

A faint, circular logo in the background depicts a person wearing a hat and a life vest, sitting on a boat. The boat has a striped canopy. The entire logo is rendered in a light, semi-transparent style.

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

***Budget Fundamentals***

December 15, 2015

# Board of Education Goal



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

A faded circular logo is centered in the background. It features a stylized boat with a striped sail on the water, a seagull flying in the sky above, and a small structure on the boat. The entire logo is enclosed within a double-lined circular border, with the inner line being grey and the outer line being yellow.

# District Demographics

# Demographics



- As of Nov 30 = 1,603 public school students
- Non-public student enrollment declining
- Free & Reduced Priced Lunch = 20.0%
- Special Education Classification Rate = 11.0%
- Limited English Proficient = 6%
- Combined Wealth Ratio (SED) = 5.025 (NYS avg 1.000)



# Budget Development

# Budget Development



- Prepare “rollover” budget December 2015
- Understand budget trends
- Obtain projected data: CPI%, Health, TRS, ERS, Contracts, etc.
- Administrators meet with Central Office (Jan 2016)
  - Existing programs/enrollments evaluated
  - Cost-saving initiatives reviewed and prioritized
- Central Office continues to review budget line-by-line (Spring 2016)
- BOE to review budget in public sessions

# 2016-17 Budget Discussion



## Timeline

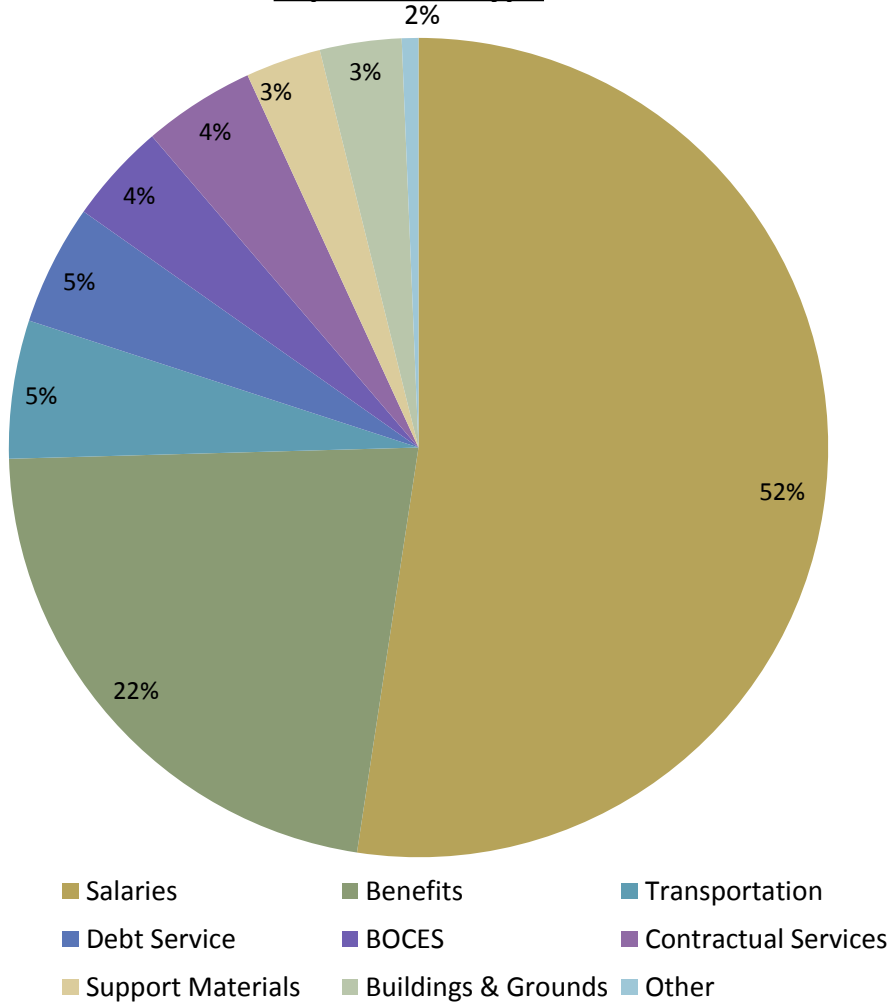
| Dec 1                       | Jan 5  | Mar 1  | Apr 5   | May 3                          |
|-----------------------------|--|--|---|--------------------------------|
| Budget Development Calendar | <u>Facilities Update:</u> <ul style="list-style-type: none"><li>Capital Reserve</li><li>Security</li></ul>   | <u>Expenditure Budget:</u> <ul style="list-style-type: none"><li>Review</li><li>Discussion</li></ul>   | Budget Review<br><u>Impact of a Failed Budget:</u> <ul style="list-style-type: none"><li>0% Tax Levy increase</li></ul> | Budget Hearing                 |
| Dec 15                      | Feb 9  | Mar 15   | Apr 19  | May 17                         |
| Budget Fundamentals         | Preliminary "Gap"<br><u>BOE direction:</u> <ul style="list-style-type: none"><li>Levy Limit</li></ul> <u>Expenditure Budget:</u> <ul style="list-style-type: none"><li>Review/Discussion</li></ul> Fund Balance Projection<br>Use of Capital Reserve | <u>Revenue Budget:</u> <ul style="list-style-type: none"><li>State Aid</li><li>Use of Reserves</li><li>Other Revenue Sources</li></ul> Fund Balance Projection | Budget Review<br>Fund Balance Projection<br>BOE Budget Adoption   | Budget Vote<br>7am-9pm<br>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.**

