

PACE

ANNUAL REPORT



2025

Dear PACE members,

As the Property and Casualty Coverage for Education (PACE) Trust concludes another successful year and proudly enters its 20th year of service, I'm pleased to present our annual report. This report highlights the PACE Trust Board's strategic priorities, our financial performance and key accomplishments.

As a self-insured risk pool made up of over 300 public educational entities (from K-12 districts to community colleges, ESDs and public charter schools), PACE stands as a strong, collaborative Trust. Unlike traditional insurance providers, PACE is not a company but a cooperative Trust governed by a dedicated board of trustees (made up of members) and supported through service agreements with Oregon School Boards Association (OSBA) and the Special Districts Association of Oregon (SDAO). Together, we share the responsibility of managing risk and funding claims and delivering specialized services that protect and empower Oregon's public education community.

PACE TRUST BOARD PRIORITIES

The PACE Board of Trustees has established five strategic goals to guide the Trust over the next four years. In alignment with these priorities, staff have developed actionable plans to support members in achieving them. Below is a summarized update on these key initiatives for your awareness and engagement.

Partner with PACE members to prevent sex abuse

The PACE Board of Trustees, along with staff, have developed a comprehensive, multi-departmental strategy to support members in preventing child sexual abuse through data-driven insights, legislative advocacy and expanded training initiatives. The plan includes ongoing collaboration with specialists to refine prevention tactics, monitor regulatory and legislative changes, and communicate proactively through social media and other publications. Our training efforts are being broadened to include more staff, while educational materials and our public service announcements aim to raise awareness across PACE membership. Legal and risk management teams are actively involved in reviewing materials, ensuring compliance and helping members through consultations and trainings. We have aligned with PACE's Oregon association partnerships to further extend the reach of PACE's resources and reinforce a shared commitment to child safety. It is extremely important to keep our students safe. PACE has resources and staff to help members accomplish this important priority.

Promote a safe school environment

PACE is advancing a proactive, multi-faceted approach to promote safe school environments by leveraging claims data, training and collaboration across departments. Risk Management is increasing on-site member assessments and delivering targeted training on key safety topics, while Claims continues to provide data and insights to inform loss prevention strategies. Legal Services supports this effort through training on bullying, harassment and discrimination, and by tracking legislation that impacts student safety. Underwriting is working closely with Risk and Claims to identify members needing safety improvements and tailoring incentives to encourage compliance. Additionally, PACE is collaborating with partner associations to advocate for funding that supports healthy, secure school facilities while promoting a wide range of safety resources to empower members in creating safer learning environments.

Provide cyber coverage and risk awareness education

PACE is strengthening its cyber risk management strategy through coordinated efforts across departments to enhance member education and support legislative advocacy. Financial and Claims teams are facilitating a smooth transition in cyber claims handling while sharing insights to inform future policies. Risk Management is promoting online training, developing cyber-focused “Mitigation Minutes,” and collaborating with ESD technology departments to raise awareness. Underwriting is evaluating market trends, exploring self-insurance options and refining criteria for cyber coverage, including training and security requirements.

Attract and retain exceptional PACE program (OSBA and SDAO) staff

PACE’s partner associations, OSBA and SDAO, are strengthening their workforces through targeted retention and recruitment strategies. Retention efforts focus on creating individualized career paths, promoting work-life balance, offering continuous professional development and fostering mentorship to support internal growth and leadership. On the recruitment side, the plan emphasizes proactive strategies to attract top talent, particularly for critical roles, by leveraging specialized platforms, networking and partnerships with educational institutions to build a diverse and skilled candidate pool.

Maintain PACE financial fiscal strength

To ensure the long-term fiscal strength of the PACE program, departments are implementing a strategic, data-informed approach that balances financial stability with responsive risk management. Financial teams are diversifying investments and working with advisors to adapt to market shifts, while Claims and Legal Services focus on cost-effective case resolutions. Legislative efforts are aimed at protecting key liability laws, with a communications plan to keep members informed. Risk Management promotes practices that reduce losses, and Underwriting monitors emerging exposures and evaluates capital adequacy to maintain solvency. Communications supports these efforts by highlighting the value of PACE membership and connecting safety initiatives to financial sustainability through PACE’s communication reports.

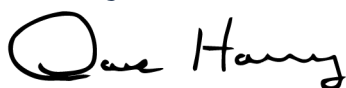
Our continued commitment and gratitude

The progress and accomplishments of the PACE Trust this year would not have been possible without your active and ongoing engagement. We sincerely thank you for your dedication to the Trust and for embracing the initiatives we’ve put forward. Together, we’ve cultivated a strong, resilient community prepared to meet future challenges with confidence.

