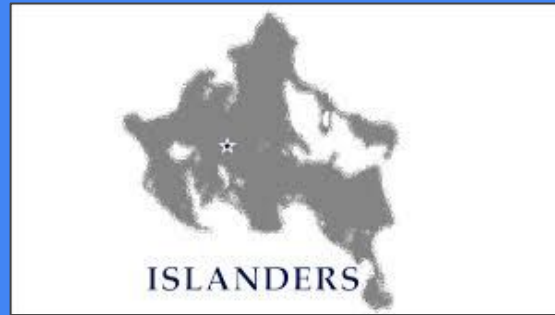


# Shelter Island UFSD

## 2023-2024 Proposed Budget:

### “Systemic Advancement & Fiscal Responsibility”



Board of Education Meeting of January 17, 2023  
Budget Orientation and Administration Budget  
Presentation #1

# Accomplishments

- US News & World Best High School - 2 Years In A Row
- NYSPHSAA School of Distinction - 7 Years in a Row
- Continued Significant Improvement - State Exams in ELA and Mathematics in Participation, Performance, and Growth
- Very high percentage of college acceptances with scholarship offers
- Successful moving from a Pandemic Educational Environment to a Post-Pandemic Environment
- Continued Focus on the social and emotional needs of our students



# Accomplishments

- Continued Professional Development Plan
- New Strategic Plan for district
- New intramurals for our elementary students
- New clubs for our elementary students
- Introduction of new classes next year



# Budget Formation Process

- District administration consults with teachers and staff to determine programmatic wishes and goals for the 2023-2024 school year.
- District administration examines the value and efficacy of existing programs to determine if changes are needed in the 2023-2024 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 2023-2024. The budget is an aspirational document and one that evolves throughout the year as plans are achieved or contingencies become realities.

# Budgeting Challenges

There are three major challenges in creating the 2023-2024 budget:

- Health Insurance increases are between 12% and 22%, depending on the age of the insured. The District pays the majority of this cost.
- Interest costs for the Tax Anticipation Note (TAN) are increased to keep pace with rising interest rates.
- Fuel costs, energy and related costs are up as well.
- BOCES costs are expected to rise by 3.5% in all areas.
- Potential Addition of Driver's Education Vehicle.

# 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.

	2022-2023 Adopted Budget	<b>2023-2024 Proposed Budget</b>	Percent Change
Administration and General Support	\$515,601	<b>\$559,229</b>	8.46%
Operations and Maintenance	\$433,462	<b>\$436,441</b>	0.69%
Instructional Oversight and Development	\$369,426	<b>\$388,356</b>	5.12%
General Education	\$3,231,142	<b>\$3,251,617</b>	0.63%
Special Education and Wellness	\$1,188,772	<b>\$1,212,443</b>	1.99%
	<b>\$5,738,403</b>	<b>\$5,848,087</b>	1.91%

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 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	Spent or Encumbered on January 5, 2023	2023-2024 Proposed Budget	Percent Change
Board of Education	\$ 125,434	\$ 50,544	<b>\$ 129,319</b>	3.10%
Central Administration	\$ 293,420	\$ 154,857	<b>\$ 335,710</b>	14.41%
Business Office and Treasury	\$ 350,465	\$ 210,030	<b>\$ 330,544</b>	-5.68%
Auditing and Legal	\$ 103,078	\$ 110,295	<b>\$ 103,478</b>	0.39%
Purchasing and Personnel	\$ 4,547	\$ 2,667	<b>\$ 4,706</b>	3.50%
Real Property Insurance	\$ 58,140	\$ 55,850	<b>\$ 64,640</b>	11.18%
BOCES Administration	\$ 119,580	\$ 110,573	<b>\$ 123,766</b>	3.50%
<b>Total</b>	<b>\$ 1,054,664</b>	<b>\$ 694,815</b>	<b>\$ 1,092,163</b>	3.56%

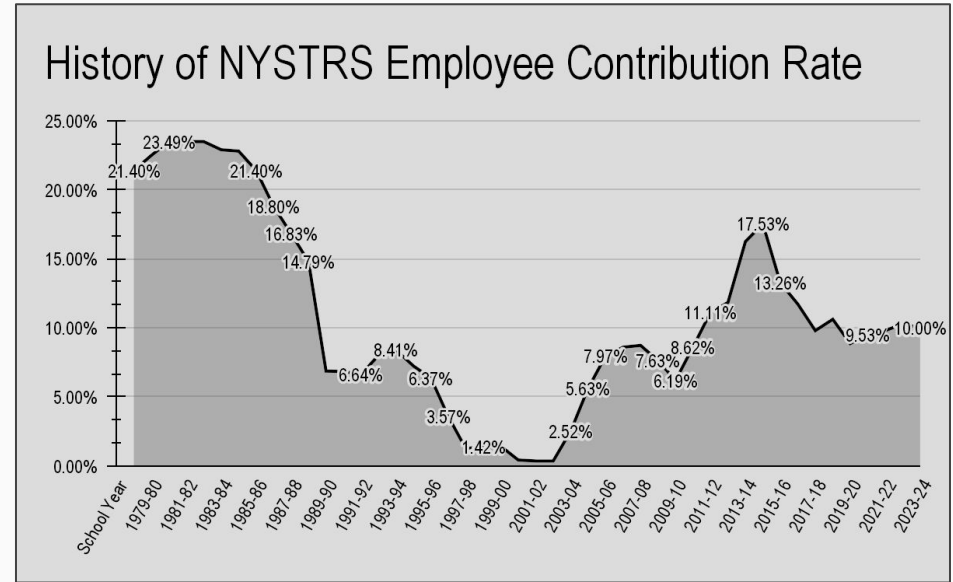
All figures are subject to adjustment.

The District has been advised that BOCES costs will increase by 3.50%.



# 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: 2023 TRS is tentative.	Contribution Rates Based on Earnings	
Note: ERS rate is for Tier 4 and includes a 2024 increase.	2022-2023	2023-2024
TRS	10.29%	10.00%
ERS	13.10%	15.35%
Social Security	7.65%	7.65%

	2022-23 Adopted Budget	<b>2023-2024 Proposed Budget</b>	Percent Change
TRS	\$ 515,311	<b>\$ 509,864</b>	-1.06%
ERS	\$ 163,713	<b>\$ 185,439</b>	13.27%
Social Security	\$ 478,706	<b>\$ 488,484</b>	2.04%

# 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 2023.

Year	Annual NYSHIP Rates			Percentage Increase From Prior Year
	Family	Percentage Increase From Prior Year	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%
1999 to 2023		497.09%		414.99%

Percentage Increase in 24 Years



# 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.

	2022-23 Adopted Budget	2023-2024 <b>Proposed Budget</b>	Percent Change
Medical Insurance - Employees	\$ 1,163,030	<b>\$ 1,371,197</b>	17.90%
Medical Insurance Waiver	\$ 214,306	<b>\$ 194,941</b>	-9.04%
Medical Insurance - Retirees	\$ 623,764	<b>\$ 782,322</b>	25.42%

Full share costs for active employees are:

- Single = \$16,140.72
- Family = \$38,561.83



# 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, 2023.
- The budget presentations will continue, following the schedule on the following slide.

# Next Time....

- January 30 - Budget Presentation - Educational
- February 13 - Budget Presentation - Facilities, Transportation, Capital
- March 1 - Budget Workshop
- March 13 - Budget Overview and Adjustments
- April 5 - Budget Adoption by the Board of Education
- May 8 - Budget Hearing at Board of Education Meeting
- May 16 - Budget Vote - 12:00 pm until 9:00 pm at the School Gym