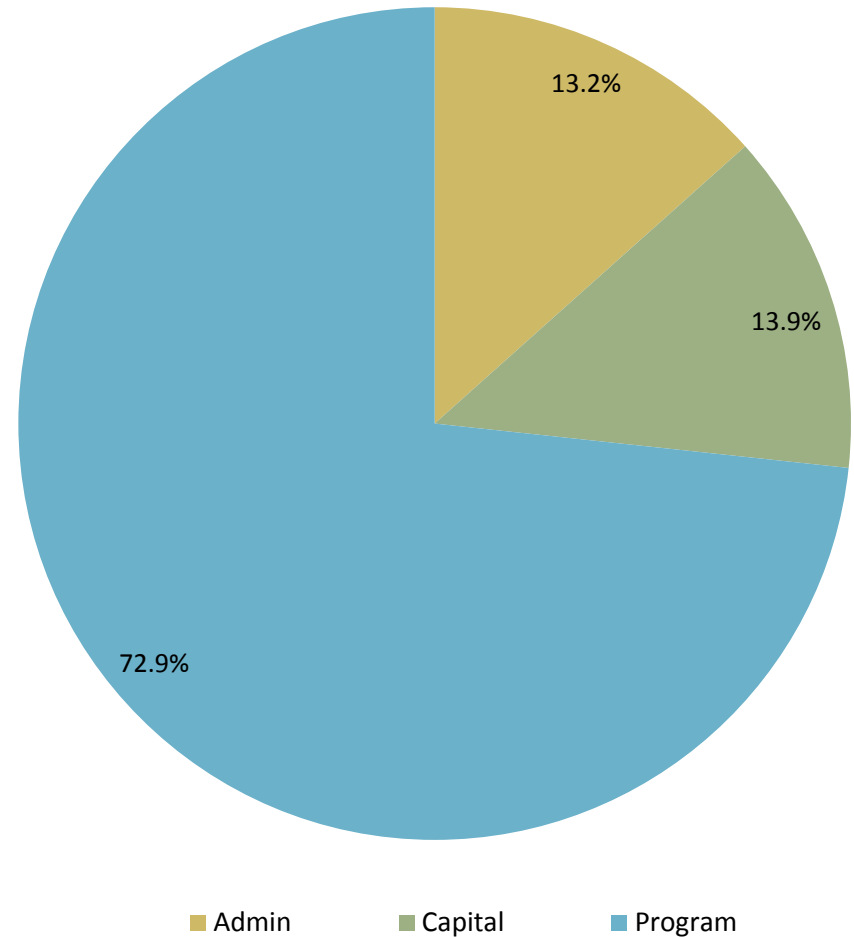
# OBEN Expenditure Profile



Expenditure Type

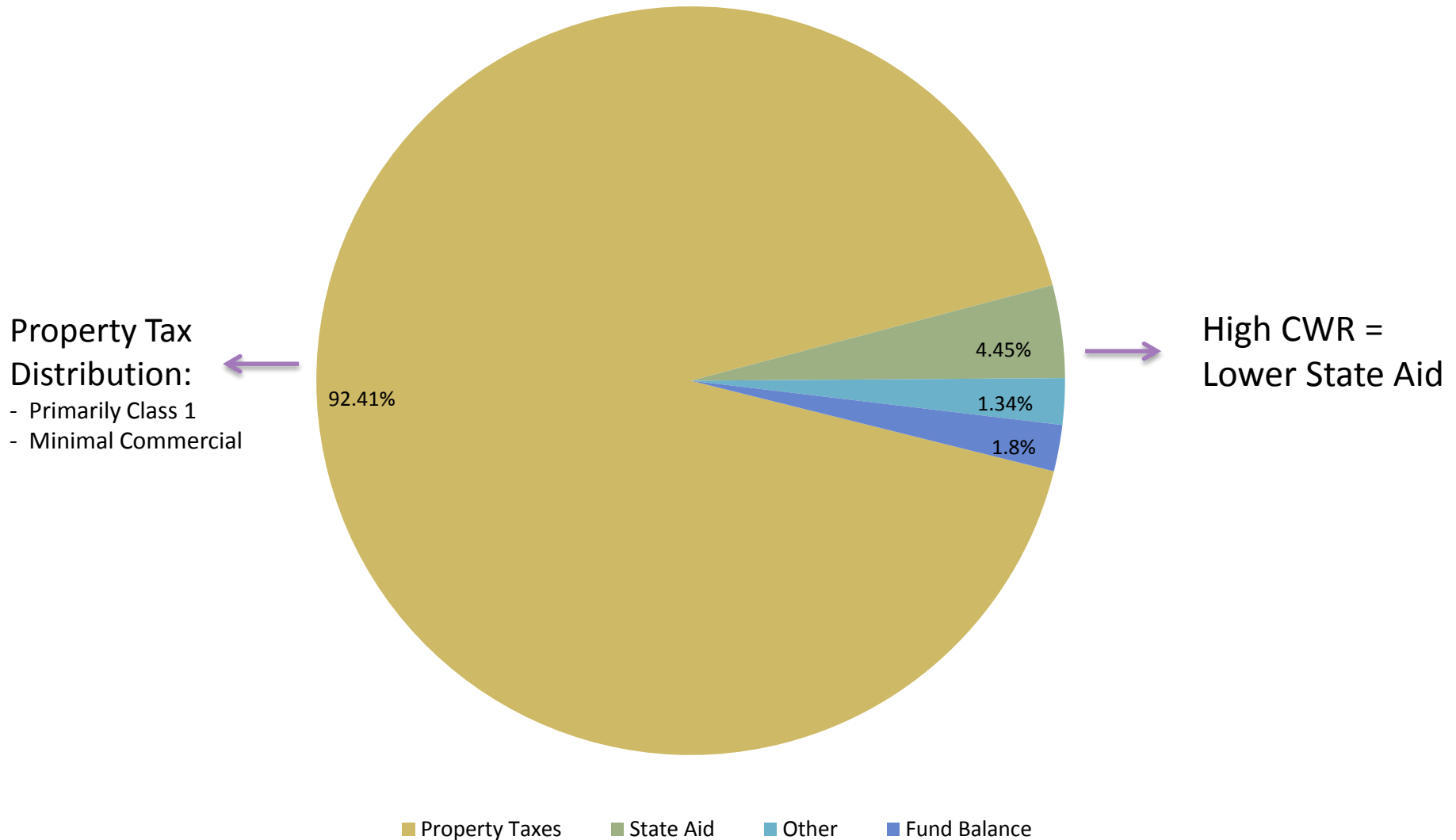


Three-Part Budget





# OBEN Revenue Profile



# “The Budget Formula”

## Before Levy Limit Legislation



The Board of Education adopts a spending plan which is voted on by the community to operate the District.

