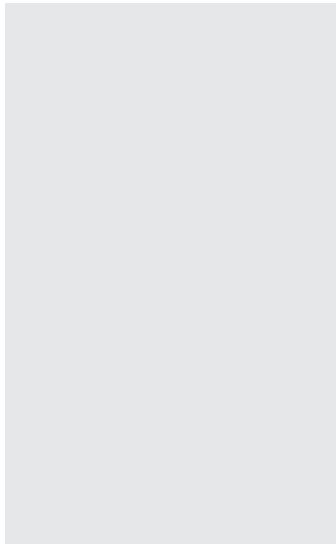




PACE

2024 ANNUAL REPORT



Dear PACE Members,

As we conclude another successful year, I am pleased to present to you the annual report of our association's activities, financial status and achievements, with a special focus on our public insurance pooling initiatives.

Reflecting on Our Achievements

This year has been marked by significant progress and notable milestones. We continue to strengthen our pool and provide exceptional support and services to our members. Some of the highlights include:

- **Enhanced Member Services:** We introduced new resources and tools designed to help members navigate the complexities of public insurance pooling, including webinars, mitigation resources, and personalized consultation services.
- **Financial Performance:** Our association remains in strong financial health. Through prudent management and strategic investments, we have ensured the sustainability of our programs and initiatives. The detailed financial statements included in this report provide a comprehensive overview of our fiscal performance.
- **Expanded Sex Abuse Prevention:** Beyond investing in a full-time employee, McKenzie Nix, for sex abuse prevention, we offer a dedicated website page for prevention of sex abuse that is packed with resources for members to explore.

Public Insurance Pooling: Progress and Impact

Public insurance pooling continues to be a cornerstone of our efforts to provide stable and comprehensive insurance solutions to our members. Our Trust Board has four priorities:

1. sex abuse prevention through education
2. offer cyber coverage and education
3. maintain competent staff
4. fiscal solvency and management

Looking Ahead

As we move forward, our commitment to serving our members and enhancing our public insurance pooling program remains steadfast. We will continue to offer direct educational opportunities that help mitigate losses for members and the PACE Trust, strengthen relationships with PACE members and statewide associations that foster educational opportunities, and be fiscally responsible to ensure the Trust's longevity.

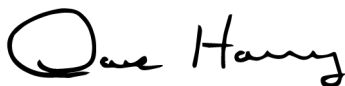
Your Continued Support

The PACE Trust's achievements this year would not have been possible without your active participation and support. We are deeply grateful for your commitment to the Trust and your use of our initiatives. Together, we have built a robust and resilient community that stands ready to face any challenges ahead.

We encourage you to review the detailed annual report enclosed with this letter, which provides a comprehensive overview of our activities, financial performance, and strategic initiatives. Should you have any questions or require further information, please do not hesitate to reach out to us.

Thank you once again for your continued support and engagement. We look forward to another year of progress and success.

