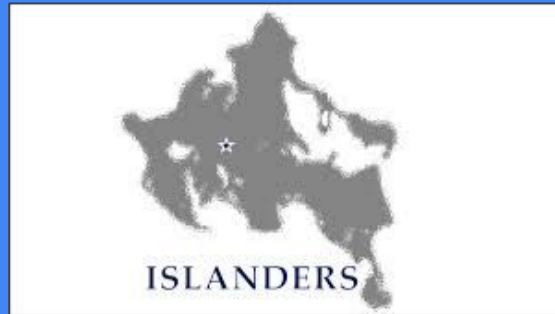


# Shelter Island UFSD

## 2024-2025 Proposed Budget:

“Consistent Academic Achievement, Facilities Improvement, & Fiscal Stability”



Board of Education Meeting of January 16, 2024  
Budget Orientation and Administration Budget  
Presentation #1

# Accomplishments

- US News & World Best High School - 3 Years In A Row (soon to be 4)
  - This past year - top 18% of High Schools in United States; top 23% of High Schools in New York State
- Continued Significant Improvement - State Exams in ELA and Mathematics in Participation, Performance, and Growth
- Implementing new Elementary ELA and Math Curriculums
- New Strategic Plan for the district (Year 1 of 5)
  - Academic - Focus on Scaffolding
  - Increase Parental Outreach & Involvement
  - Employee of the Month Program
  - Classes Create Class Rules



# Accomplishments

- Installed state of the art septic system to reduce amount of nitrates using reserve funds
- Installed brand new softball field using reserve funds
- In the process of installing a new school sign using reserve funds
- Expanding intramurals for our elementary students
- Expanding clubs for our elementary students
- Introducing new classes



# Budget Formation Process

- District administration consults with teachers and staff to determine programmatic wishes and goals for the 2024-2025 school year.
- District administration examines the value and efficacy of existing programs to determine if changes are needed in the 2024-2025 school year.
- District administration gathers pricing, contractual obligations and best estimates in compiling the spending plan.
- The Board of Education reviews these decisions to determine if they represent the proper direction for the District and its taxpayers.

# District Administration Budget Goals

In formulating a proposed spending plan for evaluation by the Board of Education, we have sought to:

- Design and adopt a budget that stays below the Tax Cap limitations.
- Develop a budget that maintains district programs
- Design a budget that builds on prior community support and values fiscal restraint.
- Design a budget that helps us provide the best education possible at the most efficient cost as possible.

# Budgeting Basics

There are two sides to the budget:

- Expenditure plan - This is what is voted on by the community in May.
- Revenue plan - This is determined by the Board of Education.

Both the expenditure and revenue budgets represent the best estimates as to what the District's financial needs will be in 2024-2025. The budget is an aspirational document and one that evolves throughout the year as plans are achieved or contingencies become realities.

# Budgeting Challenges - One Example of Many

Health Insurance increases are increasing by about 10% for active employees and by about 25% for most retirees. The District pays the majority of this cost.

Budget Year	Total Health Costs	Overall Percentage of Budget
2020-2021	\$2,028,071	16.69%
2021-2022	\$1,885,690	15.23%
2022-2023	\$2,001,100	16.31%
2023-2024	\$2,270,207	17.93%
2024-2025	\$2,449,033	18.56%

All figures are subject to adjustment.

# How Are Salary Costs Calculated?

- Most District employees are employed through a union contract. The annual raises are determined through a negotiation process and cannot be unilaterally changed.
- Some union contracts have provisions for raises based on years of experience, supplementary education or other negotiated methods.

	2023-2024 Adopted Budget	2024-2025 Proposed Budget	Percent Change
Administration and General Support	\$559,429	<b>\$573,590</b>	2.53%
Operations and Maintenance	\$480,643	<b>\$493,249</b>	2.62%
Instructional Oversight and Development	\$395,465	<b>\$408,116</b>	3.20%
General Education	\$3,289,095	<b>\$3,436,921</b>	4.49%
Special Education, Wellness, Extracurricular and Athletics	\$1,487,807	<b>\$1,539,536</b>	3.48%
	<b>\$6,212,439</b>	<b>\$6,451,411</b>	<b>3.85%</b>

All figures are subject to adjustment.