- (A) Spending plan (budget) is funded by a few revenue sources:
- (B) State Aid (which has decreased consistently over the years)
- (C) Local Revenues from interest earnings, reimbursable billings, refunds
- (D) Use of Reserves (Unappropriated Fund Balance, ERS Reserve, etc.)
- (E) PROPERTY TAXES collected thru the Tax Levy

## The Budget Formula:

$$(A) - (B) - (C) - (D) = (E)$$

# Balanced Budget



Revenue

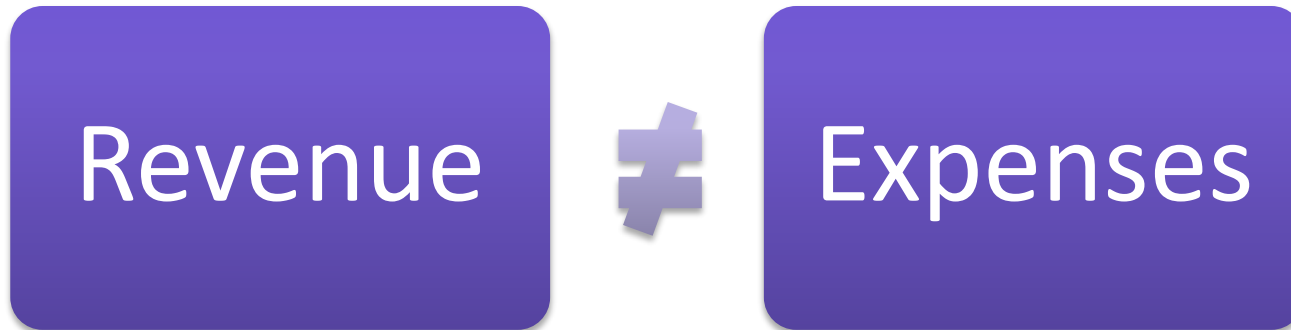
=

Expenses

# Preview 2016-17



Based on Data and assumptions as of this meeting; 12/15/2015:



**2016-17 “Gap” is too preliminary to report; Feb 9**

Positives: Decrease in TRS & ERS Rates, Teacher Retirements last year, Teacher contract concessions

Negatives: Unsettled Employee Contracts, CPI% = 0%, Gap Elimination Adjustment (GEA), Affordable Care Act (ACA), Health Insurance Renewal Increase, Likely Transportation Increase despite 0% CPI, NYS contribution to Summer Special Ed program, Tax Rate Growth Factor (Local Brick & Mortar Growth)

# Historical Budget Vote Results



| <u>YEAR</u> | <u>INC %</u> |  | <u>YES</u> | <u>NO</u> | <u>TOTAL</u> | <u>% YES</u> |
|-------------|--------------|--|------------|-----------|--------------|--------------|
| 2006-07     | 4.54%        |  | 1,428      | 1,127     | 2,555        | 56%          |
| 2007-08     | 4.22%        |  | 1,092      | 716       | 1,808        | 60%          |
| 2008-09     | 4.66%        |  | 968        | 655       | 1,623        | 60%          |
| 2009-10     | 3.65%        |  | 1,121      | 725       | 1,846        | 61%          |
| 2010-11     | 2.89%        |  | 1,103      | 914       | 2,017        | 55%          |
| 2011-12*    | 2.96%        |  | 1,182      | 1,034     | 2,216        | 53%          |
| 2012-13     | 2.68%        |  | 1,158      | 680       | 1,838        | 63%          |
| 2013-14     | 3.84%        |  | 932        | 604       | 1,536        | 61%          |
| 2014-15     | 2.01%        |  | 932        | 357       | 1,289        | 72%          |
| 2015-16     | 1.52%        |  | 862        | 338       | 1,200        | 72%          |

\*Note: 2011-2012 budget failed first time and passed on second vote



# **OBEN Fiscal Health**

# Fiscal Health



## Factors indicative of a strong financial condition:

### INTERNAL

- *Key Performance Indicators are stable*
- *Follow guidance from SED & OSC*
- *Commitment to funding Reserve Funds*

### EXTERNAL

- *Strong Moody's Rating; Aa1*
- *Positive audit reports*



**Questions?**