Warm regards,

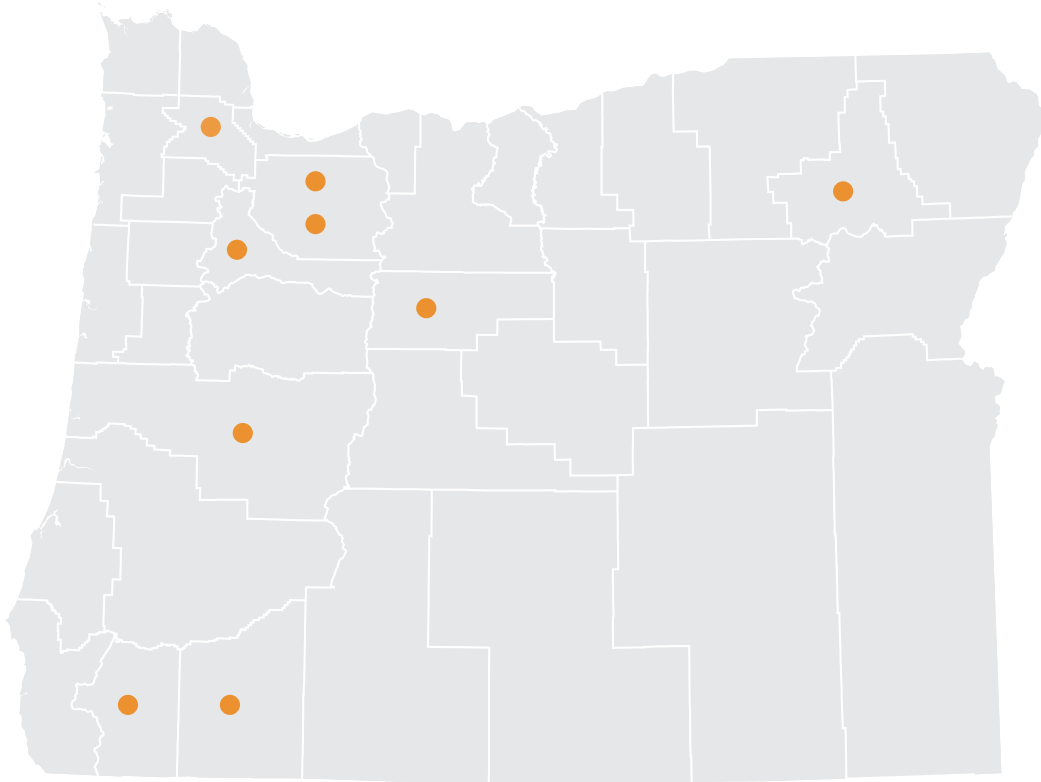


DAVE HARVEY
Director of PACE Administration

dharvey@osba.org | 503-400-3046

BOARD OF TRUSTEES

The PACE Board is composed of nine trustees elected by a majority vote of the Board of Directors of OSBA. They govern the Trust and typically meet five times per year. Board members must either be employed by or serve on the board of an OSBA member district, ESD or community college. Their unpaid terms are for three years, with a maximum of three terms.



TIM BELANGER
(TERM 3, BOARD CHAIR)
Business Services Director,
Oregon Trail SD
July 1, 2024 - June 30, 2027

BRAD HENRY
(TERM 2)
Chief Financial Officer,
Jefferson County SD
July 1, 2024 - June 30, 2027

GEORGE MENDOZA
(TERM 1)
Superintendent,
La Grande SD
July 1, 2024 - June 30, 2027

DAWN MOOREFIELD
(TERM 2, VICE CHAIR)
Interim Superintendent,
Jefferson SD
July 1, 2022 - June 30, 2025

SEAN TAGGART
(TERM 1)
Director of Risk Management,
Rogue Community College
July 1, 2023 - June 30, 2026

OLIVIA MEYERS BUCH
(TERM 1)
Executive Dir. of Business Services,
Lane ESD
July 1, 2023 - June 30, 2026

DAVID KRUSE
(TERM 2)
Risk Manager,
North Clackamas SD
July 1, 2023 - June 30, 2026

JORDAN ELY
(TERM 1)
Chief Financial Officer,
Northwestern Regional ESD
July 1, 2023 - June 30, 2026