# Board of Education, District Clerk, Annual Meeting

- The Board of Education members serve as unpaid volunteers.
- The Board has the primary responsibility to:
  - Adopt District policies
  - Approve the hiring and dismissal of District employees
  - Oversee the public's tax dollars and assets
- The District Clerk serves as the Board's secretary and records official actions of the Board.
- The Annual meeting is held each May.



## Central Administration and Support

- The Central Administration is the Superintendent of Schools and the operations of that office.
- The Business Office oversees purchasing, payroll, benefits, debt service, revenue receipt, central treasury, auditing compliance and real property insurance.
- These two offices are assisted in their work by outside entities, including:
  - External Auditor: An annual review of the District's finances and monetary operations.
  - Claims Auditor: An outside agent of the Board of Education who judges the correctness of each payment made by the District prior to the payment being finalized.
  - Legal Services: Legal experts who advise the District on all matters involving the law.



# Proposed Budget - BOE, Central Administration and Support

	2022-2023 Adopted Budget	2023-2024 Adopted Budget	2024-2025 Proposed Budget	Percent Change
Board of Education	\$125,434	\$128,019	<b>\$132,974</b>	3.87%
Central Administration	\$293,420	\$331,159	<b>\$338,505</b>	2.22%
Business Office and Treasury	\$350,465	\$349,731	<b>\$356,959</b>	2.07%
Auditing and Legal	\$103,078	\$103,478	<b>\$103,678</b>	0.19%
Purchasing and Personnel	\$4,547	\$4,706	<b>\$4,871</b>	3.50%
Real Property Insurance	\$58,140	\$70,548	<b>\$70,548</b>	0.00%
BOCES Administration	\$119,580	\$123,766	<b>\$128,097</b>	3.50%
<b>Total</b>	\$1,054,664	\$1,111,407	<b>\$1,135,631</b>	2.18%

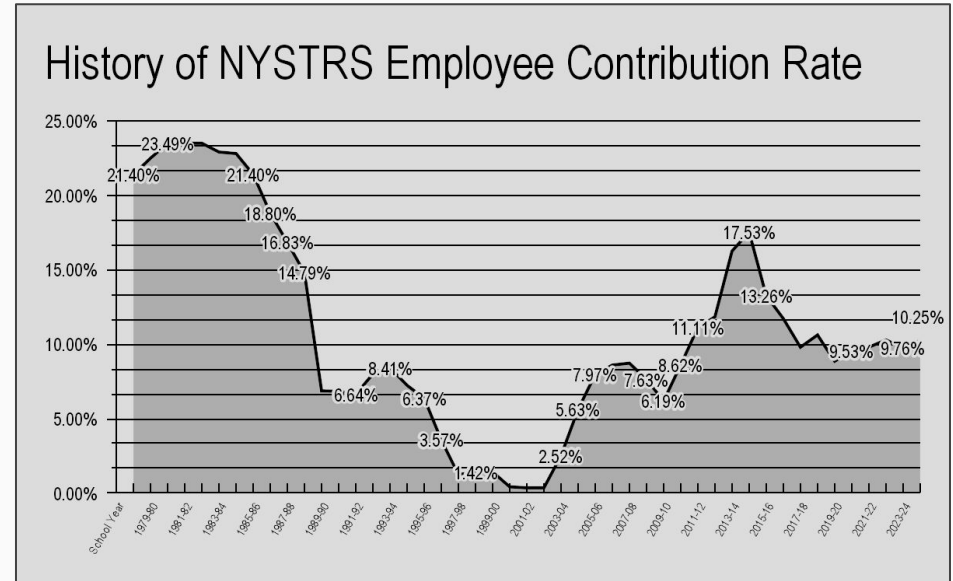
All figures are subject to adjustment.

These numbers are preliminary and are expected to change in the coming weeks.



