

The background of the slide is a large, circular seal. The seal has a thick yellow outer border. Inside this border is a grey inner border. The central part of the seal is white and contains a blue-toned illustration of a fisherman wearing a hat and a vest, holding a large net filled with fish. The net is draped over a wooden structure, possibly a boat's railing or a dock.

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

Budget Workshop #2

February 10, 2015

Topics of Discussion



1. Board Mission & Goals
2. State Context
3. District Demographics
4. Preliminary 2014-15 Expenditures
5. Projected 2014-15 Fund Balance
6. Capital Planning: Short & Long Term

BOE Mission & Goals



We maximize each student's personal potential for tomorrow's world in a cost effective manner.

- 1. Ensure that the curricular program is relevant, rigorous, and incorporates appropriate instructional technologies in order to enhance learning opportunities and achievement of all students*
- 2. Improve facilities with efficient management of resources*
- 3. Enhance two-way communication with all stakeholders through various means including appropriate technologies*
- 4. Update and maintain appropriate Board policies aligned with educational goals and sound educational practices*
- 5. Provide a learning environment that is safe, professional, and respectful*

NYS Context



- Student Outcomes
- Mandates
- Reform Agenda
- Funding Issues and Uncertainties
 - Gap Elimination Adjustment
 - State Aid

OBEN Demographics



- As of Jan 31 = 1,645 public school students
- Free & Reduced Priced Lunch = 17.0%
- Special Education Classification Rate = 13.0%
- Limited English Proficient = 6.0%
- Combined Wealth Ratio (SED) = 3.832 (NYS avg 1.000)
- Fiscal Stress Score 8.3% (scale 0-100, lower the better)

Balanced Budget



Revenue

=

Expenses

Budget Development

Projected Tax Levy Limit % AS OF 2-10-15



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>	

Board of Education:

Direction on Levy Limit



Option 1:

Stay within the estimated levy limit?

Approximately 1.68%

OR

Option 2:

Exceed levy limit requiring 60% super majority voter approval?

Budget Development



- Prepare “1ST PASS” budget
- Identify budget trends
- Obtain projected data: CPI%, Health Ins., TRS, ERS, etc.
- Administrators provide input
- Central Office review
- BOE to review budget in public sessions

Budget Development



Positive factors impacting 2015 - 16

- TRS & ERS Rate Reductions approximate \$832,000 savings
- Tax Anticipation Note (TAN) Interest Rate estimated @ .005%
- Jul-Dec 2015 Health Insurance Premiums Inc of 4.5%
- New collective bargaining agreements – with increased health insurance contributions

