



Outlook & Review

Annual Report 2008

Some things never change – like our commitment

While OSBA has experienced governance and structural changes in the past two years, some things never change:

We are committed to public education advocacy, training, leadership – and now, a more “regional” approach to deliver the many services our members need to meet today’s public-education challenges.

Sharpening our focus, building our regions

The last few years have set the stage for a new era at OSBA. Since losing OSBA’s Health Insurance program after the 2007 Legislative session, we have redefined our business model.

We spent much of the last year reviewing our services and reorganizing to ensure that we maintain our commitment to providing leadership and support to the more than 1,400 elected school leaders in Oregon. We believe we have emerged stronger, more efficient and ready to continue our role as a leader and advocate for public education in Oregon.

We’re also working to increase OSBA’s visibility and strength as a statewide organization to represent you – and the students you serve.

New regional model

The regional team staff model is one of the most notable changes to emerge in this process. The three new OSBA regional teams – representing the Northwest, Southwest, and Central/East – will help improve services and networking opportunities among OSBA members. It will also allow us to serve you better by providing personalized service from staff who know your district’s history.

OSBA is committed to serving its members and providing leadership in Oregon educational policy and services. The following 2007-08 highlights show how we are redefining our services and focusing on meeting the needs of our members.

Highlights from 2007-08:

Implementing the new governance structure and reorganizing for more efficiency

- We prioritized our goals, restructured our services and reorganized staff. We underwent a program and finance review conducted by a team from the National School Boards Association and refined our business model and aligned staff to better focus on association goals set by our board of directors.
- We formed regional teams to serve three regions, each with a team leader that members can rely on to coordinate these needs. Some staff members are assigned to teams; others continue to assist all members, as needed. We filled staff vacancies and changed some staff responsibilities.
- The governance model developed by the OSBA Governance Committee was adopted at the 2007 annual meeting. More than 300 members voted – nearly triple the voter turnout of the previous annual meeting – and 80 percent supported it. Legislative Policy Committee elections were held, with the largest number of members in 20 years weighing in on regional representatives to the LPC.
- In 2009, the OSBA board-elect will bring together 19 representatives from 14 new geographic regions of Oregon for the first time.

Representing school districts and advocating public education at state and federal levels

- Continued our strong presence in Oregon’s legislative process and increased our advocacy in Washington, D.C. Local priorities included funding adequacy and stability and tax and double majority reform. We worked for a Rainy Day Fund and the construction excise tax and established a Tax Reform Task Force. Nationally, we

joined other states to advocate a better “growth model” for NCLB.

- Worked alongside our partners in the education funding coalition that advocated a \$6.245 billion investment in public education.
- Produced 47 electronic legislative updates and 21 print issues of *Legislative Highlights* for members and stakeholders and published the *OSBA/COSA Legislative Summary*, which is used throughout the state.
- Conducted 16 fall regional meetings, providing detailed information to members about the construction excise tax, other capital construction legislation and ethics law changes. Met with 548 members from 147 school districts/ESDs and three community colleges.
- Supported OSBA priorities during the 2008 legislative supplemental session, during which seven education bills were passed, including SB 1068, the kindergarten bill.
- Assisted the newly elected LPC in setting legislative priorities for the 2009 session.

Extending advocacy beyond the legislative session

- Participated with 10 other organizations, the governor’s office and other state education stakeholders in a series of roundtable discussions to define accountability standards for the 2009 session.
- Served on six legislative work groups for the following issues: voluntary district audits conducted by the Office of the Secretary of State; pesticide use by and around schools; indoor air quality in schools; implementation of a solar-energy construction set-aside for schools; creation of a professional-development collaborative; and funding of county assessment and taxation departments. Served as advisers to the legislative Education System Design Team in its development of a new system to review and prioritize the education budget.
- Served on the School Revenue Forecast Committee and the Task Force on Comprehensive Revenue Restructuring.
- Continued to lead on the implementation of the construction excise tax.
- Worked closely with the Oregon Small Schools Association.
- Provided business services support to the PERS Alliance.

Providing more and better policy and board development services and resources

- Began developing a comprehensive board-member training program that includes on-site workshop training and online training, online policy-update resources and access to policy-language changes resulting from court rulings and legislative changes.
- Provided free sample policies to all districts. This year, we responded to 630 requests for sample policies.
- Provided new board-development services to 28 school districts, educational service districts and community colleges.

- Provided policy expertise at eight conferences sponsored by other education entities – more than any previous year.
- Worked with ODE to update all (and long-awaited) special-education policies.
- Worked with ODE and presented at the Oregon Association for Comprehensive Education conference on policies required for federal monitoring.
- Developed sample ethics policies for Oregon Government Ethics Commission approval.
- Began the process of updating policies and developing training for teachers and parents about child-abuse prevention and defining appropriate professional boundaries between staff and students – an issue we expect the 2009 Legislature to address. Our guidelines will be a resource for discussion and possible legislation.

