

**House Committee on Healthcare**  
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**February 5, 2026**

Chair Nosse and Members of the Committee, thank you for the opportunity to testify today. I am writing in **opposition to House Bill 4075**, which would authorize the loaning of monies associated with Oregon's unclaimed property program.

My concern is straightforward: **HB 4075 introduces financial and fiduciary risks to funds that are constitutionally and statutorily tied to Oregon's K-12 public schools**, particularly the **Common School Fund (CSF)**. While the bill does not directly amend the CSF, it alters the risk of the revenue stream that feeds it. The bill moves Oregon away from the long-standing principle that these dollars must be managed with the highest degree of prudence, stability, and protection.

The Common School Fund is one of Oregon's oldest public institutions, created at statehood in 1859 when Congress granted lands to Oregon specifically to support public education.

The State Land Board—comprised of the Governor, Secretary of State, and State Treasurer—has a **constitutional fiduciary duty** to manage the CSF **solely for the benefit of Oregon's public school students**.

The Fund is not a discretionary account. It is a **permanent, intergenerational trust**, and its investment strategy is intentionally conservative to ensure:

- **Stable annual distributions** to school districts
- **Protection of principal**
- **Long-term growth** that benefits future generations of students

HB 4075 proposes to **loan out unclaimed property fund monies**, shifting the program from a custodial, fiduciary model to a **credit-lending model**.

This raises several concerns:

**It introduces risk to funds that must remain liquid and claimable.**

Unclaimed property is not state revenue. It is money held in trust for Oregonians until they or their heirs claim it.

**It conflicts with the fiduciary principles governing the Common School Fund.**

Once interest earnings flow into the CSF, they become part of a constitutionally protected trust. The CSF's investment strategy is built around **stability, diversification, and low risk**. Loaning unclaimed property funds upstream introduces volatility that is fundamentally inconsistent with that mandate.

**It creates a precedent that erodes the integrity of dedicated education funds.**

Oregon has a long history of attempts—sometimes subtle, sometimes overt—to repurpose education-related funds for other uses. HB 4075 opens the door to future proposals that treat the CSF or its related revenue streams as a financing tool rather than a protected trust.

Every dollar of interest that flows into the Common School Fund ultimately supports Oregon's K-12 students. When the Fund is stable and well-managed, school districts receive predictable distributions.

HB 4075 introduces unnecessary risk into a system that is working as intended. The potential upside of a loan program does not outweigh the potential harm to Oregon's students.

For these reasons, I respectfully urge the committee to **oppose House Bill 4075**.

Thank you for your consideration.