

The seal of Oyster Bay - East Norwich Central School District is a circular emblem. It features a central figure of a Native American man in traditional dress, holding a bow and arrow. The figure is set against a background of wavy lines representing water. The entire seal is enclosed within a double-lined circular border, with the inner line being grey and the outer line being yellow.

**OYSTER BAY – EAST NORWICH
CENTRAL SCHOOL DISTRICT**

Budget Workshop #4

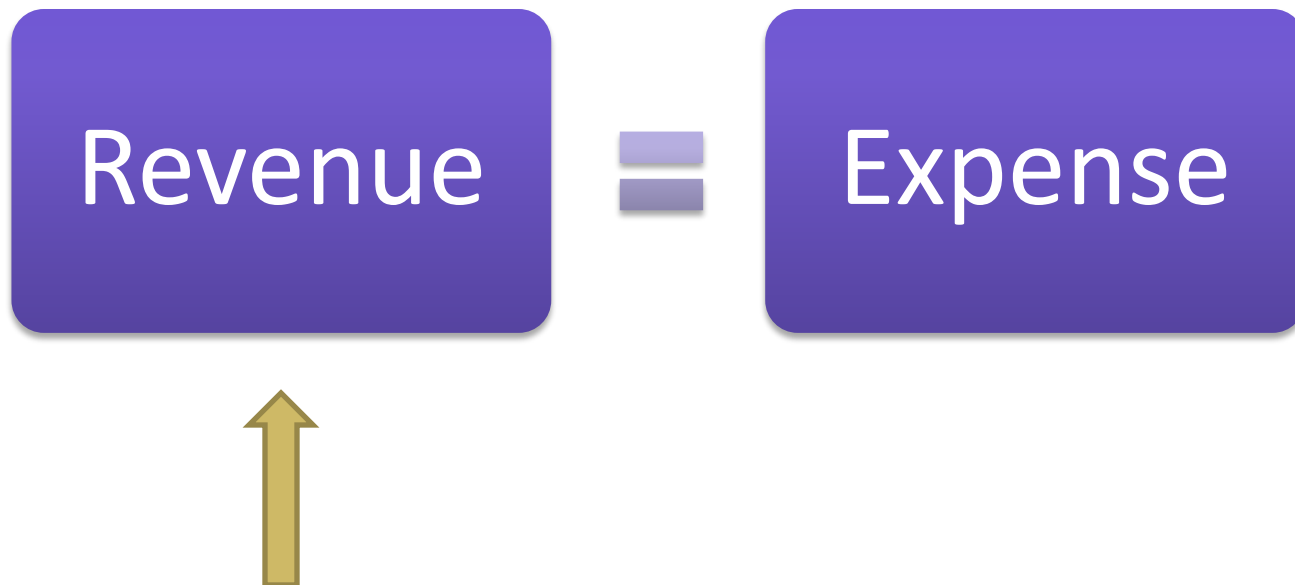
March 17, 2015

Topics of Discussion

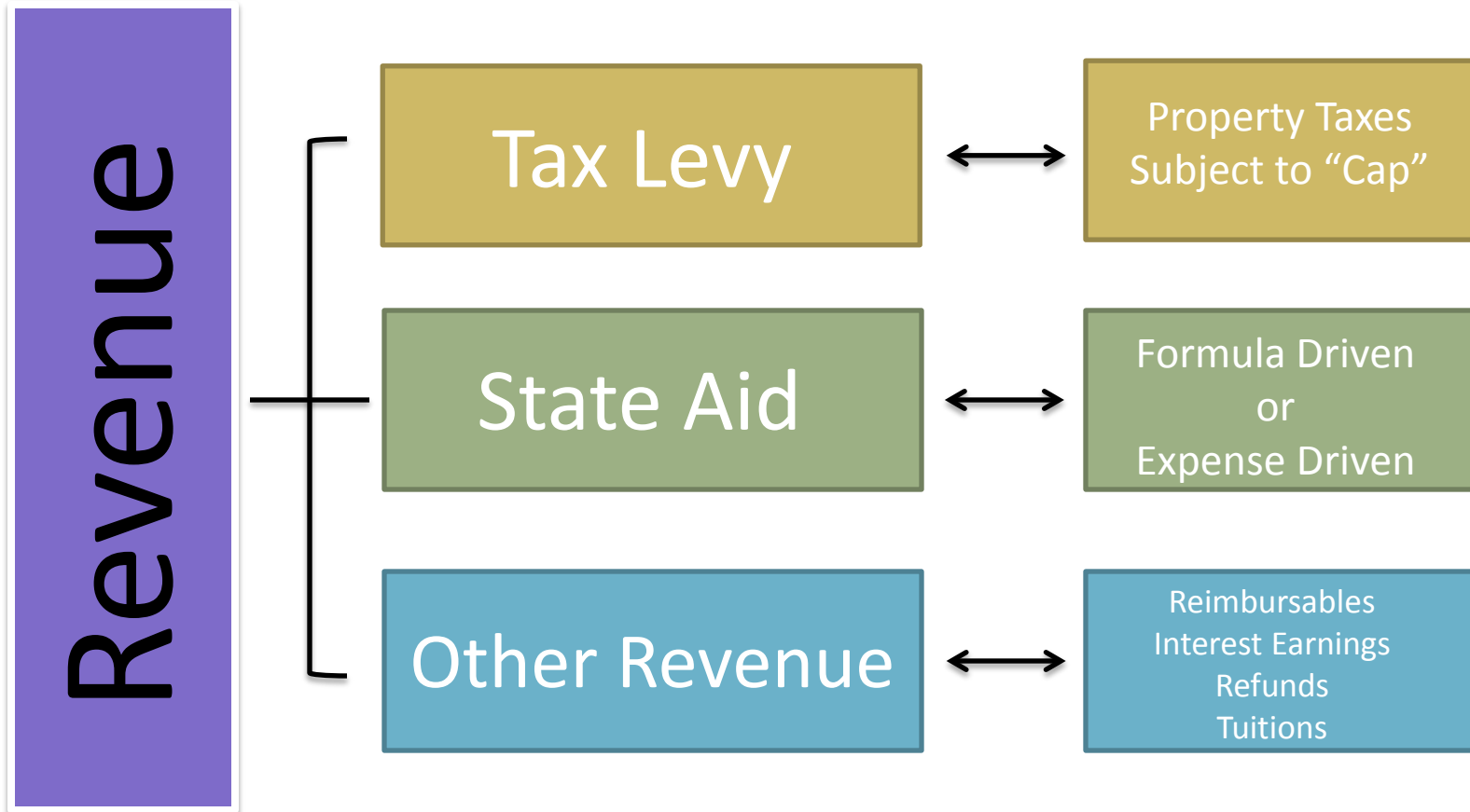


- I. Projected Tax Levy Limit
- II. Preliminary State Aid
- III. Preliminary “Other” Revenues
- IV. Appropriated Fund Balance
- V. Current Budget “Gap”
- VI. Projected 2014-15 Fund Balance
- VII. Tax Freeze
- VIII. Capital Reserve Resolution

