

The seal of the 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 horizontal stripes, suggesting a flag or a shield. The entire seal is enclosed within a double-lined circular border, with the inner line being grey and the outer line being gold.

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

2016-17 Budget Hearing

May 3, 2016

Topics of Discussion



- A. Board of Education Mission & Goals
- B. Recap of 2016-17 Budget Development
- C. Proposed Revenue & Expenditure Budgets
- D. Bud-to-Bud & Levy-to-Levy %'s
- E. Impact of Failed Budget (Contingency)
- F. Proposed Use of Capital Reserve Fund
- G. Important Upcoming Budget Dates

BOE Mission Statement & 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*

Board of Education:

Direction on Levy Limit



Option 1:

Stay within the estimated levy limit?

Approximately 0.12%

OR

Option 2:

Exceed levy limit requiring 60% super majority voter approval?



BOE
Approved
Choice

A gold starburst graphic with multiple points, containing the text "BOE Approved Choice" in purple.

Budget Development

Factors impacting 2016-17



- Teacher's Retirement System (TRS) & Employee Retirement System (ERS) Contribution Rate Reduction savings \$372,942
- Tax Anticipation Note (TAN) Interest Rate estimated @ .005%
- Jul-Dec 2016 Health Insurance Premiums Inc of 7.4%
- Jan-June 2017 Health Ins Premium Inc Est 10-12%
- New collective bargaining agreements – with increased health insurance contributions

Budget Highlights



- Lowest expenditure budget increase in at least 17 years
- Maintains & adds programs and services to students
- \$700K returned to taxpayers to assist with 2016-17 levy
- Complies with OBEN's Tax Levy Limit & Tax Efficiency Plan
- Continued use of existing Capital Reserve to fund needed capital improvement projects & equipment without levying additional taxes

Revenue Budget

*Estimated as of 5/3/16**



Estimated Revenues and Tax Levy: 2015-16 vs. 2016-17

| | 2015-16 Adopted | 2016-17 Proposed | \$ Change | % Change |
|--------------------------------|----------------------|----------------------|-------------------|--------------|
| Expenditure Budget | \$ 55,409,484 | \$ 55,866,883 | \$ 457,399 | 0.83% |
| | | | - | |
| State Aid | 2,466,342 | 3,172,288 | 705,946 | |
| LIPA PILOT | 714,556 | 699,824 | (14,732) | |
| Tuition, Reimbursements & Fees | 595,750 | 590,176 | (5,574) | |
| Miscellaneous | 144,250 | 141,900 | (2,350) | |
| Total Revenue | 3,920,898 | 4,604,188 | 683,290 | |
| | | | - | |
| Appropriated From Reserves | 1,000,000 | 700,000 | (300,000) | |
| | | | - | |
| Tax Levy | \$ 50,488,586 | \$ 50,562,695 | \$ 74,109 | 0.15% |