We invite you to review the enclosed annual report, which offers a detailed look at our activities, financial performance and strategic direction. If you have any questions or would like additional information, please don’t hesitate to reach out.

Thank you once again for your continued partnership. We look forward to building on this year’s success and achieving even more together in the year ahead.

Warm regards,

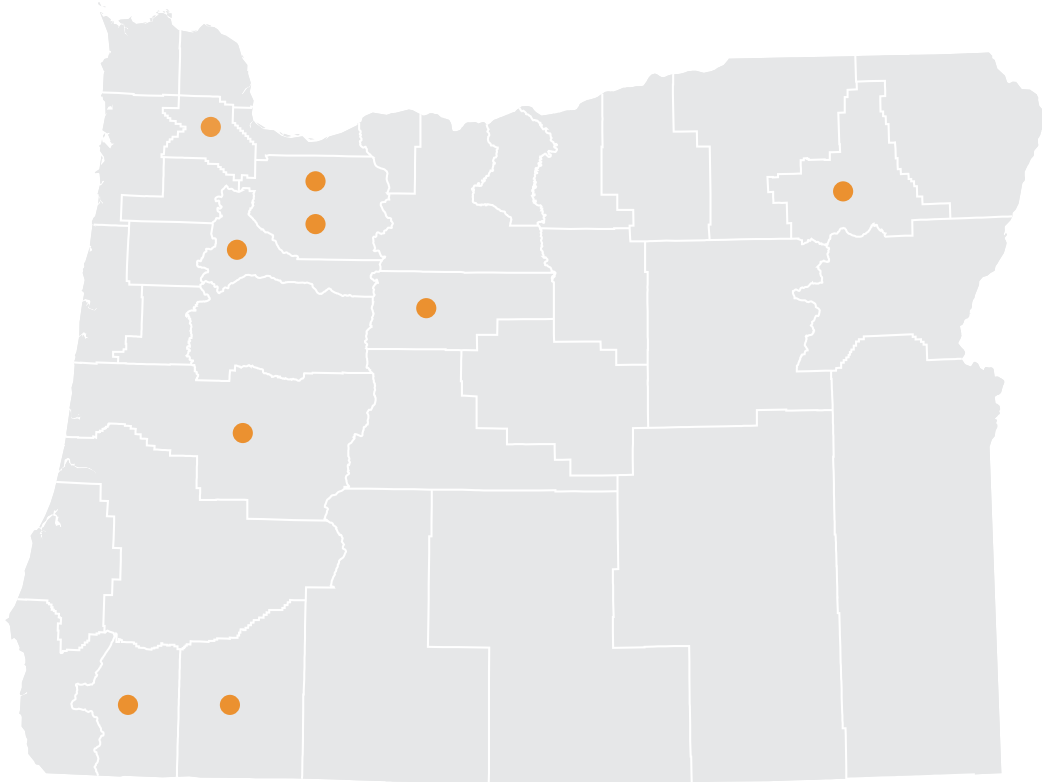


DAVE HARVEY
Director of PACE Administration

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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.



DAWN MOOREFIELD

(TERM 3, BOARD CHAIR)

Interim Superintendent,
Jefferson SD
July 1, 2022 - June 30, 2025

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

DAVID KRUSE

(TERM 2, VICE CHAIR)

Director of Safety, Security
and Risk Management
North Clackamas SD
July 1, 2023 - June 30, 2026

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

TIM BELANGER

(TERM 3)

Business Services Director,
Oregon Trail SD
July 1, 2024 - June 30, 2027

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

JOHN REXFORD

(TRUSTEE EMERITUS)