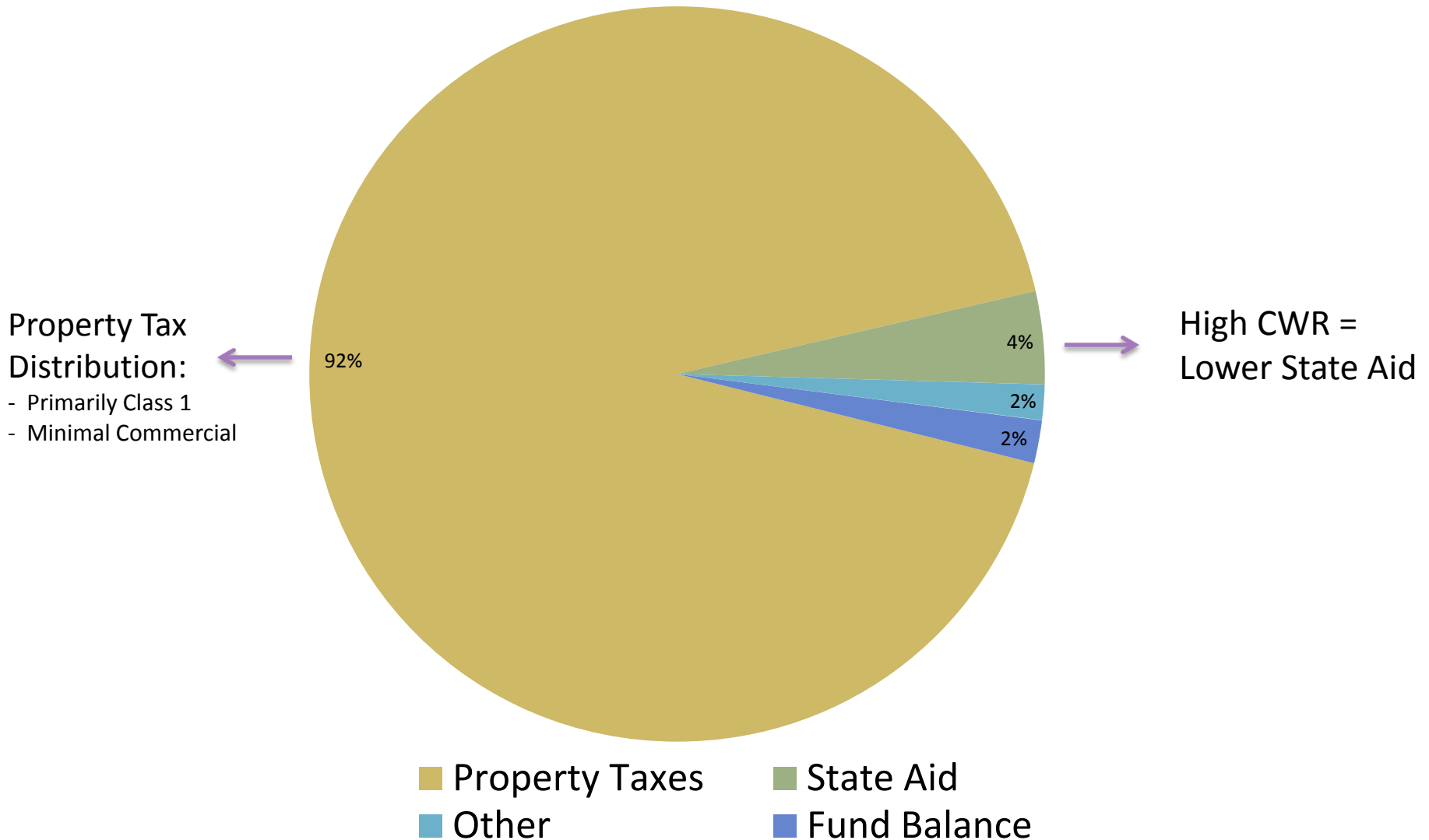
Budget Development



School Budget Revenues



OBEN Funding Profile



Budget Development

Projected Tax Levy Limit % AS OF 3-3-15



2014 - 15 TAX LEVY	\$50,736,549	
X	X	
TAX BASE GROWTH FACTOR	1.0014	
-	-	
TAX LEVY TO PAY FOR DEBT SERVICE	\$2,442,289	
X	X	
ALLOWABLE LEVY GROWTH FACTOR	1.0162	
=	=	
TAX LEVY LIMIT BEFORE ADDED EXCLUSIONS	\$48,843,522	
+	+	
TAX LEVY TO PAY FOR SOME PENSION CONTRIBUTION COSTS	\$0	
+	+	
TAX LEVY TO PAY FOR DEBT SERVICE	\$2,445,020	
=	=	
MAXIMUM ALLOWABLE TAX LEVY	\$51,285,998	<i>1.68% Increase</i>
	<i>This is OBEN "Cap"</i>	

