July 1, 2015

Dear Members of OSBA:

I’m pleased to provide the adopted association budget for fiscal year 2015-16. This budget utilizes our growing revenue to increase services to members and lay the foundation for a strong future.

As always at OSBA, our main concern was to craft a budget that’s both operationally effective and sustainable over the long term. For the fiscal year 2015-16 we are happy to report we have prepared a balanced budget that represents substantial growth in services to OSBA members. The $7.1 million budget represents an increase of $665,000 or 10.3% with no increase in fees or dues. The capital assets budget includes implementation of the 2015 space needs plan and the information technology strategic plan. The proposed budget for 2015-16 maintains focus on OSBA’s priorities: leadership, advocacy and service on behalf of Oregon public school boards, and our continual dedication to improving student achievement.

I want to acknowledge the services of Michael Robison, our Director of Finance, for his help in constructing the budget and the five-year projections. I’m also grateful to Sharon Addison, our bookkeeper, for her stalwart help and advice.

Finally, I must pay tribute to the valiant efforts of our OSBA staff, for maintaining a high level of excellence in serving members’ needs. Their dedication to this association is both remarkable and appreciated.

Respectfully,

Betsy Miller-Jones
Executive Director
Oregon School Boards Association
About OSBA

Created in 1946 in Eugene, the Oregon School Boards Association is a voluntary association of local boards of education. Its main sources of revenue have come from insurance trust management fees, contract income for services rendered and membership dues. With dissolution of the OSBA Health Insurance Trust, state law has required employees of school districts to enter a state-run, state-mandated program. Thus, investment income has replaced insurance trust management fees as OSBA’s primary source of income.

Mission Statement

The Oregon School Boards Association is dedicated to improving student achievement through advocacy, leadership and service to locally elected, volunteer Oregon public school boards.
President: Dave Krumbein
Pendleton 16 Board Member
309 NW 5th
Pendleton, OR 97801-1622
Email: dave.krumbein@gmail.com
Eve: (541) 276-3048
Cell: (541) 377-9054
Region: Gorge

President-elect: Doug Nelson
High Desert ESD Board Member
20328 Donkey Sled Road
Bend, OR 97702
Email: dmnelson48@gmail.com
Day: (541) 322-0876
Cell: (541) 410-8292
Region: Central

Vice President: Betty Reynolds
West Linn-Wilsonville
3J Board Member
25202 SW Petes Mountain Rd
West Linn, OR 97068-9523
Email: bettyreynolds1@comcast.net
Eve: (503) 481-9480
Cell: (503) 481-9480
Region: Clackamas

Secretary-Treasurer: Sam Lee
Winston-Dillard 116 Board Member
324 Maria Ln
Roseburg, OR 97470-9783
Email: 3samlee@gmail.com
Day: (541) 677-7605
Eve: (541) 679-3737
Region: Douglas/South Coast

Past president: Lori Theros
Klamath Falls City Schools
Board Member
1641 Lancaster Ave
Klamath Falls, OR 97601-2100
Email: janelorit757@yahoo.com
Day: (541) 783-2219 x132
Cell: (541) 690-2514
Region: Southeast

Mike Cosgrove
John Day 3 Board Member
134 NW Charolais Hts
John Day, OR 97845-1155
Email: michaelgcrosgrove@gmail.com
Day: (541) 575-0318
Eve: (541) 575-0318
Region: Eastern

Scott Rogers
Athena-Weston 29J Board Member
375 S 5th St
Athena, OR 97813-6065
Email: rogers_scott_a@yahoo.com
Day: (541) 969-9236
Eve: (541) 566-2413
Cell: (541) 566-2413
Region: Gorge

Steve Lowell
Klamath County Board Member
1420 McClellan Dr
Klamath Falls, OR 97603-4144
Email: lowells@kcsd.k12.or.us
Day: (541) 331-7742
Eve: (541) 848-4812
Cell: (541) 331-7742
Region: Southeast