Leadership Support Specialist
High Desert ESD

STAFF CONTACT INFORMATION

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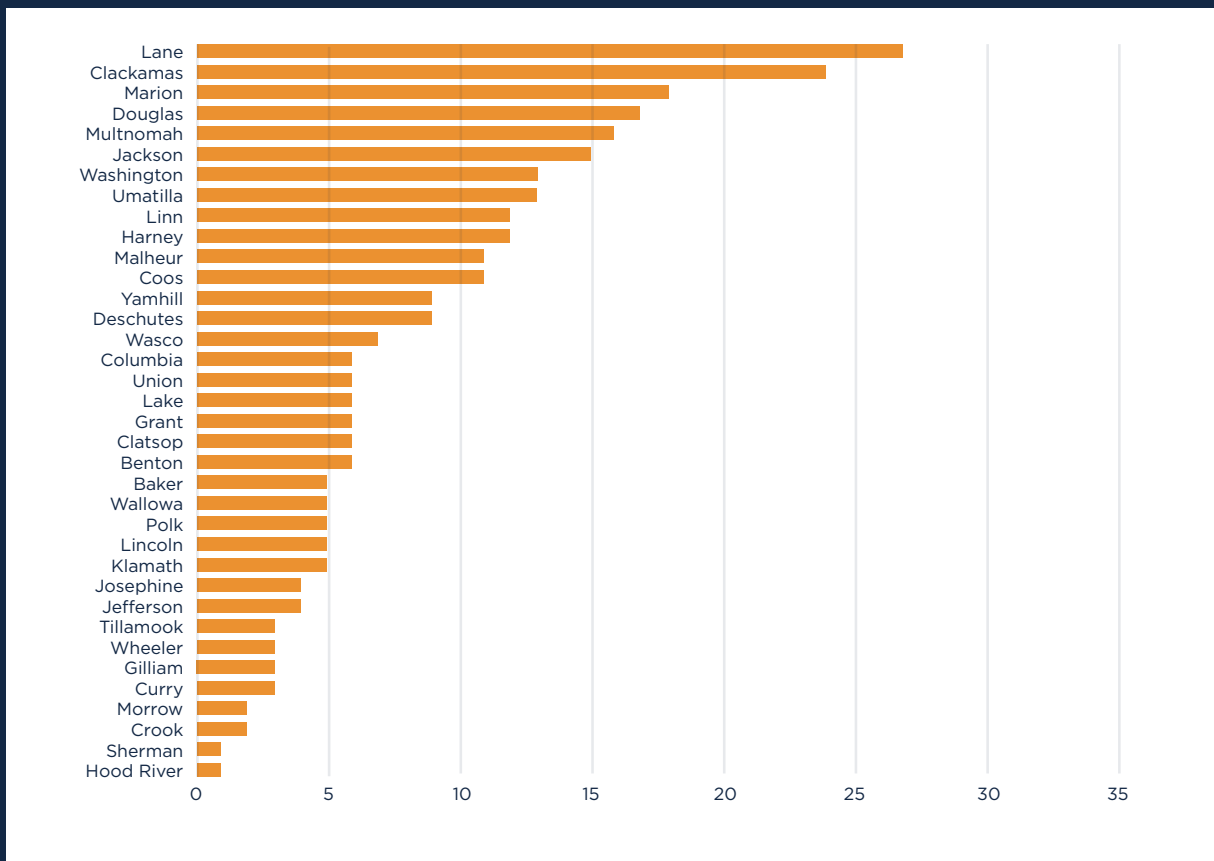
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GET TO KNOW PACE

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



238
ATTENDEES

424
MESSAGES

43
COMMUNITY
BOARD POSTS

32
SESSIONS

20
SPEAKERS

FACILITATED 827,000
ONLINE TRAININGS



“It’s been biblical. We have had fires and floods, and PACE was always there. Our claims are small compared to some they deal with, but I’ve never felt like a second-class citizen. They always take care of us.”

Robert Waltenburg, Grant Education Service District Superintendent

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.

PACE DAY HIGHLIGHTS POWER OF PREVENTION

PACE Day is about prevention, which requires school officials to face head-on scary, tragic and disturbing possibilities.



The keynote speaker, Michael Johnson, forced the audience to confront one of the most unthinkable risks: child sex abuse.

"I'm going to bring you a different perspective, the perspective from the perpetrator," he told the audience. "And it's going to be a very uncomfortable perspective."

The former Plano, Texas, police detective let people know up front that "there is X in sex abuse" and there is no way to talk about it honestly without using X-rated language.

His powerful and at times uncomfortable presentation bracketed a full day of workshops and networking.

The PACE Day conference provided around 200 school officials a chance to share ideas and learn more about issues such as cybersecurity, special education, risk management, sex abuse prevention and more. They heard about the dangers, and they heard what they can do to protect their students, staff and schools.

Read the story here: osba.org/pace-day-highlights-power-of-prevention



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 communications@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 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 72 hours 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 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

= 31¢

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 16 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 = 15.8¢

PACE'S LARGEST LIABILITY CLAIMS (2015-2024):

- \$3.6 million · Sexual abuse and molestation (SAM)
- \$3 million · Sexual abuse and molestation (SAM)
- \$2.5 million · SAM
- \$2.5 million · SAM
- \$2.3 million · Employee/ student assault
- \$1.56 million · SAM
- \$1.55 million · Drowning
- \$1.5 million · SAM

NOTE: on each general liability claim, PACE pays up to \$2.5 million in damages before its reinsurance policy kicks in. General liability claims are increasing at an alarming rate since 2013.