Saving districts time and money on legal, labor and employment services.

- Provided complete legal services to association members, including litigation for 69 districts.
- Provided contract analysis, negotiations and miscellaneous services to 141 districts; most districts received several OSBA legal services.
- Provided 470 pre-loss services to districts for PACE – Property and Casualty Coverage for Education.
- Assisted 12 districts with review and negotiation of charter school applications.
- Responded to more than 1,000 phone calls and e-mails requesting legal assistance.
- Completed 14 president and superintendent searches (2008).
- Presented annual convention, Bonds & Ballots workshop, Summer Board Conference, spring and fall regional meetings, Labor & Employment Conference and a wide variety of workshops as professional development, networking and training opportunities for members.
- Assisted districts in their transition to Oregon Educators Benefit Board insurance (2008-09 contract year).

Keeping you informed and helping you communicate with your communities

- Informed and guided members during governance and OSBA organizational changes, OEBC transitions and staff restructuring through print, electronic and other member resources.
- Produced publications featuring public-education issues and news, including *Outlook & Review*, *Critical Issues*, *Negotiations Update*, *Policy Update* and guides and reference materials for members.
- Began Web site redesign process and added software that automatically updates online calendars and information.
- Developed the popular “Ask Betsy” Q&A as part of new online Board Meeting Resources to supply speedy answers to members’ pressing questions about board meeting and executive session laws and protocol from Board Development and Policy Services Associate Director Betsy Miller-Jones.

OSBA Staff

Kevin McCann, Executive Director
Dori Brattain, Deputy Executive Director/General Counsel
Melanie Bevens, Director of HR/Board Operations
Ron Wilson, Special Projects Director

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Joe Wehrl, Associate Executive Director
Betsy Miller-Jones, Associate Director
Peggy Holstedt, Associate Director
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Rick Stucky, Specialist
Leslie Fisher, Assistant
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Meri Patterson, Assistant

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Rebekah Cook, Attorney/Associate Director
Jessica Knieling, Associate Director
Randy Harnisch, Specialist
Jeff Heinrich, Attorney
Steve Norman, Attorney
Morgan Smith, Attorney
Stacy Davis, Assistant
Jenny Fedler, Assistant
Ashley McKay, Assistant

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Lori Sattenspiel, Specialist
David Williams, Specialist
Josie Hummert, Assistant

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Eric Mousel, Webmaster
Dan Peterson, Print Services Manager
Natalie Caspers, Assistant/Receptionist
Diane Efseaff, Assistant/Mail Clerk

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College

Jerry Berger
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Education

- Developed toolkits to help members respond to NCLB and state report cards.
- Provided custom crisis-assistance, communication-audit and bond-measure-campaign assistance to 11 districts.
- Administered six mini-audits in districts for the Bridges to Achievement program.
- Provided daily electronic education-related news clippings from more than 50 Oregon news sources to more than 2,300 members and stakeholders, enhanced with news of interest from around the country and OSBA news and events.

Financial Standing

Year ending June 30, 2008

OSBA continues to be in excellent overall financial health, as demonstrated by the financial audits completed in October 2008. The audits will be available online at www.osba.org under "About OSBA" following the January 2009 board meeting.

The income generated by OSBA Health Insurance Trust, OSBA Property and Casualty Coverage for Education Trust (PACE) and other revenue sources paid for a staff of 35 full-time and two part-time employees who provided services to OSBA members throughout the state.

OSBA continued to respond to membership demands for additional services by expanding the legal department and increasing staff where greater needs existed. Professional service fees charged to members ranged from \$95 to \$120 per hour depending upon the service provided.

OSBA's insurance programs are run by several trusts: the OSBA Health Insurance Trust (referred to in the online audit reports as the Employee Benefit Insurance Trust), the OSBA Property and Casualty Coverage for Education Trust (PACE), and the Property and Casualty Trust (PACT). PACT is the old property and casualty coverage program offered by OSBA and exists only to provide for the "run out" or closure of those claims incurred prior to July 1, 2006, which remain open. Each of these trusts has its own board of trustees. The trustees are appointed by the OSBA Board of Directors from districts across the state. The insurance-business trusts are located in the Local Government Center

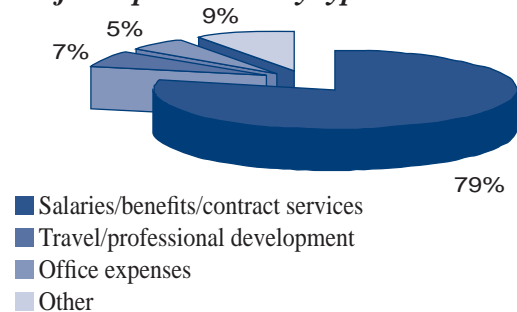
in Salem. The OSBA Health Insurance Trust has been dissolved, and remaining assets were transferred to OSBA as required by the trust agreement. Day-to-day management of the trusts is now handled by OSBA staff.

