Documents/Elliott/slb_dec2014_item4.pdf) page 40.

 1 Reaction

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