Majority of items will also result in 2014-15 Fund Balance

Budget Development

Preliminary 2015-16 expenditure budget

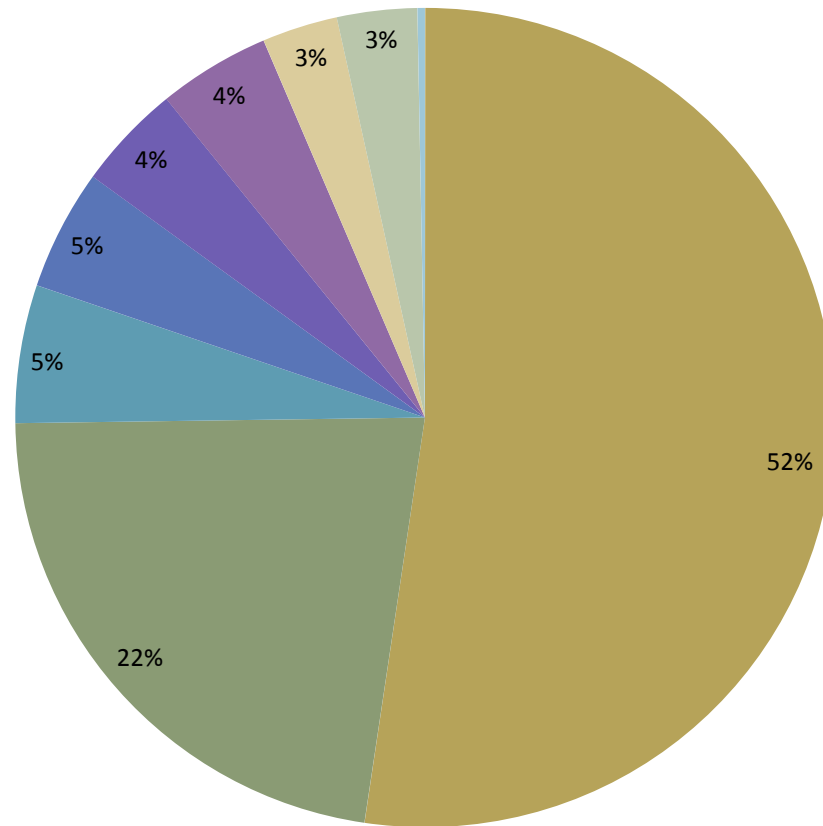


	2014-15	2015-16	
	ADOPTED	PROPOSED	
<u>Expenditure Type</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>DIFF</u>
Salaries & Wages	28,272,579	28,971,729	\$699,150
Benefits	12,871,122	12,406,268	(464,854)
Transportation	3,092,664	3,008,506	(84,158)
Debt Service & TAN	2,633,993	2,634,179	186
BOCES	1,936,484	2,298,779	362,295
Contracted Services	2,545,905	2,449,936	(95,969)
Support/Materials/Equip	1,389,392	1,640,771	251,379
Facilities	1,674,339	1,754,150	79,811
Interfund Transfers	162,000	162,000	-
Total \$	\$54,578,478	\$55,326,318	\$747,840
Total Increase %			1.37%

OBEN Expenditure Profile



Expenditure Type



- Salaries
- Benefits
- Transportation
- Debt Service
- BOCES
- Contractual Services
- Support Materials
- Buildings & Grounds
- Other

