

RESOLUTION 2 – Amends the Constitution
Establishes Rules of OSBA Access to Endowment Principal

WHEREAS the Oregon School Boards Association (OSBA) received assets from the OSBA Health Insurance Trust in compliance with the trust agreement;

WHEREAS the OSBA Board of Directors has accepted the recommendation of the OSBA Endowment Committee, which was assigned by the OSBA Board to recommend use and protection of the funds in a manner consistent with the trust agreement and OSBA mission and goals;

THEREFORE, we resolve to amend the Oregon School Boards constitution to establish a \$50 million dollar reserve that may only be accessed by an affirmative 2/3 majority vote of the OSBA board followed by an affirmative 2/3 majority vote by the member boards that vote.

Submitted by OSBA Board of Directors

ADDS TO THE OSBA CONSTITUTION

Article 6, Section 2 (o): The Oregon School Boards Association will retain \$50 million reserve that may only be accessed by an affirmative 2/3 majority of the OSBA board followed by an affirmative 2/3 majority vote by the member boards that vote.

SUMMARY

This resolution amends the OSBA Constitution. Submitted by the OSBA Board on the recommendation of the Endowment Committee.

Resolution 2 addresses the protection of the endowment fund principal and methods by which the OSBA board of directors may access some of the principal in limited circumstances.

The OSBA Board voted to end its Health Insurance Trust in May 2007. That decision followed action by the 2007 Oregon Legislature to create a state health insurance pool, mandating participation by K-12 schools and ESDs in the Oregon Educators Benefit Board. Passage of SB 426 and creation of OEBB ended the OSBA trust's involvement in the health insurance market.

According to the Health Insurance Trust agreement, the assets of the trust reverted to OSBA. The board created an endowment fund to ensure OSBA could continue to provide services to locally elected board members.

The endowment is invested through OSBA's general fund according to statute, with interest earnings dedicated to preserving member services.

At its Sept. 12, 2008, meeting, the OSBA Board adopted rules to preserve the association's new endowment fund, resulting in this resolution.

If member boards pass this constitutional amendment in December, access to \$50 million of the endowment-fund principal will be limited, requiring a two-thirds majority vote from the OSBA Board followed by a two-thirds majority vote by member boards.

Members of the OSBA Endowment Committee: Adam Stewart, Hillsboro School District, chief financial officer; Craig Roessler, Silver Falls superintendent; Dave Krumbein, OSBA Board member, Pendleton School Board member; John Peterson, Hillsboro School Board member; and Craig Prewitt, OSBA President, Phoenix-Talent School Board member.