Craig Prewitt
Phoenix-Talent 4 Board Chair
2692 Pioneer Rd
Medford, OR 97501-9660
Email: zimcraig@charter.net
Day: (541) 535-4224
Eve: (541) 535-4224
Cell: (541) 944-6477
Region: Southeast

Sherry Duerst-Higgins
South Lane 45J Board Chair
PO Box 927
Cottage Grove, OR 97424-0040
Email: sherry@duerst-higgins.com
Day: (541) 953-6689
Eve: (541) 953-6689
Cell: (541) 953-6689
Region: Lane

Terry Lenchitsky
Oregon Trail 46 Board Member
34231 SE Bluff Rd
Boring, OR 97009-9751
Email: terrylenchitsky4@gmail.com
Day: (503) 663-5745
Eve: (503) 663-5745
Cell: (503) 568-2615
Region: Clackamas

Don Cruise
Philomath 17J Board Member
416 34th Pl
Philomath, OR 97370-9277
Email: dacruise2@gmail.com
Day: (541) 602-1345
Eve: (541) 602-1345
Cell: (541) 602-1345
Region: Linn/Benton/Lincoln

Tass Morrison
North Santiam 29 Board Chair
PO Box 384
Sublimity, OR 97385-0384
Email: tass.morrison@nsantiam.k12.or.us
Day: (503) 767-1190
Eve: (503) 767-1190
Cell: (503) 910-7219
Region: Marion

David Beeson
Silver Falls 4J Board Member
16903 Herigstad Rd NE
Silverton, OR 97381-9736
Email: davidbeccaesen@gmail.com
Cell: (503) 989-8028
Region: Marion

Stan Primozich
McMinnville 40 Board Member
475 NW Mt Bachelor St
McMinnville, OR 97128-5488
Email: therockor1@onlinemac.com
Day: (503) 434-5355
Eve: (503) 472-1412
Cell: (971) 237-9598
Region: Yamhill/Polk
Greg Kintz  
Vernonia 47J Board Member  
54240 Nehalem Hwy S  
Vernonia, OR 97064-9632  
Email: gpkintz@juno.com  
Day: (503) 429-3303  
Eve: (503) 429-3303  
Cell: (971) 300-8662  
Region: North Coast

Bobbie Regan  
Portland 1J Board Member  
1907 NW Mill Pond Rd  
Portland, OR 97030-4922  
Email: bobbie@comcast.net  
Day: (503) 292-0659  
Eve: (503) 292-0659  
Cell: (503) 819-5447  
Region: Multnomah

Joel Robe  
Lane ESD Board Chair  
3834 Robbie St  
Eugene, OR 97404-1452  
Email: jrobe54@gmail.com  
Day: (541) 543-5559  
Eve: (541) 461-2273  
Cell: (541) 543-5559  
Ex Officio

LeeAnn Larsen  
Beaverton 48J Board Member  
17886 NW Sedgewick Ct  
Beaverton, OR 97006-3310  
Email: leeann_larsen@beaverton.k12.or.us  
Day: (503) 572-6763  
Eve: (503) 645-0967  
Region: Washington

Kris Howatt  
Gresham-Barlow 10 Board Member  
1558 NW 12th Ct  
Gresham, OR 97030-4922  
Email: kris.howatt@gmail.com  
Day: (503) 669-9255  
Eve: (503) 669-9255  
Cell: (503) 830-3608  
Region: Multnomah

Craig Hawkins  
COSA Executive Director  
707 13th St SE, Ste 100  
Salem, OR 97301-4035  
Email: craig@cosa.k12.or.us  
Day: (503) 581-3141  
Ex Officio

Maureen Wolf  
Tigard-Tualatin 23J Board Member  
13075 SW Ascension Dr  
Tigard, OR 97223-5686  
Email: boardmember.wolf@tttsd.k12.or.us  
Eve: (503) 579-0001  
Cell: (503) 720-0692  
Region: Washington