PROPERTY = 12.8¢

PACE'S LARGEST PROPERTY CLAIMS (2015-2024):

- \$18 million · Statewide snowstorm
- \$13.6 million · Fire
- \$12.1 million · Snow Collapse
- \$12 million · Gym Collapse
- \$8.45 million · Wild Fire
- \$5.27 million · Fire

NOTE: Under PACE's reinsurance policy, PACE is responsible for \$250,000 per incident and \$7.5 million total per policy year before its reinsurance policy kicks in.

AUTOMOBILE = 2.4¢

REINSURANCE

= 49¢

Each year PACE searches the global marketplace to find the best price and coverage for PACE members. In 2025, we requested quotes from most of the property and liability companies willing to insure schools and community colleges. While the property market is softening, liability coverage remains a challenge for the education space, primarily because of sexual misconduct claims. Overall, feedback from the market related to rate increases and changes in terms and conditions was due to the state of the liability market and PACE's claims history for both property and liability coverages over the past five years.

**AGENT COMMISSIONS/
BROKER SERVICES = 5.2¢**

**PROGRAM
ADMINISTRATION = 7.7¢**

**OTHER OPERATING
EXPENSES = 2.4¢**

WHY IS THE TOTAL LESS THAN \$1? PACE generates interest earnings from its claim reserves. Those interest earnings are used to offset premium increases. Without these interest earnings the average rate increase for members would be closer to 23%. With the use of interest earnings, PACE was able to lower this to an average of 18% per member.

PACE BALANCE SHEET

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$6,688,306	\$3,077,801
Accounts receivable	2,012,239	399,706
Prepaid expenses	34,268	38,135
Total Current Assets	8,734,813	3,515,642
NONCURRENT ASSETS		
Investments	80,716,804	77,344,888
TOTAL ASSETS	89,451,617	80,860,530
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	997,786	836,693
Claims payable - current portion	16,261,862	14,487,880
Total Current Liability	17,259,648	15,324,573
NONCURRENT LIABILITIES		
Claims payable	20,303,856	22,706,230
TOTAL LIABILITIES	37,563,504	38,030,803
NET ASSETS		
Unrestricted net assets	43,622,294	35,374,236
Restricted net assets	8,265,819	7,455,491
TOTAL NET ASSETS	\$51,888,113	\$42,829,727