DAWN WATSON
OSBA Board of Directors PACE Rep.,
Phoenix-Talent SD
Trustee

STAFF CONTACT INFORMATION

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MIKE JACOBS
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KEVIN JONES
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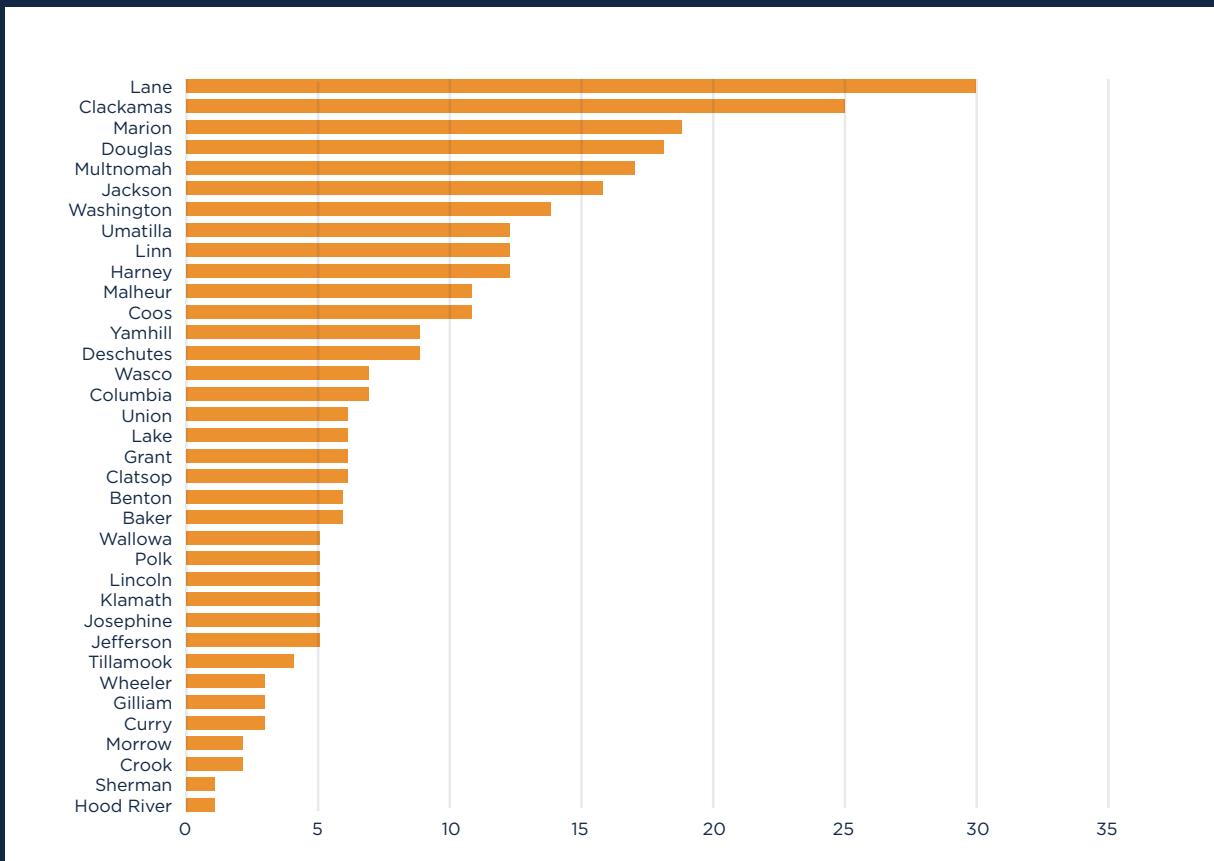
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Sexual Abuse
Prevention Consultant
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MEGAN HOWK
Risk Management Consultant
- Community College
mhowk@sdao.com

GET TO KNOW PACE

The **Oregon School Boards Association** (OSBA) and the **Special Districts Association of Oregon** (SDAO) formed PACE in 2006 and are working together to keep Oregon students safe, reduce risks and conserve member resources. No one can match the expertise and decades of experience that OSBA and SDAO bring to property-casualty coverage for local public entities. OSBA formed the first property-casualty pool coverage for education in Oregon in 1985. SDAO has provided coverage for local governments since the mid-1980s and now provides coverage for more than 850 entities, adding schools in 2003. By merging programs, OSBA and SDAO formed the largest property and liability risk pool of school entities in the state, with more than 300 education organizations.