Doug Montgomery  
Multnomah ESD Board Member  
2754 NE 34th Ave  
Portland OR, OR 97212-2701  
Email: dmonty503@aol.com  
Day: (503) 701-0623  
Eve: (503) 287-0877  
Cell: (503) 701-0623  
Region: Multnomah

Samuel Henry  
OR Dept of Education Board Chair  
1186 SW 12th Ct  
TROUTDALE, OR 97060  
Email: henrys@pdx.edu  
Day: (503) 725-3304  
Eve: (503) 666-1202  
Ex Officio
## OREGON SCHOOL BOARDS ASSOCIATION

### '2015-16 Adopted Budget

#### 2012-13 Audited 2013-14 Audited

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<tr>
<th>Revenue Type</th>
<th>2014-15 Estimated</th>
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<th>2015-16 Adopted</th>
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### EXPENDITURES (Continued)

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**TOTAL OFFICE EXPENSE**

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#### Dues, Subscriptions, Publications

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<td>NSBA</td>
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**TOTAL DUES, SUBS., PUBLICATIONS**

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**TOTAL BUILDING**

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**TOTAL EXPENDITURES**

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<td>Excess of Revenue Over/(Under) Expenditures</td>
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<tr>
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<td>84,919,838</td>
<td>86,019,674</td>
<td>79,329,368</td>
<td>86,019,674</td>
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Technology and Building Improvements:

• As described by our auditors, capital assets (land and improvements, buildings and improvements, vehicles and equipment) are individual items costing in excess of $5,000 and having a useful life longer than a year.

• Capital assets show up in the financial statement as fixed assets and the cost of an asset is spread over several years and shows in the income statement as depreciation.

1. Technology:

• Includes $267,500 for upgrades and improvements to IT infrastructure (hardware & software) and $32,500 for contingency for 2015-16. This includes $200,000 for upgrades to SPOT (OSBA’s online salary survey information for use by member districts).

• Includes $100,000 for implementing recommendations from the IT Strategic Plan for 2016-17 and 2017-18.

• Includes $75,000 for contingency for unanticipated projects for 2016-17 and 2017-18.

2. Autos:

• Replace autos with mileage at or above 100,000 miles, two in fiscal year 2015-16 and one each in 2016-17 and 2017-18.

3. Building Improvements:

• Includes renovations to the 3rd and 4th floor as identified in the space planning project accepted by the Board at the January 2015 meeting; and paving of the graveled area where the house was torn down.
MEMORANDUM FROM THE EXECUTIVE DIRECTOR

TO: OSBA Budget Committee  
FROM: Betsy Miller-Jones  
SUBJ: OSBA 2015-16 Budget Proposal  
DATE: April 13, 2015

Fiscal 2014-15 has been a very exciting and successful year for the Oregon School Boards Association. We have successfully rolled out “The Promise of Oregon” campaign and spoken clearly as an association to the Legislature to promote increased funding for education. At the same time we have maintained a wide range of excellent services to our members. Participation in our events is up, and the credibility of OSBA as the “go to” organization for school board members is widely recognized. The OSBA Board of Directors authorized a study of the space needs of the association, an information technology strategic plan, and has begun the discussion of strategic planning for the association. This strong forward-looking leadership provides a great framework for the future.

Financially we have had a very positive year in 2014-15, with revenues expected to exceed expenses by about $1.1 million. This is before taking into account any unrealized gains or losses from investments, which in 2013-14 added an additional $4.4 million to the bottom line. In 2013, OSBA’s invested assets were about $76 million. They have grown to over $81 million today.

One of the great challenges we face, and it is a very positive challenge, is to make sure we put away funds for the “rainy day” when the financial markets are not charging ahead as positively as they have the past few years. Half of our total operating revenue is dependent upon investments. The OSBA Board and finance committee put together investment guidelines and a plan implementing those guidelines to make sure our income is as independent as possible of market variations in bond values, interest rates and equity market fluctuations.