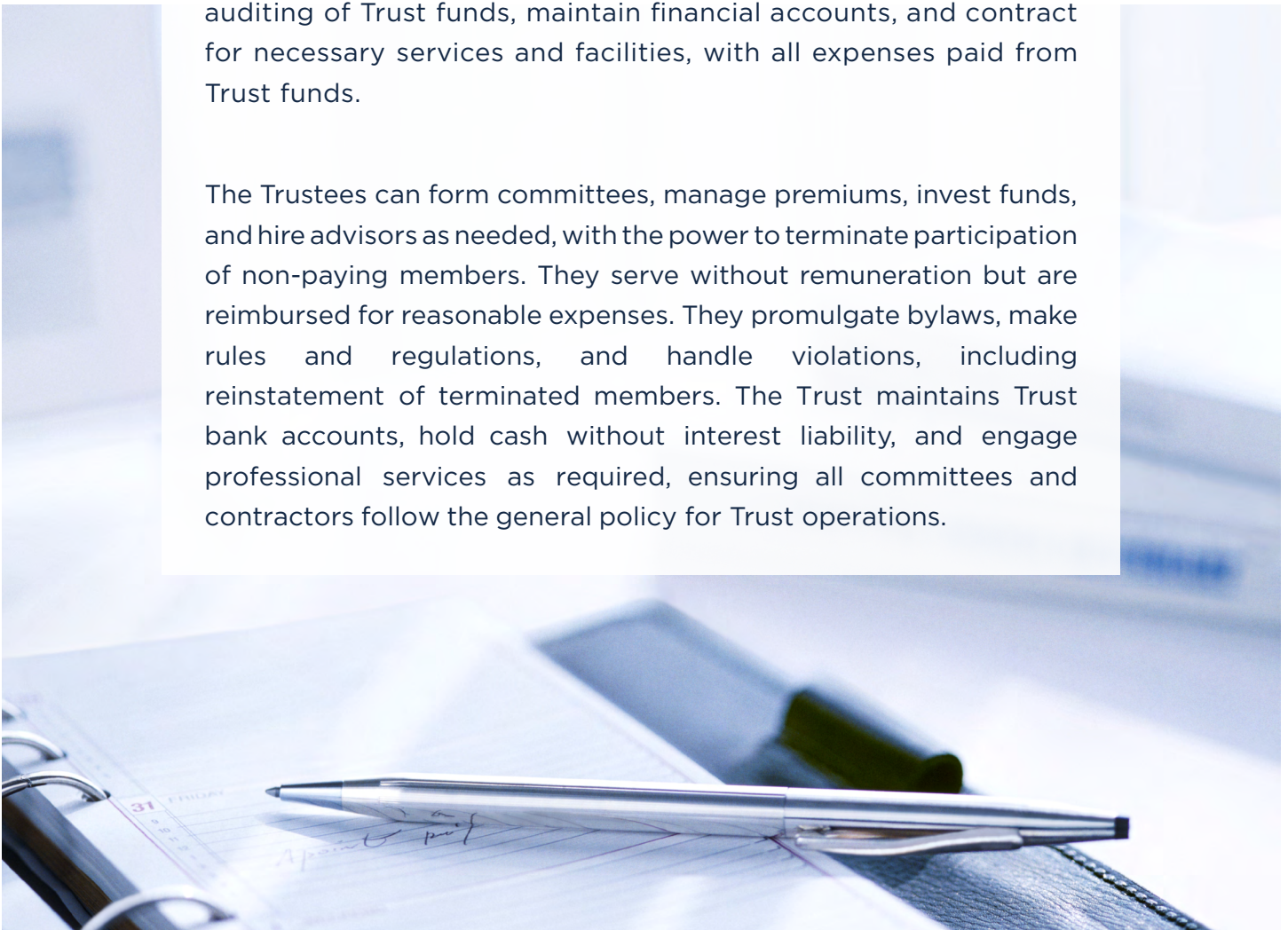
PACE INCOME STATEMENT

	2024	2023
REVENUES		
Member contributions	\$65,116,059	\$54,318,435
Miscellaneous/Other Income	2,000	7,750
TOTAL REVENUES	65,118,059	54,326,185
EXPENSES		
UNDERWRITING EXPENSES		
Claims expenses	18,821,314	20,991,974
Insurance premiums	32,052,784	24,496,471
Local agent commissions	3,326,473	2,836,397
Broker fees	265,000	170,000
OPERATING EXPENSES		
Contract fees - SDAO	3,407,600	3,230,500
Contract fees - OSBA	2,080,918	1,790,843
Operating Expenses	1,359,294	1,252,475
TOTAL EXPENSES	61,313,383	54,768,660
Operating Income (Loss)	3,804,676	(442,475)
NON-OPERATING REVENUES (EXPENSES)		
Investment Income (Loss)	5,253,710	3,479,905
TOTAL CHANGE IN NET ASSETS	9,058,386	3,037,430
NET ASSETS, BEGINNING	42,829,727	39,792,297
NET ASSETS, ENDING	\$51,888,113	\$42,829,727

PACE BOARD GOVERNANCE

The PACE Board is comprised of nine appointed Trustees. The Trustees govern the Trust and typically meet five times per year. The Trust can offer insurance programs to Association members, handle contributions and premiums, administer loss funds, and pay authorized losses. The Trust is 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. The Trust maintains 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 a one-person risk management department, there is no way that I can be an expert on every area of risk exposure, which is why I value the collaboration with PACE so much. When we face an issue we have not dealt with before, I reach out to my risk consultant for guidance and direction.”

Jelena Doney, Multnomah Education Service District contracts and risk manager



“I had the pleasure of working with a legal team that provided expert advice and support to our school district on several occasions this year. Their in-depth knowledge of education law, policies and best practices ensured we were fully compliant with regulations, and they offered proactive guidance to best support our staff, students and community. The team made complex legal matters easy to understand and navigate, and they gave us confidence in every decision.”

Stacy Knudson, Wallowa School District superintendent

**PROPERTY AND CASUALTY
COVERAGE FOR EDUCATION**

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800-578-6722 | 503-588-2800

PACE LEGAL SERVICES 503-485-4800

CLAIMS OFFICE

PO Box 23879 • Tigard, OR 97281

800-305-1736 | 503-670-7066

PACE.OSBA.ORG

**SPECIAL DISTRICTS
ASSOCIATION OF OREGON**

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