# How Are Pension Costs Calculated?

- All employees of the District are required to participate in either the New York State Teachers Retirement System (teachers and administrators) or the New York State Employees Retirement System (clerical, custodial and other support staff).
- The systems set contribution rates and the District is required to pay the product of an employee's salary multiplied by the relevant contribution rate.
- Further information on TRS and ERS costs will be presented as salaries are finalized.



# Pension Systems Costs

Note: 2024 TRS is tentative.  Note: ERS rate is for Tier 4 and includes a 2025 increase.	Contribution Rates Based on Earnings	
	2023-2024	2024-2025
TRS	9.76%	10.25%
ERS	13.10%	15.00% to 17.9%
Social Security	7.65%	7.65%

	2022-23 Adopted Budget	2023-2024 Proposed Budget	Percent Change
TRS	\$ 505,471	<b>\$ 517,320</b>	2.34%
ERS	\$ 180,345	<b>\$ 179,045</b>	-0.72%
Social Security	\$ 482,039	<b>\$ 500,456</b>	3.82%

# How Are Health Insurance Costs Calculated?

- The District participates in the New York State Health Insurance Program (Empire NYSHIP), along with NYS and hundreds of local governments across the State.
- NYSHIP rates are set in December for the following 12 months each year.
- The District must make a good-faith estimate as to what increases will be needed in the health insurance costs for the period January - June.

# Where Are Health Insurance Costs Heading?

This chart shows actual annual NYSHIP Full Share rates from 1999 to 2024.

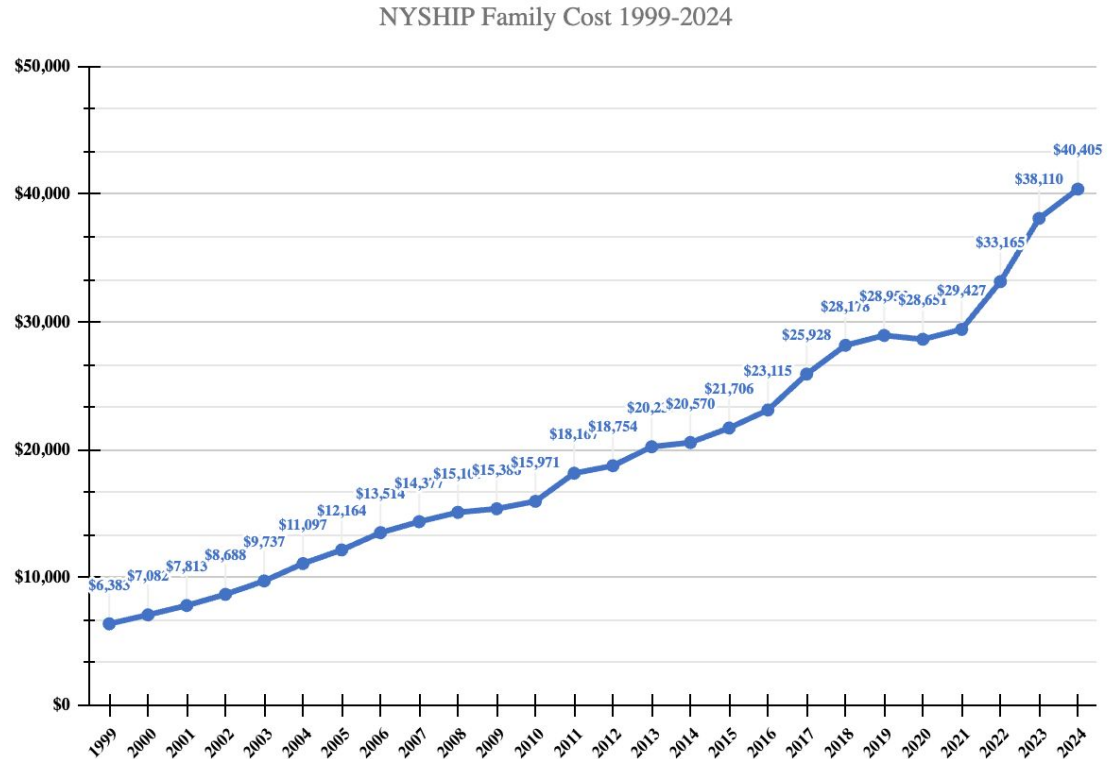
	Annual NYSHIP Rates			
	Family		Individual	
1999	\$6,382.68		\$3,134.16	
2000	\$7,081.92	10.96%	\$3,438.36	9.71%
2001	\$7,813.08	10.32%	\$3,771.12	9.68%
2002	\$8,687.64	11.19%	\$4,135.92	9.67%
2003	\$9,736.92	12.08%	\$4,613.88	11.56%
2004	\$11,096.88	13.97%	\$5,257.80	13.96%
2005	\$12,164.16	9.62%	\$5,741.88	9.21%
2006	\$13,514.28	11.10%	\$6,357.12	10.71%
2007	\$14,376.84	6.38%	\$6,778.08	6.62%
2008	\$15,105.36	5.07%	\$7,108.56	4.88%
2009	\$15,386.04	1.86%	\$7,182.96	1.05%
2010	\$15,971.16	3.80%	\$7,348.08	2.30%
2011	\$18,167.04	13.75%	\$8,327.04	13.32%
2012	\$18,753.60	3.23%	\$8,553.00	2.71%
2013	\$20,238.72	7.92%	\$9,215.76	7.75%
2014	\$20,570.28	1.64%	\$9,258.48	0.46%
2015	\$21,706.32	5.52%	\$9,660.60	4.34%
2016	\$23,114.52	6.49%	\$10,188.12	5.46%
2017	\$25,927.68	12.17%	\$11,332.68	11.23%
2018	\$28,177.80	8.68%	\$12,179.76	7.47%
2019	\$28,953.24	2.75%	\$12,514.20	2.75%
2020	\$28,650.96	-1.04%	\$12,382.00	-1.06%
2021	\$29,426.88	2.71%	\$12,898.00	4.17%
2022	\$33,164.88	12.70%	\$14,353.44	11.28%
2023	\$38,110.44	14.91%	\$16,140.72	12.45%
<b>2024</b>	<b>\$40,405.08</b>	<b>6.02%</b>	<b>\$17,347.92</b>	<b>7.48%</b>
1999 to 2024		533.04%		453.51%