For 2015-16 we have again prepared a balanced budget that utilizes our growing revenue to increase services to members.

Highlights of the proposed budget for 2015-16 include no increase in fees or dues to members, expected continued high attendance at events, plans for the biennial Bonds, Ballots and Buildings Conference in February 2016, and increased services to PACE, including PACE training and PACE school safety day. We have budgeted for the second phase of The Promise of Oregon public campaign, funds for tax reform research and funding for regional meetings convened by OSBA Board and LPC members. The capital assets budget includes implementation of the 2015 space needs plan and the information technology strategic plan.

This budget represents a substantial growth in services to OSBA members. The $7.1 million budget represents an increase of $665,000, or 10.3 percent. This includes increases in a portion of our revenue and expenses related to PACE, as well as growth in event participation and direct services to boards and districts.

The proposed budget for 2015-16 maintains focus on OSBA’s priorities: leadership, advocacy and service on behalf of Oregon public school boards, and our continual dedication to improving student achievement.
INTRODUCTION

OSBA staff is proposing for fiscal year 2015-16 a balanced budget where revenues equal expenditures. In addition, as discussed in the March Board meeting, OSBA staff was able to increase the contingency for 2015-16 from $108,000 to $126,145. OSBA proposed budgeted revenues for 2015-16 increased by $656,794, or 10.2 percent, over 2014-15 budgeted revenues. The proposed expenditures for 2015-16 increased by $656,794, or 10.2 percent. Since we presented a balanced budget last year, the change in revenues and expenses between 2014-15 and 2015-16 are the same amount.

OSBA continues to benefit from the change in investment policy implemented in 2012-13. This has allowed OSBA to increase staff and improve services to our member districts. OSBA is in the second year of budgeting separately for our capital assets or projects (individual items costing $5,000 or more lasting longer than a year). OSBA will be remodeling our office space as a result of the 2014-15 Space Plan. In 2015-16, OSBA will be implementing portions of the Information Technology Strategic plan developed in 2014-15. Having separate operating and capital budgets is standard practice for an organization similar to ours.

OSBA continues to increase staffing levels to provide increased service levels to PACE, prepare transition planning for OSBA, and improve our services to our members.

These changes will be explained in greater detail elsewhere in the budget document.

REVENUE

Dues

The dues estimate includes all districts, ESDs and community colleges as members with the exception of K-12 district McDermitt. We have seen a slowing in new charter school memberships in 2014-15. There have not been any changes made to dues rates since 1998-99.

Interest/investment earnings

For fiscal year 2015-16 we have budgeted an increase of $620,102, or 19.08 percent, from our earnings of dividends, interest and realized gains over the budgeted amount for 2014-15. Using our current investments, we expect dividends, interest and realized gains of $3,882,619 for fiscal year 2015-16.

The projection for fiscal year 2015-16 is conservatively below our current projections for 2014-15 with investment earnings of $4,170,515. This is up almost $920,000 from our budgeted amount for the year 2014-15. The substantial increase is due to OSBA taking full advantage of the positive equity market during 2014-15 as well as the sale of individual bonds at a nice gain that would have been maturing later in 2015-16. OSBA has earned in excess of $1,400,000 in realized gains for 2014-15. These gains were reinvested back into either bonds or equities growing our ending fund balance or investment portfolio.

We will continue to look for ways to convert our unrealized gains into realized gains and grow the investment portfolio.

Insurance/Regence BCBSO

We no longer expect to receive funds from our Health Insurance Trust and as such we didn’t budget any revenues for this line item.

