

Board Member Stipend Frequently Asked Questions

What does the change in statute allow districts to do?

Previously, ORS 332.018 prohibited board members from receiving any compensation from the district. During the 2023 Legislative session, House Bill 2753 was passed. This law removes the prohibition on compensation and allows school district boards to provide each “voting member of the board with a stipend in an amount determined by the board, not to exceed \$500 per month.”

What is the procedure for a board to take up this topic? If the board wants to authorize a stipend for members, what would be a sample motion?

The statute does not specify a required procedure, but the board would need to vote to approve the stipend. The following process could be used:

1. Board amends, deletes or suspends policy BHD to allow for board member compensation;
2. Board ensures that the budget includes adequate funds;
3. Board approves resolution establishing the amount of the stipend;
4. District business office follows existing procedures to make payments to participating board members.

OSBA will be releasing an update to sample board policy BHD in August 2023. OSBA also has a sample resolution that the board can use.

If the board authorizes stipends, can a member choose not to take the funds? How do we handle that?

HB 2753 specifically requires the board to “allow individual directors¹ to choose to not receive the stipend.” Board members should be made aware of the procedure to decline any stipend. Unused funds remain in the budget unless reallocated.

Aren't board members not supposed to materially benefit from their position? What are the ethical implications of authorizing stipends?

Yes, ORS 244.040 prohibits board members from using their official position to receive a financial benefit. However, board members are allowed to receive official compensation and HB 2753 classifies the stipend as “part of the director’s official compensation package.” Reimbursements are also considered to be part of the official compensation package under ORS 244.040(2)(c).

Do stipends violate the non-employment requirement of board service? If not, how does that work?

ORS 332.016(1) provides:

“A person who is an employee of a school district may not serve as a member of the district school board for the district by which the employee is employed.”

HB 2753 does not change this and specifically states “a director who receives a stipend is not considered an employee of the school district.”

¹ HB 2753 uses the term “director” in place of board member.



If a board member accepts a stipend, can the district place any specific expectations on that member with regard to their board service?

While it may depend on the expectations, likely not. HB 2753 states:

“A district school board may choose to provide *each director who is a voting member of the board* with a stipend...” (Emphasis added).

If the board implements stipends, then later decides they are not working out, how does the board remove the payment of stipends?

This depends on the method of approval used. If the board uses an annual resolution to approve the stipends but wants to discontinue at the end of a budget year, it could simply not approve the resolution for the following year. If the board adopts a policy stating that stipends will be paid every month, the board would need to amend the policy.

The board can also use the annual budgeting process to determine how funds will be used. Failure to allocate funds for stipends would halt those payments. In this case, the board should ensure that policy and resolution language match the budget.

Is there a sample OSBA policy on stipends? Is it required?

OSBA sample policy BHD includes language regarding compensation (previously a prohibition on compensation). An update will be included in the August 2023 Policy Update. It is not a required policy as nothing in the stipend law requires a board to have a policy. However, the policy can help organize the board to ensure that the proper process has been followed.

Does the board have to vote on it?

Yes, the board is the decision maker regarding stipends and all board decisions require a vote in a public meeting.

Is it taxable income?

Yes. Consult with your district’s business professionals for more information.

How much can the stipend be?

Initially, the stipend is capped at \$500 per month. This amount will be revised based on changes in the Consumer Price Index. The first adjustment to the amount can occur after July 1, 2024.

Can I still be reimbursed for board expenses?

If the board allows a stipend, the board can still allow for reimbursement of actual and necessary expenses (reimbursement in addition to the stipend). If the board does not allow a stipend, the board must allow reimbursement for actual and necessary expenses. Boards can continue to require approval and documentation for reimbursements.

Should the board discuss with administration before enacting?

Yes, it can be very beneficial to discuss the budget and any accounting procedures before approving stipends.



Where does this money come from?

No additional funds are being provided for these stipends. Funds will have to come out of the existing budget.

Does the board need to adopt any budget adjustments?

The funds for the stipends need to be included in the district's budget. Each year when the board is going through the budgeting process, it should ensure that sufficient funds are allocated to cover the stipends. For the 2023-24 school year, adjustments may need to be made to the current budget. The board must follow legal requirements for amending the budget.

Will the public know which board members receive the stipend?

While individual board members are not required to make a public statement about whether they will accept the stipend, this information would be considered a public record and would be available upon request.

What about ESD, community college and charter school board members?

HB 2753 is codified in ORS 332 and only applies to school district boards. ESD board members (ORS 334.100(3)) and community college board members (ORS 341.283(6)) are still prohibited from receiving any compensation.

What if the board only wants to do a stipend for childcare? Can we do that? If so, how?

Providing a stipend for a single purpose sounds more like a reimbursement than a stipend. If the board approves a stipend, it should be provided to "each director who is a voting member of the board" unless that board member indicates that they do not want to receive the stipend. If the board wants to limit what payment can be used for, reimbursement may be a better option.

When is this effective?

HB 2753 included an emergency clause and became effective July 18, 2023. Subject to proper budget allocations, the board could authorize board members to receive payment for the stipend starting in July (back payments for July 2023 are allowable).

Does this mean board members can be paid for coaching and other positions?

No. ORS 332.016 still prohibits board members from being employees, consequently, board members cannot be paid for other positions. The difference between a coaching stipend and the board member stipend is that HB 2753 specifies that receipt of the board member stipend does not make the board member an employee.

Can we make this effective at some time in the future?

Yes, the board could decide to hold off on implementation of the stipends until next year, after the next election or another time in the future. OSBA recommends that the stipend be available for all board members at the same time.

This document was created by the Oregon School Boards Association as a resource for member school boards and their members. It is not intended as legal advice. If you have legal questions, please contact your legal counsel.