PACE'S 299 MEMBERS BY COUNTY



HIGHLIGHTS

THIS PAST YEAR



316
MESSAGES

212
ATTENDEES

47
COMMUNITY
BOARD POSTS

30
SESSIONS

30
SPEAKERS

FACILITATED 810,246
ONLINE TRAININGS



“PACE has been a consistent and reliable legal support to our college. They are responsive and provide applicable feedback when we are seeking legal guidance. We have worked with a variety of PACE employees and every person we work with is attentive to our needs and puts the well-being of our college and employees at the forefront of their guidance. The services we receive are comprehensive and we are tremendously grateful for our partnership.”

Laura Boehme, chief information/human resources officer,
Central Oregon Community College

KEEPING MEMBERS UP TO DATE ON SAFETY ISSUES

SEX ABUSE PREVENTION:

Through our biweekly member email, social media and events, we are promoting the important work of McKenzie Nix, PACE's sexual abuse prevention consultant. She continues to provide vital trainings to PACE members along with writing a bi-weekly article for PACE News.

PACE continues to create and update SAP resources through Nix's work. PACE provides free mandatory reporting posters, SAP prevention posters, and SAP staff/student resource cards to our members. We also released our first PSA with a focus on sexual abuse prevention.



CYBER COVERAGE AND EDUCATION FOR MEMBERS:

The PACE Trust is highly aware of the current and future importance of cyber security, and the challenges school districts, ESDs, community colleges and charter schools face in maintaining secure systems.

This year, PACE Day's keynote speaker, FBI Agent Alayna Colburn, provided an overview of the FBI's capabilities before, during, and after a cyberattack. We will continue to partner with different cyber organizations to give resources and education to our members about this important topic.



Once again, we will have member cyber requirements to maintain coverage for the next year of coverage. This not only keeps our PACE members safer on a day-to-

day operational basis, but also makes us much more likely to continue to find cyber reinsurers in the future as they know they can trust us to make forward-thinking policies. Measures don't just protect that individual entity, but also the pool as a whole. The stronger the individuals are, the stronger the pool is.



MITIGATIONMINUTE

MITIGATION MINUTE:

Through a series of online videos promoted through our PACE News and social media channels, we are keeping members educated on important topics ranging from playground safety to facilities to athletics.

PACE **KEY SERVICES** OFFERED

CRISIS COMMUNICATION SERVICES

CONTACT Alex Pulaski • apulaski@osba.org

When a crisis arises, one of the biggest challenges is often dealing with the media. With PACE, you won't face that alone. PACE crisis communication experts will help districts, ESDs and community colleges strategize a media response.

EXPERT CLAIMS MANAGEMENT

CONTACT Jens Jensen • claims@sdao.com

The PACE claims staff understand member needs and focus on finding appropriate coverage for PACE members, rather than looking for ways to avoid paying claims. The claims management office is in Oregon, allowing consultants to be anywhere in the state on short notice.