Budget Development

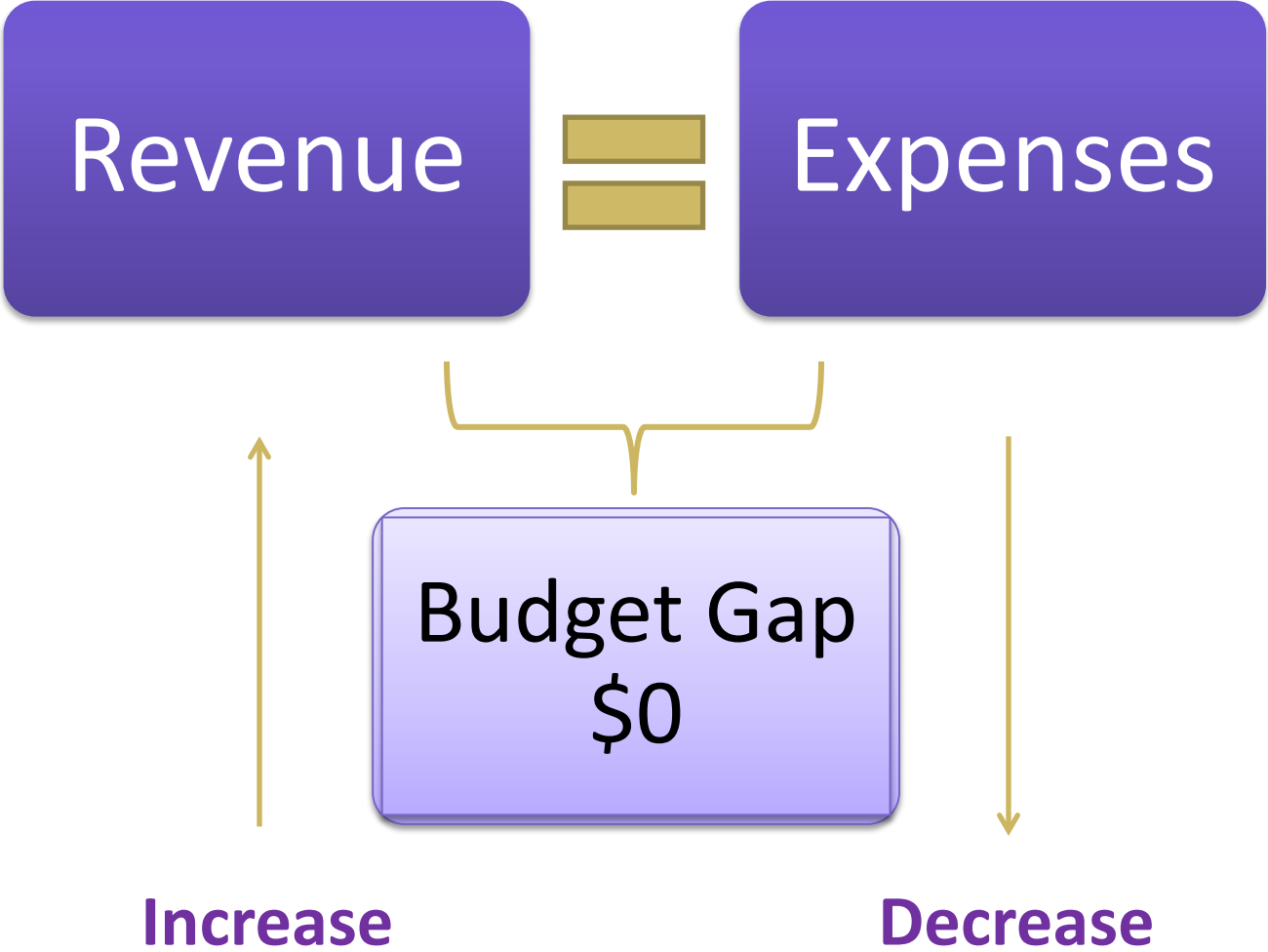


Recap to date

- Nov *Prelim. Expenditure Budget = 3.24%*
- Dec/Jan New Info & Projections, Admin. Input
Prelim. Expenditure Budget = 2.89%
Preliminary Budget Gap = \$832k
- Feb/Mar Updated TRS & ERS rate, Health Ins %, BOCES
Rates
Prelim. Expenditure Budget = 1.37%
Prelim. Tax Levy = 1.68%

Budget "Gap"

As of 2/10/2015



Budget Development



What We Know	What Is Still Unknown
Tax Base Growth Factor	Final State Aid Figures
Allowable Levy Growth Factor (CPI)	Gap Elimination Adjustment (GEA) Restoration
No Pension Exclusions	Kindergarten Enrollment
	Smart Schools Grant
	Affordable Care Act Impact – Jan '16

Tax – Freeze Legislation



District Must Save

1%/year for
next 3 years

1st year Savings

\$511,759

Achieved by

District
Efficiencies
Cooperative
Agreements
Shared
Services

HOMEOWNER RECEIVES REFUND OF
DIFERENCE IN INCREASE OF SCHOOL
TAXES FROM PRIOR YEAR

Projected 2014-15 Fund Balance



Based on seven (7) 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

\$1.2M - \$2.0M

Budget Reduction Areas



***EVENT SUPERVISION
TRS CONTRIBUTION
ERS CONTRIBUTION
DISTRICT WIDE SUPPLIES &
MATERIALS***

Budget Increase Areas



TECHNOLOGY
MANDATED PART 154
REGULATIONS
HS SUMMER SCHOOL
STEM/LEGO ROBOTICS
ATHLETICS – CREW & FOOTBALL
EQUIPMENT

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.**



FACILITIES: *Ongoing Needs*

Maintenance of Existing Facilities

- General Fund “transfer to capital” appropriation
- Use of Capital Reserve

Future Needs/“Big Ticket” Items:

- District Wide Technology Infrastructure & Hardware
- OBHS Art/Music Wing Expansion
- A/C for HS Auditorium & Cafeteria
- Vernon Module Building Structural Repairs
- Administration Building Bathrooms
- DW Emergency Generators
- Bus Loop



Existing Capital Reserve

- Established 2006, Amended 2011 & 2013
 - For capital items: Construction & Equipment
 - Term of 20 years, expires June 2026
 - Max \$2m transferred into fund per year
 - Max \$20m transferred into fund over term
 - To date, approx. \$11.215M transferred into reserve
- 6/30/2014 Balance = \$3,859,481 (includes interest earnings)
- Approx. \$7.615M committed/expended
 - Ext windows, roofs, parking lots, b-ball courts, track, masonry, fencing, field house reno, bathrooms, sidewalks, marquee, drainage, lockers, tennis courts, bucket loader, technology

All work completed at no additional cost to the taxpayer

Capital Reserve or Potential Bond Expenditures



Projects for 2015-2016

Capital Reserve Recommendations

Technology Needs	\$1,150,000
<u>HS Kitchen Hood</u>	<u>\$ 150,000</u>
Total	\$1,300,000

Proposed Bond

Art/Music Expansion	\$6,200,000
A/C HS/Vernon/TR	\$1,000,000
<u>Technology Infrastructure</u>	<u>\$ 500,000</u>
Total	\$7,700,000

Capital Reserve Balance as of 2/10/15 - \$3,859,481

Estimated end of year transfer to Capital Reserve of \$1MM – \$1.5MM in 2014 - 15

For Consideration

BUS LOOP \$1,100,000

Options – Include in Bond or Complete in Future??



Bond Timelines

Preliminary; as of January 20, 2015

Item

Approx. Dates

Facilities Planning Committee

Summer 2014 - Winter 2015

SEQRA/Architect Prelim Specs

Summer 2014 - Fall 2015

Referendum (Vote)

Fall 2015

Construction Manager Selection

Summer 2015 - Fall 2015

Architect Design

Winter 2015 - Summer 2016

SED Submission

Summer 2016

Bonds Issued

Spring 2017

Bid Project(s)

Winter 2017 - Spring 2017

Work to commence

Summer 2017

Debt Repayment Begins

Fall 2017 or Spring 2018

BOE updates to be provided throughout process



Questions?