Property/PACE

OSBA is proposing a service agreement fee increase of $80,981, or 17.62 percent, from PACE for 2015-16. This includes increased IT services for the Litigation Department and .5 FTE for the OSBA PACE administrator (Lisa Freiley). This FTE was previously budgeted in 2014-15 as part of the direct litigation fee. OSBA has since hired a full-time Litigation Director and Lisa’s time for 2015-16 was included as part of the OSBA’s operations charges to PACE (overhead). These changes continue to be related to improving the service model of how we provide and account for our services and overhead to PACE.

Convention/conferences

Convention and conference projections for next year reflect an increase of $35,700, or 11.67 percent, from the 2014-15 budget. We expect an increase in attendance at both Summer Board Conference and our Fall Convention. This follows the pattern of previous years when it is an election year for board members. OSBA plans to sponsor a separate, one-day Bonds, Ballots and Buildings Conference in February 2016. We have had good success in adding exhibitors to our events; however, we have reached capacity for the facilities for both Summer Board and Convention.

Sales of publications

Revenue for publications includes policy subscriptions and Policy Plus service resulting in a proposed increase in revenue of $14,500, or 4.64 percent. Policy subscriptions are expected to be up $20,000 and the Policy Plus service, currently included in policy subscriptions, will bring in an additional $4,000. We have also eliminated the sale of several of our
publications and made them available under the members’ only portion of our website, which resulted in a reduction in revenues of $7,500. These items account for the majority of changes in the projected publications revenue for 2015-16.

**Contract services**

Budgeted revenues for contract services are proposed to be down a total of $64,989, or 5.28 percent, from the budgeted revenue for 2014-15. This decrease comes from the lack of staffing in the labor relations department to maintain the ability to take on new contracts resulting in a revenue decrease of $125,000, or 55.56 percent. The decrease is partially offset by increased charges of $86,011, or 10.17 percent, for legal services provided by OSBA to PACE. The increased charges to PACE reflect the hiring of a full-time Litigation Director.

**Rental income**

This income reflects current experience. OSBA is budgeting a slight increase of $3,500, or 4.14 percent, due to rental rate increases for our leased parking spots.

**Sponsorships**

OSBA staff reduced the budgeted sponsorship for 2015-16 by $5,000, or 7.69 percent, to reflect the actual results for 2014-15. Lori Sattenspiel has worked hard to develop these sponsorships for OSBA.

**Miscellaneous**

This category includes NSBA revenue sharing, PaySchools and Solveras Check Recovery.

**Change in Fair Market Value (FMV)**

This is an adjustment to the revenue for the reduction in equity for the OSBA share of the Local Government Center. This entry is made on annualized basis (see audited columns for 2011-12 and 2012-13). OSBA is proposing budgeting for this item for the first time this year, as we are able to predict the change in value of the OSBA share of the Local Government Trust.

**EXPENDITURES**

**Salaries**

OSBA staff is proposing that salaries increase by $343,130, or 11.81 percent. Salaries include a COLA of $60,700, or 2.0 percent, increase for existing employees and possible merit increases of $80,700, or 2.77 percent. In addition, staff is proposing new positions totaling $201,700, or 6.94 percent, increase for 2015-16. The positions are for a new assistant (1 FTE), changes to the Board Development position, changes to the Labor and PACE Services position, and additional specialist position (1 FTE); also included is a full-time director (1 FTE) for PACE.

**Payroll assessments/benefits**

OSBA staff is proposing an overall increase of $176,942, or 11.18 percent, in payroll assessments and benefits. This is primarily due to changes in our PERS rates of two percentage points which increased our overall PERS contribution by $144,905. We are projecting a 12 percent increase in medical insurance rates starting January 1, 2016; however, only half of the increase will be in fiscal year 2015-16.

**Contract services**

OSBA staff is proposing a decrease in contract services of $39,392, or 12.90 percent. This is primarily due to hiring a full time Litigation Director and not contracting for those services in 2014-15.