Budget Development



What We Know	What Is Still Unknown
Tax Base Growth Factor	State Aid Figures
Allowable Levy Growth Factor (CPI)	Gap Elimination Adjustment (GEA) Restoration
No Pension Exclusions	Kindergarten Enrollment
	Smart Schools Grant
	Tax Freeze Regulations
	Affordable Care Act Impact – Jan '16
	English As New Language (ENL) Program Enrollment Data
	Building Aid Interest Rate Waiver

Proposed State Aid

as per Legislative Budget 2014 -15



	2014-15	2015-16*	
STATE AID	BUDGET	PRELIM	\$ Change
FOUNDATION AID	1,602,283	1,615,902	13,619
GAP ELIMINATION ADJUSTMENT	-398,542	-303,531	95,011
HIGH TAX AID	122,398	122,398	0
BOCES	309,912	309,614	-298
EXCESS COST AID	129,238	128,986	-252
SOFTWARE, TEXTBOOK & LIBRARY	166,781	176,425	9,644
BUILDING AID	144,973	147,704	2,731
TRANSPORTATION	173,504	161,744	-11,760

* State Aid budget to be finalized and approved by April 1???

State Aid Information

as per Legislative Budget 2014-15



Foundation Aid: Formula-Driven

- Primary state aid category
- Remains relatively unchanged since 2008-09 for OBEN
 - **Gap Elimination Adjustment (GEA)**
 - \$2.2m not paid to OBEN since inception
 - \$303k deduct proposed for 2015-16
 - Restoration???

High Tax Aid: Formula-Driven

- Provided when majority of tax levy burden is on Class 1
 - Frozen at 2008-09 levels

State Aid Information



As per Governor's Budget 2014-15

Instructional Materials Aid: Expense-Driven

- Provided to partially offset costs for textbooks, software, library materials
- Per pupil amounts have not changed in years

Building Aid: Expense-Driven

- Re-calculation of interest rates paid on building aid
- Approx. \$3k per year loss of aid to OBEN (waiver submitted)

Other Expense-Based Aids: Expense-Driven

- Provided to partially offset BOCES, transportation, special education costs
- No significant changes

Other Revenue Sources

Projected 2015-16 Revenue Budget



NON-RESIDENT TUITION	150,000	70,000	-80,000
RESIDENTIAL TUITION AID FROM SED	100,760	100,750	-10
INTEREST INCOME	60,000	55,000	-5,000
MEDICAID ASSISTANCE	45,000	45,000	0
USE OF FACILITIES	40,000	35,000	-5,000
PRIOR YEAR REFUNDS	50,000	40,000	-10,000
MISC. INCOME	5,850	4,250	-1,600
CPSE REIMBURSEMENT	40,000	40,000	0
	841,610	740,000	-101,610

Assigned Fund Balance

“Appropriated Fund Balance”



Budget Year	Approp. FB	% of Budget
2013-14	\$1,001,461	1.87%
2014-15	\$1,000,000	1.83%
2015-16	\$1,000,000*	1.81%