*State Aid, Tuition, Fees and Misc income all subject to change during the year

Expenditure Budget

Adopted Budget April 19, 2016



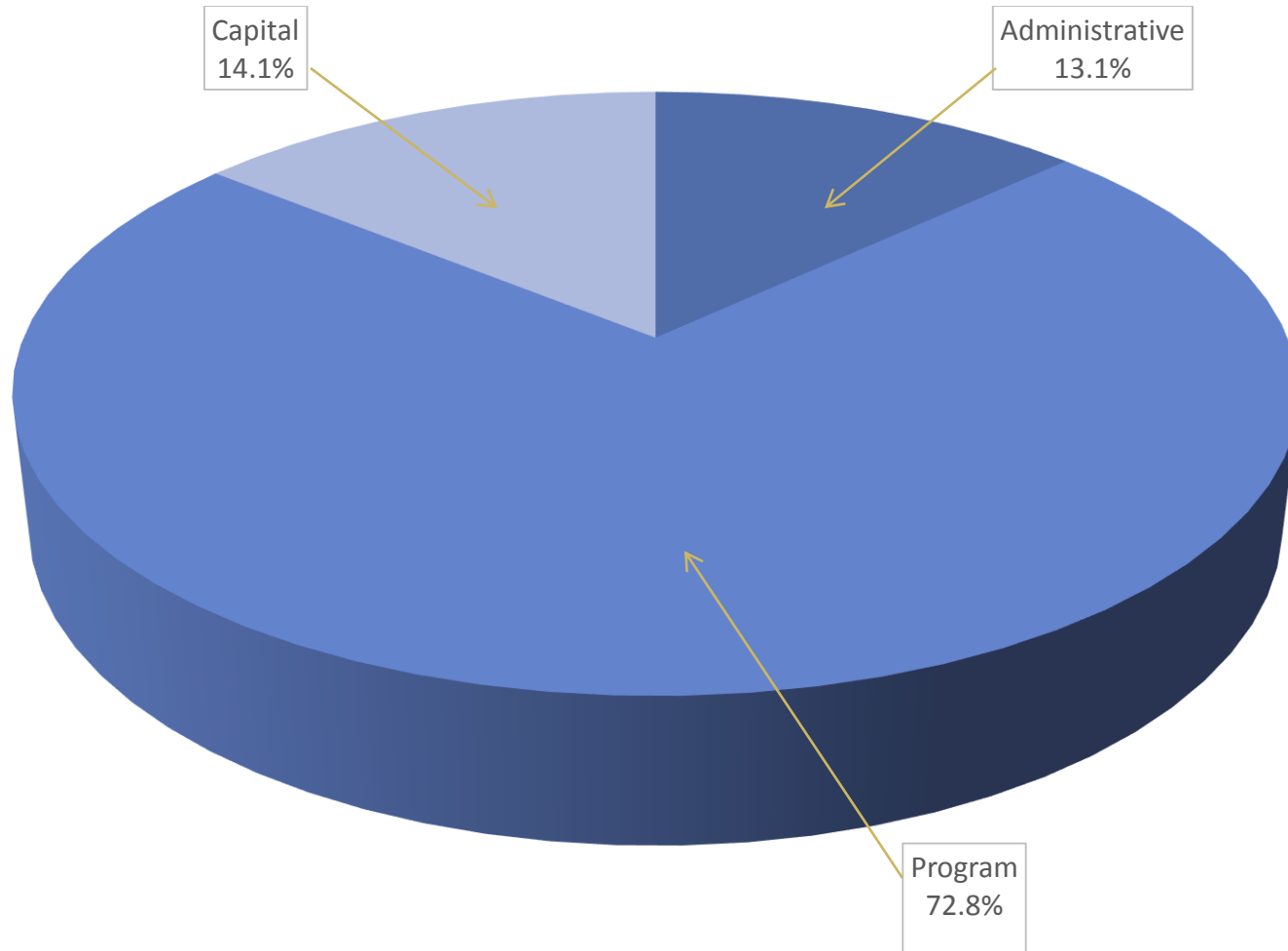
Budget Comparisons: 2015-16 vs. 2016-17

| | 2015-16 | 2016-17 | |
|--------------------------------------|----------------------|----------------------|-------------------|
| | Adopted | Proposed | |
| Functions | <u>Budget</u> | <u>Budget</u> | <u>\$ Change</u> |
| General Support | \$ 5,958,118 | \$ 6,399,358 | \$ 441,240 |
| Curriculum Development & Supervision | 2,876,375 | 2,838,347 | (38,028) |
| Instruction | 23,908,674 | 24,306,723 | 398,049 |
| Pupil Services | 2,474,212 | 2,461,944 | (12,268) |
| Co-Curricular & Athletics | 1,194,476 | 1,158,768 | (35,708) |
| Transportation | 3,195,814 | 3,096,869 | (98,945) |
| Community Services | 39,500 | 39,500 | - |
| Employee Benefits | 12,766,136 | 12,540,462 | (225,674) |
| Debt Service | 2,634,179 | 2,744,912 | 110,733 |
| Interfund Transfers | 362,000 | 280,000 | (82,000) |
| Total | \$ 55,409,484 | \$ 55,866,883 | \$ 457,399 |

.83% is lowest expenditure increase in at last 17 years

Expenditure Budget

SED Three-Part Budget



2016 - 17 Proposed Budget #'s



| | |
|--|---------------------|
| Proposed 2016-17 Expenditure Budget | \$55,866,883 |
| Budget to Budget Increase % | 0.83% |
| \$ Increase | \$457,399 |
| Estimated 2016-17 Tax Levy | \$50,562,695 |
| Estimated Tax Levy % Increase | 0.15% |
| \$ Increase | \$74,109 |

LOWEST BUDGET TO BUDGET INCREASE IN
THE LAST 17 YEARS

0.15% OBEN Tax Levy Limit for 2016-17 complies with "Real Property Tax Freeze" law

Impact of Failed Budget

Contingency Budget



If budget fails twice...

- District would be mandated to adopt a 0% tax levy increase
- Approx. **\$458k** in reductions would be necessary
- Potential \$1,158M in reductions depending upon BOE decision on *Applied Appropriated Fund Balance to new budget*

Reductions may include...

- Co-curricular programs
- Athletic program
- Equipment
- Certified and non-certified staff
- District-wide supplies

All community and non-community groups mandated to be charged for Use of Facilities.

Capital Reserve Expenditures

Projects for 2016-2017 Budget Referendum



| <u>Project</u> | <u>Proposed Cost</u> |
|--|----------------------|
| 1) Vernon Gym Ceiling & Lighting | \$350,000 |
| 2) DW LED Lighting Replacement | \$354,000* |
| 3) TR Student Bathrooms – Rm 11 New Bathroom and 2 Additional Bathrooms Renovated for ADA Compliance | \$170,000 |
| 4) TR Playground Surface Replacement & Swing Sets | \$160,000 |
| 5) HS 4 th Floor Flooring Replacements | \$ 80,000 |
| 6) <u>New Truck with Snow Plow & Sander</u> | <u>\$ 43,885</u> |
| Total | \$1,157,885 |

* All prices are for LED and cost to district after PSEG rebates

Capital Reserve Balance as of 6/30/15 - \$2,613,696

If all projects approved, remaining balance without year end transfer = \$1,455,811

Estimated end of year transfer to Capital Reserve of \$1.0M-1.5M 2015-2016 as of 4/16

2016-17 Budget Discussion



Mailings & Information

“Budget 6-Day Notice”

To be Mailed by May 11th

Budget Brochure

To be Mailed (estimated May 10th)

Budget Documents

Available at Admin Bldg., all Schools, the Public Library and on the District website

Line-by-Line Proposed Expenditure Budget

Real Property Tax Report Card

Administrator Salary Disclosure

Exemption Impact Statement (Provided by County Assessor)

SED School Report Cards & Fiscal Accountability Statement

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">• 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 15 | Feb 9 | Mar 15 | Apr 19 | May 17 |
| Budget Fundamentals | <u>BOE direction:</u> <ul style="list-style-type: none">• Levy Limit 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.
Voter registration deadline - May 12, 2016



Questions?