**Legislative**

OSBA staff is proposing an increase of $19,500, or 609.4 percent. This increase reflects the cost of Legislative Policy Committee expenses related to planning the legislative initiatives that OSBA will be supporting for the 2017 legislative year. These expenses alternate years and are incurred primarily in the year before the Legislature meets in full session. This budget also reflects the cost of delivering the Legislative Highlights publication electronically.

**Travel**

OSBA staff is proposing an increase of $34,500, or 15.34 percent, in travel expenses. We are expecting an increase of $15,000 in Board/Committee travel related to Legislative Policy Committee meetings and an increase of billable travel of $16,000. The increase in billable travel is from the litigation budget and reflects required travel (depositions, hearings, and trials) for case load covered by PACE.

**Professional development**

OSBA staff is proposing an increase of $22,200, or 22.86 percent, in professional development. The increase is related to the increase in OSBA staff and a recommendation from the IT Strategic Plan to strengthen our IT staff through increased training dollars. The professional development allowance is $2,200 for professional staff and $800 for assistants. Those who attend NSBA events are allowed an additional $1,600 for travel.

**Publications**

OSBA staff is recommending a slight decrease of $800, or 1.52 percent, for publications.
**Convention/conference expenses**
OSBA staff is proposing a decrease of $7,275, or 2.62 percent. While we will hold the Bonds, Ballots and Buildings Conference in 2015-16, we will not be holding Leadership Oregon. Day/online conference expenses were reduced by $21,000 based on our 2014-15 experience.

**Office expense**
OSBA staff is proposing an increase of $107,263, or 35.61 percent. The majority of this increase is related to investments in technology. This increase is broken out by hardware increase of $16,000 for replacement computers and upgrades to hard drives, software increases of $16,150 including $10,000 for unanticipated projects, subscription services of $63,118 including offsite software back up, new list serve software to replace Lyris, convention mobile app, Prolaw for PACE. Please see the report titled “Technology Budget Proposal 2015-2016” for more detail.

**Dues, subscriptions, publications**
OSBA staff is proposing $138,350, or an increase of $7,581 or 5.80 percent. NSBA dues will remain roughly the same as the 2014-15. The dues, subscriptions and publication expenses reflect an increase in OSBA staffing levels.

**Buildings**
OSBA staff is proposing $122,000, an increase of $12,000, or 10.91 percent, reflecting increased operating costs for 2015-16 as part of the LGC Trust.

**Legal fees**
OSBA staff is proposing $50,000 for a decrease of $100,000, or 66.67 percent. This reflects the anticipated settlement of the PERS litigation in 2014-15, reducing the need to use outside counsel.

**Depreciation expense**
This is an entry made at the end of the year and reflects the costs of our investment in capital projects. OSBA has not budgeted for this expense in the past years. It is the recommendation of staff that we start budgeting this expense since it is part of our annual expenses and is good business practice.

**Contingency**
OSBA staff proposes that contingency increase of $18,145, or 16.80 percent. This change would keep the contingency to just under 2 percent. Staff recommends OSBA continue to move towards having a contingency greater than 5 percent as recommended by the Government Finance Officers Association (GFOA). The need is mitigated by our unreserved fund balance.

**Bank fees and miscellaneous**
OSBA staff proposes we start budgeting for these expenses as we are incurring the bank fees on a regular monthly basis.

**PACE expenses**
This is the cost of meals and other related expenses for our members attending the new trainings put on by OSBA on behalf of PACE. OSBA is recovering 100 percent of our cost from the PACE administration fee.

**Special projects**
OSBA staff proposes that special projects decrease by $25,000, or 13.51 percent, for fiscal year 2015-16. $150,000 of these funds are for the third phase of our media campaign. No specific project is currently identified for the remaining $10,000; however, this will allow the OSBA Board to have flexibility as opportunities arise.

**Board of Directors’ projects**
OSBA staff proposes that Board of Directors’ projects and special projects be combined under a single line of Special Projects for 2015-16 and beyond.