* Recommended Appropriated Fund Balance

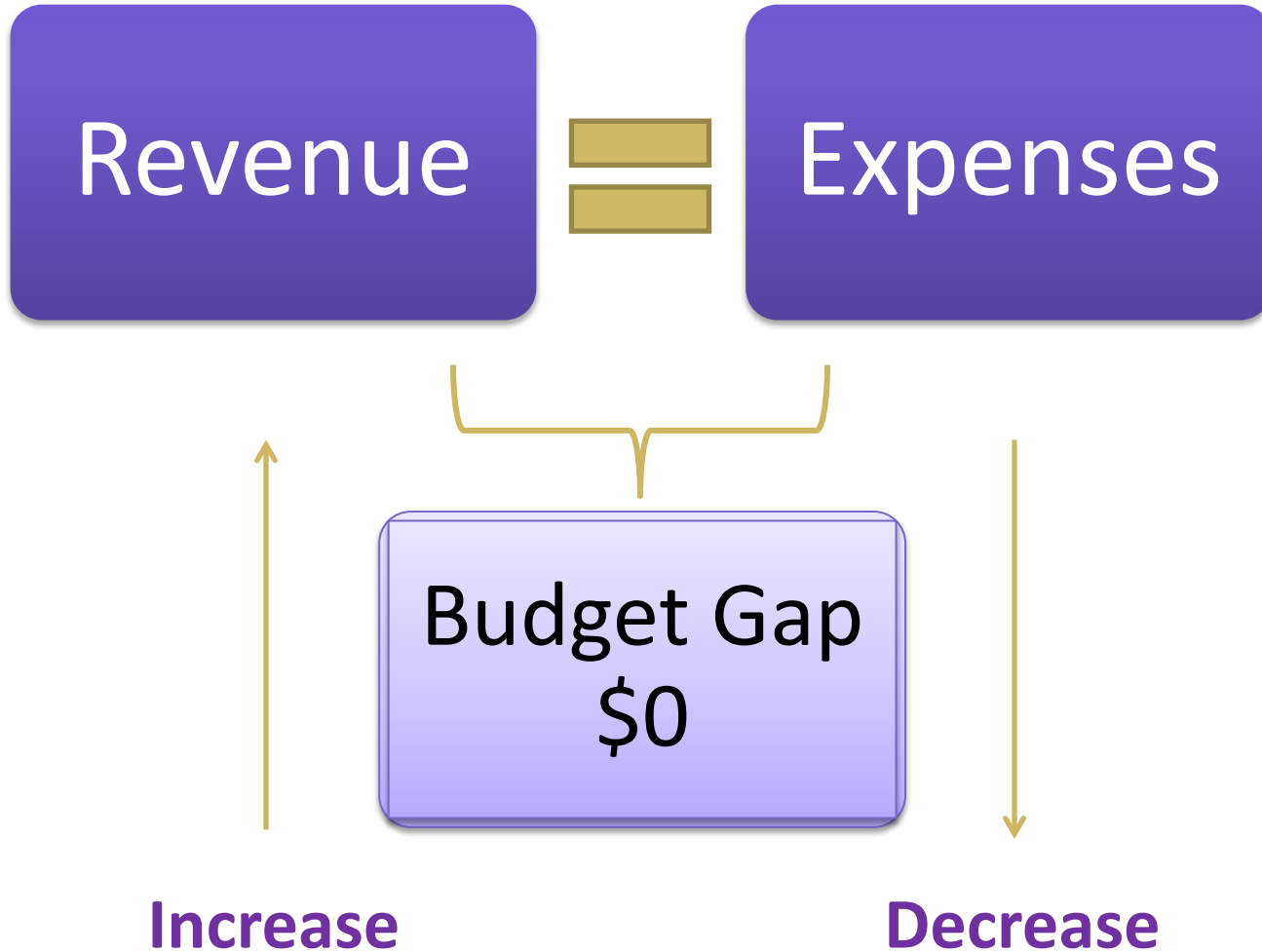
Preliminary Revenue Budget



SOURCE	2014-15	2015-16*	
	BUDGET	PRELIMINARY	\$ CHANGE
STATE AID	2,191,624	2,287,222	95,598
OTHER REVENUES	841,610	740,000	-101,610
APPROPRIATED FUND BALANCE	1,000,000	1,000,000	0
USE OF ERS RESERVE	0	0	0
TOTAL	4,033,234	4,027,222	-6,012

Budget "Gap"

As of 3/17/2015



Budget Increase Considerations

Areas to Explore if Revenue is increased



Budget Items to Explore	Projected Amounts \$	Comment
Technology Equipment	\$75,000	State Aid Dependent
Building Security Improvements	\$50,000	As per 5-Yr Plan
Desks @ Vernon	\$20,000	State Aid Dependent
HS Library Renovations	\$80,000	State Aid Dependent

A large, faded circular logo is centered on the page. The logo features a stylized building with a gabled roof and a chimney, situated on a rocky outcrop. Below the building are wavy lines representing water. A seagull is depicted in flight in the upper left quadrant of the logo. The entire logo is enclosed within a double-lined circular border, with the inner line being grey and the outer line being yellow.