Endorsement (or sponsorship) fees generated by the OSBA trusts are the primary funding mechanism that makes it possible for OSBA to provide:

- Statewide public education advocacy and leadership
- Board leadership training and networking
- Financial and insurance services
- Information and communication services, including help during a crisis
- Human resource services
- Policy services
- Legal services

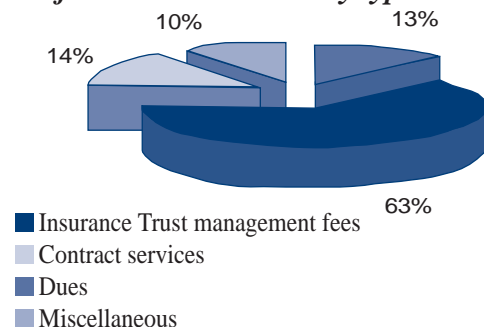
The association had a fund balance of \$4,226,901 at the close of the 2007-08 fiscal year. During 2007-08, total OSBA expenditures totaled \$4,621,201. Personnel costs make up about 79 percent of the association's total operating expense while office and building expense, board projects, travel and professional development make up the remaining 21 percent.

Major expenditures by type



Only 13 percent of OSBA's revenue in 2007-08, as shown by the pie chart below, came from membership dues. The largest share (63 percent) was generated by our insurance programs' endorsement fees. Other sources of revenue included contract services to OSBA members for professional services, income from investments, rental income from the Local Government Center Trust property, sales of publications and subscriptions, and our annual convention and conference fees.

Major revenue sources by type



Production: Kevin McCann, Executive Director
Angie Peterman, Associate Executive Director,
Operational Support Services
Dian Cox, Communications Specialist
Judy Bennett, Graphic Designer
Diane Efseaff, Assistant
Dan Peterson, Print Services Manager

 OREGON
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FINANCIAL SUMMARY – For the years ended June 30, 2008 and 2007

	BUDGET 2007-08	ACTUAL		Increase or (Decrease)
		June 30, 2008	June 30, 2007	
Dues	\$ 684,966	\$ 687,131	\$ 687,625	\$ (494)
Interest	160,000	172,113	166,883	5,230
Insurance Trusts Management Fees	3,028,000	3,373,058	2,931,037	442,021
Net convention/conferences	74,500	49,093	67,309	(18,216)
Publication Sales	140,400	158,143	151,337	6,806
Contract Services	801,350	774,692	660,791	113,901
Rental Income	105,000	85,459	90,632	(5,173)
Miscellaneous	125,000	64,309	11,002	53,307
TOTAL REVENUE	5,119,216	5,363,998	4,766,616	597,382
Salaries/benefits/contract services	3,944,656	3,643,659	3,413,461	230,198
Legislative	30,000	9,992	25,273	(15,281)
Travel/professional development	393,900	328,037	311,181	16,856
Publications	43,275	23,404	40,598	(17,194)
Office expense	309,550	244,070	316,215	(72,145)
Dues and subscriptions	104,093	102,987	98,208	4,779
Building/operation/land acquisition	112,000	107,006	119,311	(12,305)
Other	181,742	162,046	200,450	(38,404)
TOTAL EXPENDITURES	\$ 5,119,216	\$ 4,621,201	\$ 4,524,697	\$ 96,504
Net Income	-	\$ 742,797	\$ 241,919	\$ 500,878

The above summary is based upon the actual audited revenues and expenditures of OSBA for the fiscal years ended June 30, 2007, and June 30, 2008.

During the 2007-08 fiscal year, revenues increased by \$597,382 over 2006-07 while expenditures increased by \$96,504. The single largest increase in revenue was in Insurance Trusts Management Fees while expenditure increases were primarily in the areas of personnel and office expense. The financial condition of OSBA remains strong, with a current fund balance of \$4.2 million.

The association continued to review and adjust services to member districts throughout the year. The new Prop-

erty and Casualty Coverage for Education Trust (PACE) completed another successful year of operation. The Policy, Legal Services, Human Resource Development, Leadership and Communications departments continued their efforts to expand services to member districts. The Administrative department successfully worked in cooperation with Oregon Association of School Business Officials (OASBO) and a number of business partners to conduct four of the pilot district business and operations reviews. The final review will be completed in the fall of 2008 and a final report will be delivered to Chalkboard in conjunction with the grant requirements.