

ITEM FOR ACTION AT A FUTURE MEETING**CONSIDER PROPOSED REVISIONS TO BOARD POLICIES BHD, DBDB****SUMMARY**

Revisions are recommended to update school board policies BHD and DBDB. Changes were generated internally and by the Oregon School Boards Association, which provides policy recommendations and suggested options to reflect changes in state statutes and/or regulations and best practices, and integrated and recommended by staff.

POLICY DRAFT KEY

<u>Blue Underlined</u>	Recommended language additions or changes
Red Strikethrough	Removed outdated language
<i>Black Italicized</i>	Existing language moved within policy

BACKGROUND**BHD – Board Member Stipends and Reimbursements**

New language clarifies that board members may receive a stipend under state law and the district budget, with prorating, opt-out, and tax obligations noted. The superintendent will also establish procedures for submitting reimbursement requests.

DBDB – Financial Reserves

Proposed changes would update the district's financial reserve policy to base the minimum reserve on a percentage of expenditures rather than revenues, and would increase the general fund reserve target from 5% to 8%. Basing the reserve level on expenditures rather than revenues more accurately reflects the district's ongoing cost structure and avoids reducing reserve requirements during periods of declining revenue. Raising the reserve target to 8% is a step toward recommended best practice of reserving approximately two months of operating expenditures. The district has maintained reserves well above 8% in recent years. Holding adequate reserves also supports the district's credit profile, which can result in direct savings to our community as higher rated bonds can translate into lower interest rates and a lower cost to taxpayers.

RECOMMENDATION

The proposed revisions to these policies are presented for initial consideration and will come before the board for approval at its next meeting:

- Revisions to board policy BHD
- Revisions to board policy DBDB

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