CLAIMS MANAGEMENT HIGHLIGHTS

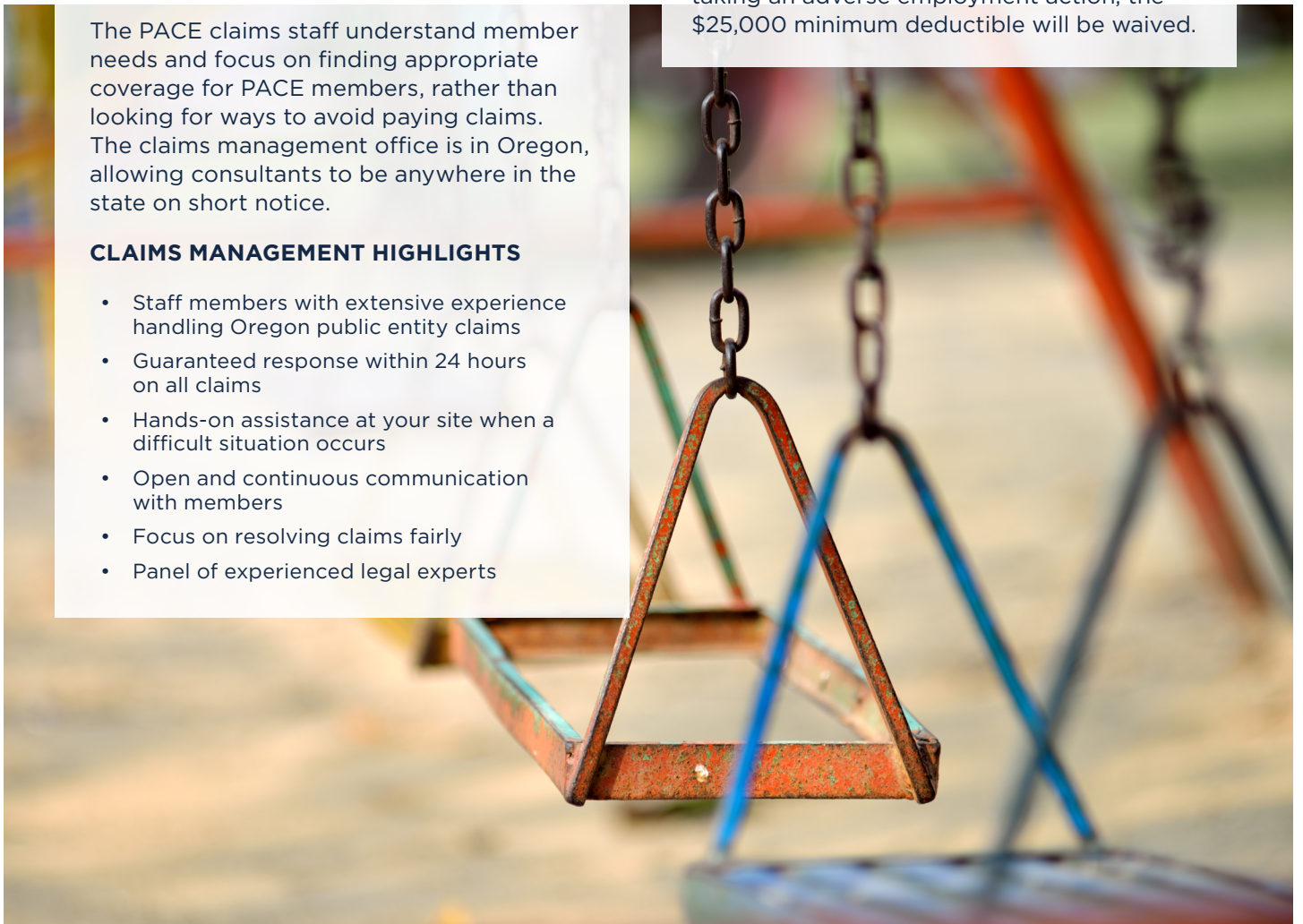
- Staff members with extensive experience handling Oregon public entity claims
- Guaranteed response within 24 hours on all claims
- Hands-on assistance at your site when a difficult situation occurs
- Open and continuous communication with members
- Focus on resolving claims fairly
- Panel of experienced legal experts

PACE LEGAL SERVICES

CONTACT pacelegal@osba.org

PACE's expert attorneys have experience in school issues and are ready to advise members on how to reduce their liability when faced with high-risk situations such as employee discipline or termination, investigations or injuries on member property.

Legal services sharply reduce the time members spend in legal disputes. If a member contacts legal services prior to taking an adverse employment action, the \$25,000 minimum deductible will be waived.



PACE KEY SERVICES OFFERED

ONSITE EDUCATION AND TRAINING

CONTACT pacetraining@osba.org

PACE offers training and consultation services designed to make its members safer than ever. Training sessions are available regionally and onsite—most at no charge to members.

PACE consultants rely on national experts and actual claims experience to regularly update programs.