Percentage Increase in 25 Years



# Where Are Health Insurance Costs Heading?

This chart shows actual annual NYSHIP Full Share rates from 1999 to 2024.





# Health Insurance Costs

- Contribution rates are negotiated in employment contracts and cannot be changed except through the agreement of both the District and the relevant union.
- All active employees taking the health insurance pay a portion of the cost. Most retirees, however, do not pay a portion of the cost.
- The District also must budget for unemployment claims, workers' compensation claims and associated benefit costs.

	2023-2024 Adopted Budget	<b>2024-2025 Proposed Budget</b>	Percent Change
Medical Insurance - Employees	\$ 1,300,413	<b>\$ 1,396,234</b>	7.37%
Medical Insurance - Waiver	\$ 199,406	<b>\$ 215,187</b>	7.91%
Medical Insurance - Retirees	\$ 770,387	<b>\$ 837,611</b>	8.73%

Full share costs for active employees are:

- Single = \$17,347.92
- Family = \$40,405.08

# Budget - Next Steps

- The District will continue to monitor developments in educational needs for next year between now and when the budget must be finalized.
- The District will also continue to monitor any changes in the proposed state aid. The Legislature is expected to adopt a budget on or before April 1, 2024.
- The budget presentations will continue, following the schedule on the following slide.

# Next Time....

- February 12 - Budget Presentation - Facilities, Transportation, Capital
- February 28 - Budget Presentation - Educational; Tax Levy Limit
- March 11 - Budget Overview and Adjustments
- April 8 - Budget Adoption by the Board of Education
- May 13 - Budget Hearing at Board of Education Meeting
- May 21 - Budget Vote - 12:00 pm until 9:00 pm at the School Gym