**Continuing partnerships**
OSBA staff proposes that continuing partnerships remain the same as in fiscal year 2014-15. Planned break-out: PTA $10K; OLN $11K; OSSA $5K; Other $1K.

**Conclusion**
The OSBA proposed budget for 2015-16 varies significantly from 2014-15 in both revenues and expenditures. However, staff believes these changes will also significantly enhance services to our members.
We have prepared charts reflecting five years of forecasted revenues, expenses and unrestricted fund balances for review by the OSBA Budget Committee. These charts reflect for OSBA five years of audited history (2009-10 through 2013-14), projections for fiscal year 2014-15, proposed budget for 2015-16, and projections for future years through 2019-20. These projections are based on operating revenues and expenses and do not include an estimate for unrealized gains or losses on the market value of our investments.

**REVENUES (Green Line):**

**Dues** are based on the fiscal year 2014-15 and forecasted to remain flat as we have reached market penetration with charter schools.

**Investment** income is based on endowment fund earnings, using an assumed earnings rate of 3.25 percent, 4.25 percent, and 5.25 percent for 2016-17 and all future years depending on the specific chart.

**Insurance** reorganized and continued in 2015-16 to provide increased services to PACE. Income is forecasted to grow by 5 percent per year starting with 2016-17 based on the terms of the contract with PACE.

**Convention and Conferences** are forecasted to grow by 1 percent per year for all future years after 2015-16.

**Sales of Publications and Contract Services** are forecasted to grow by 2 percent each year from 2015-16.

**Rental** income is at a flat amount of $59,000 due to renovations on the third floor for Litigation, reducing the amount of space available for rent.

**Sponsorship** was estimated at a flat rate of $60,000 per year as a goal for OSBA to achieve.

**EXPENDITURES (Red Line):**

**Salaries:** Several new positions were added in 2015-16. The future years include cost of living and merit increases, and are projected to increase at 3 percent per year based on the 2015-16 year.

**Benefits and Taxes** are calculated at our 2014-15 budget level of 54.4 percent of salaries.

**Contract Personnel** was estimated using the average of the last five years of usage.

**Legislative** was estimated using alternate amounts depending on the legislative year, either a flat rate of $25,000 or $5,000 per year.

**Travel** is projected to increase by 5 percent per year starting with 2015-16.

**Professional Development** was estimated at a flat rate of $119,300 per year.

**Publications** was estimated at a flat rate of $52,500 per year.

**Convention and Conference** expense was estimated to grow by 3 percent per year based on the 2015-16 budget.

**Office** expense was estimated to grow by 3 percent per year based on the 2015-16 budget.

**Dues, Subscriptions, and Publications** were estimated to grow by 1 percent per year based on 2015-16 budget.

**Building** expenses were estimated to grow by 1 percent per year based on the 2015-16 budget.

**Legal** fees are difficult to project and were held flat at $50,000 per year.

**Special Projects and Board Projects** were held flat at $160,000 per year.

**Bank Fees, PACE Expenses, and Depreciation** were all held at flat amounts for future years.

**The Contingency** was projected at a flat amount of $126,145,000 per year. However, in the event that OSBA needed to use the contingency during the year, we would reduce contingency and charge the actual line item for the expenditure.

**UNRESTRICTED FUND BALANCE (Blue Line):**

OSBA currently has three components to our ending fund balance: **restricted** ($50,000,000), **temporarily restricted** ($15,762,867), and **unrestricted** for June 30, 2014 ($19,156,971). We are estimating that OSBA should end the fiscal year 2014-15 with an unrestricted balance of $20,256,807 and budgeting to end the fiscal year 2015-16 with the same unrestricted balance of $20,256,807. The endowment and the unrestricted balance remain fixed dollar amounts for future years with the unrestricted fund balance fluctuating by the dollar amounts that revenues exceed expenses or unrealized gain or losses.
OSBA OPERATIONS
2015-16 BUDGET PROJECTIONS
INVESTMENT RETURNS 4.25%