Projected Fund Balance

Fund Balance

Two Meanings: Official & Unofficial



1. Fund Balance: Reserves

The sum total of all District Reserves

2. Fund Balance: Operational Results

The sum of current year excess revenues and remaining appropriations; “Surplus”

Projected 2014-15 Fund Balance



Based on eight (8) months of actual results

The sum of current year excess revenues and remaining appropriations; amount “left-over”

- Analyze existing Purchase Orders (PO's)
- Review unencumbered budgets
- Predict additional sources of revenue
- Use historical data
- Identify trends
- Review existing accruals

\$1.6M - \$2.0M

OBEN Fiscal Health

Importance of Fund Balance



Funding and Maintaining Reserve Funds

- Capital Reserve Fund

Use of Reserve Funds to Stabilize Tax Levy

- ERS Reserve 2012-13 & 2013-14

Positive Audit Reports: Four Independent Reviews

OSC Fiscal Stress

Moodys Bond Rating = Aa1; Saves \$

NYSASBO “Fiscally Solvent Status” Monitoring System: None Indicated

OSC Fiscal Stress Score 8.3% **NO DESIGNATION - FISCALLY SOUND!!**



Capital Reserve Use 2015-16

Authorized Capital Projects 2015 – 2016

Technology Upgrades	\$1,650,000	HS SC Rms/Ceilings	\$100,000
Vernon 4 th Gr Repairs/Roof	\$ 228,385	Adm Bathroom	\$ 40,000
TR & Adm Generators	\$ 50,000	TR & HS Window Replc	\$300,000
TR Rm 16 Reconfiguration	\$ 50,000		
Total			\$2,418,385

2015-16 Budget Discussion



Timeline

Nov 18	Jan 6	Mar 3	Mar 31	May 5
Budget Development Calendar	<u>Facilities Update:</u> <ul style="list-style-type: none">• Capital Reserve• Security	<u>Expenditure Budget:</u> <ul style="list-style-type: none">• Review• Discussion	Budget Review <u>Impact of a Failed Budget:</u> <ul style="list-style-type: none">• 0% Tax Levy increase	Budget Hearing
Dec 16	Feb 10	Mar 17	Apr 21	May 19
Budget Fundamentals	Preliminary "Gap" <u>BOE direction:</u> <ul style="list-style-type: none">• Levy Limit <u>Expenditure Budget:</u> <ul style="list-style-type: none">• Review/Discussion Fund Balance Projection Use of Capital Reserve	<u>Revenue Budget:</u> <ul style="list-style-type: none">• State Aid• Use of Reserves• Other Revenue Sources Fund Balance Projection	Budget Review Fund Balance Projection BOE Budget Adoption	Budget Vote 7am-9pm OBHS

**VOTER REGISTRATION: District Clerk's Office (516-624-6507); 1 McCouns Lane, Oyster Bay
Monday through Friday: 8:00 a.m. to 1:00 p.m. & 2:00 p.m. to 4:00 p.m.**

OBEN Tax Freeze



- Plans must demonstrate a Levy savings equal to or greater than 1% of the prior year levy -
\$50,436,549 = \$504,366
- Can file as a Group or Individually
- Savings must be sustainable over the three years 2016 – 2019
- Savings in effect from July 1, 2012 on can be counted
- Co-op agreements, shared services & efficiencies by District can be counted
- New Revenue sources cannot be used for plan

Items OBEN Including in Plan



Cooperative agreements

- ❖ Purchasing

Services

- ❖ Shared Teacher

Efficiencies

- ❖ Treasurer

- ❖ Technology

- ❖ Tuition Savings

- ❖ Transportation



Questions?