Members are encouraged to suggest training topics. Depending on the level of interest, PACE will develop a workshop to be held at your location or in your area.

FOR A FULL LIST OF TRAININGS, visit:
pace.osba.org/member-services/member-trainings

TRAINING TOPICS

- Sexual Abuse Prevention
- Employee discipline
- Employee leave laws
- Americans with Disabilities Act (ADA)
- Conducting internal investigations
- Title IX (K-12 and colleges)
- Bullying
- Student supervision
- Playground supervision
- Wildfire mitigation
- Playground hazard ID
- CPR
- Fire extinguisher use

RISK MANAGEMENT SERVICES

CONTACT Dan Davenport •
riskmanagement@sdao.com

Working with PACE risk management consultants can produce substantial savings for your organization.

Risk consultants have a broad range of experience with all types of education-related exposures. They are also able to assist you on location, with consultants in Eastern and Western Oregon. Better still, their services are free to members.

RISK MANAGEMENT SERVICES

free to members

- Physical inspection of facilities, with detailed safety recommendations
- Playground safety reviews by risk consultants
- Specialized safety checklists on potential hazards
- Specialized training on a wide range of topics
- Quick Reference Guides and Checklists available on our PACE website

PACE offers a variety of tools to help members manage risk:

- Drug and alcohol testing
- Criminal history background checks
- Property valuations and appraisals
- Potential litigation investigation
- Review of indemnification provisions
- Online claims, property and vehicle information
- Online reference library
- Regular updates on risk-management issues

FINANCIALS

HOW IS YOUR PACE INSURANCE PREMIUM \$1 SPENT?

CLAIMS

= 32¢

GENERAL LIABILITY includes sexual abuse, employment liability (i.e., age, racial and gender discrimination; wrongful termination), special education and other employee and student issues. Although general liability accounts for just 20 cents of every premium dollar, generally liability claims account for 50 cents of every claim dollar PACE pays out.

PROPERTY CLAIMS include those for fire, flood and facility damage.

GENERAL LIABILITY = 16.5¢

PACE'S LARGEST LIABILITY CLAIMS (2015-2020):

- \$3 million · Sexual abuse and molestation (SAM)
- \$2.3 million · Employee/ student assault
- \$1.56 million · SAM
- \$1.55 million · Drowning
- \$945,000 · SAM
- \$571,000 · EPL

NOTE: on each general liability claim, PACE pays up to \$1 million in damages before its reinsurance policy kicks in. General liability claims are increasing at an alarming rate since 2013.

PROPERTY = 12.5¢

PACE'S LARGEST PROPERTY CLAIMS (2015-2023):

- \$18 million · Statewide snowstorm
- \$8.45 million · Wild Fire
- \$5.27 million · Fire
- \$3.2 million · Fire
- \$2.3 million · Snow Collapse

NOTE: Under PACE's reinsurance policy, PACE is responsible for \$250,000 per incident and \$5 million total per policy year before its reinsurance policy kicks in.

AUTOMOBILE = 3¢

REINSURANCE

= 51¢

Each year PACE searches the global marketplace to find the best price and coverage for PACE members. In 2021, we requested quotes from most of the property and liability companies willing to insure schools and community colleges. As with the 2020 renewal, the market continued on the path of rate increases, lower available capacity and changes in the terms and conditions being provided. The feedback we received from the market related to the rate increase was due to: the state of the property market, 2020-2021 loss experience, and the overall account loss activity over the past five years

**AGENT COMMISSIONS/
BROKER SERVICES = 5¢**

**PROGRAM
ADMINISTRATION = 9¢**

**OTHER OPERATING
EXPENSES = 3¢**

PACE BALANCE SHEET

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$3,077,801	\$2,547,594
Accounts receivable	399,706	476,232
Prepaid expenses	38,135	39,624
Total Current Assets	3,515,642	3,063,450
NONCURRENT ASSETS		
Investments	77,344,888	72,598,523
TOTAL ASSETS	80,860,530	75,661,973
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	836,693	1,168,905
Unearned revenue	-	149,256
Claims payable - current portion	14,487,880	8,713,067
Total Current Liability	15,324,573	10,031,228
NONCURRENT LIABILITIES		
Claims payable	22,706,230	25,838,448
TOTAL LIABILITIES	38,030,803	35,869,676
NET ASSETS		
Unrestricted net assets	35,374,236	32,675,073
Restricted net assets	7,455,491	7,117,224
TOTAL NET ASSETS	\$42,829,727	\$39,792,297

PACE INCOME STATEMENT

	2023	2022
REVENUES		
Member contributions	\$54,318,435	\$50,151,176
Miscellaneous/Other Income	7,750	6,000
TOTAL REVENUES	54,326,185	50,157,176
EXPENSES		
UNDERWRITING EXPENSES		
Claims expenses	20,991,974	19,735,326
Insurance premiums	24,496,471	21,682,28
Local agent commissions	2,836,397	2,690,016
Broker fees	170,000	160,000
OPERATING EXPENSES		
Contract fees - SDAO	3,230,500	2,966,400
Contract fees - OSBA	1,790,843	1,692,526
Operating Expenses	1,252,475	1,045,002
Member Dividends		64,209
TOTAL EXPENSES	54,496,660	50,035,760
Operating Income (Loss)	(442,475)	121,416
NON-OPERATING REVENUES (EXPENSES)		
Investment Income (Loss)	3,479,905	(11,175,145)
TOTAL CHANGE IN NET ASSETS	3,037,430	(11,053,729)
NET ASSETS, BEGINNING	39,792,297	50,846,026
NET ASSETS, ENDING	\$42,829,727	\$39,792,297

PACE BOARD GOVERNANCE

The PACE Board is comprised of nine appointed Trustees. The Trustees govern the Trust and typically meet five times per year. They can offer insurance programs to Association members, handle contributions and premiums, administer loss funds, and pay authorized losses. They are authorized to contract with insurance agents, brokers, and administrative services staff, and can contract various risk management and insurance-related services. Trustees review and approve policy forms and establish funding levels, procedures for financial management, and actions for delinquent accounts. They ensure complete accounting and auditing of Trust funds, maintain financial accounts, and contract for necessary services and facilities, with all expenses paid from Trust funds.

The Trustees can form committees, manage premiums, invest funds, and hire advisors as needed, with the power to terminate participation of non-paying members. They serve without remuneration but are reimbursed for reasonable expenses. They promulgate bylaws, make rules and regulations, and handle violations, including reinstatement of terminated members. Trustees maintain Trust bank accounts, hold cash without interest liability, and engage professional services as required, ensuring all committees and contractors follow the general policy for Trust operations.



“As an active small school district superintendent, and as the executive director of the Oregon Small Schools Association, I could not do my job without the various supports that PACE provides. When I’m mentoring new school administrators, the first contact/resource I provide is PACE. The various services that PACE provides are timely, relevant and essential to every school district in Oregon. Keep up the great work, PACE team, and thank you!”

Michael Carter, Lakeview School District superintendent



“As a director of human resources for a midsized school district, I have the opportunity to connect with PACE at times throughout each school year for legal consultation and support. All the staff members are knowledgeable and helpful with our questions. We recently resolved a longtime claim, and our team appreciated the tremendous time and care provided by Teri Dragoo at PACE. She kept us informed and educated on the entire process.”

Shyla Waldern, West Linn-Wilsonville School District
director of human resources

**PROPERTY AND CASUALTY
COVERAGE FOR EDUCATION**

1201 Court St NE, Suite 400 • Salem, OR 97301

800-578-6722 | 503-588-2800

PACE LEGAL SERVICES 503-485-4800

CLAIMS OFFICE

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PACE.OSBA.ORG

**SPECIAL DISTRICTS
ASSOCIATION OF OREGON**

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