

Shelter Island UFSD

2022-2023 Proposed Budget:

“Continuous Progress & Financial Responsibility”



Board of Education Meeting of January 18, 2022
Budget Orientation and Administration Budget
Presentation #1

Accomplishments

- US News & World Best High School
- NYSPHSAA School of Distinction - 6 Years in a Row
- Significant Improvement - State Exams in ELA and Mathematics in Participation, Performance, and Growth
- Successful in a Pandemic
 - Open as much or more than any school district in NYS over the past 2 years.
 - Hosted vaccination and booster clinics.
 - Brought testing to our school and community.

Accomplishments - Continued

- Continued to focus on SEL as our students work through the pandemic.
- Continued investment in safety - air filtration, testing, and PPE to be able to keep our students in the school.
- Professional Development for faculty on continuous improvement while working on questioning techniques and learning targets.
- Settled SRP contract. (Both teacher and SRP contract are settled - financial stability/predictability for 5 years).

Budget Formation Process

- District administration consults with teachers and staff to determine programmatic wishes and goals for the 2022-2023 school year.
- District administration examines the value and efficacy of existing programs to determine if changes are needed in the 2022-2023 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 and community support.
- Design and adopt a budget that values fiscal restraint.
- Develop a budget that seeks to identify and implement cost savings.
- 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 2022-2023. The budget is an aspirational document and one that evolves throughout the year as plans are achieved or contingencies become realities.

Property Tax Cap - What Does The Law Say?

Revenues raised by the District through property tax – “the levy” – can increase no more than approximately 2%, or CPI, whichever is less, plus several exemptions.

- Exempt from the tax calculation:
 - Capital costs
 - Some pension costs (Pension cost exclusions are not applicable in 2022-2023 due to expected contribution rates)

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.

All figures are subject to adjustment.

Changes due to reclassification of employees.

	2021-2022 Adopted Budget	2022-2023 Proposed Budget	Percent Change
Administration and General Support	\$532,792	\$502,401	-5.70%
Operations and Maintenance	\$470,563	\$490,922	4.33%
Instructional Oversight and Development	\$326,219	\$377,388	15.69%
General Education	\$3,366,895	\$3,356,951	-0.30%
Special Education and Wellness	\$1,376,322	\$1,368,584	-0.56%
Extra Curricular and Athletics	\$200,659	\$213,746	6.52%
	\$6,273,450	\$6,309,992	0.58%

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

	2021-2022 Adopted Budget	Spent or Encumbered on January 4, 2022	2022-2023 Proposed Budget	Percent Change
Board of Education	\$122,809	\$67,134	\$125,458	2.16%
Central Administration	\$211,936	\$113,551	\$220,260	3.93%
Business Office and Treasury	\$354,982	\$231,876	\$320,224	-9.79%
Auditing and Legal	\$99,579	\$110,996	\$102,878	3.31%
Purchasing and Personnel	\$4,458	\$2,667	\$4,547	2.00%
Real Property Insurance	\$57,000	\$55,850	\$58,140	2.00%
BOCES Administration	\$116,210	\$110,573	\$119,580	2.90%
Total	\$966,973	\$692,647	\$951,088	-1.64%

All figures are subject to adjustment.

An employee in this section has been reclassified in another part of the budget.

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.

	TRS	ERS	Social Security
Proposed Applicable Salaries	\$4,995,183	\$1,238,207	\$6,233,390
Contribution Rate	10.50%	13.10%	7.65%
Proposed Appropriation	\$524,494	\$162,205	\$476,854

All figures are subject to adjustment.

The TRS contribution rate is tentative at this time. The ERS rate declined from 18.30% last year.

Health Insurance and Other Benefits

- 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.

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.
- Rates for family coverage increased in 2022 by more than 12% over 2021 costs.

How Are Health Insurance Costs Calculated?

- Full share costs for active employees are:
 - Single = \$14,353.44
 - Family = \$33,164.88

	2020-2021 Budget	2021-2022 Proposed Budget	Percentage Change
Medical Insurance Waiver	\$152,537	\$167,826	9.11%
Medical Insurance - Employees	\$1,090,550	\$1,070,569	-1.87%
Medical Insurance - Retirees	\$792,098	\$647,294	-22.37%

All figures are subject to adjustment.

Proposed Budget - Pensions, Health Insurance and Other Benefits

	2020-2021 Adopted Budget	Spent or Encumbered on January 15, 2021	2021-2022 Proposed Budget	Percent Change
Pension and Social Security	\$1,115,287	\$325,830	\$1,195,992	7.24%
Health Insurance & Other Benefits	\$2,217,855	\$1,824,718	\$2,067,814	-6.77%
Total	\$3,333,142	\$2,150,548	\$3,263,806	-2.08%

All figures are subject to adjustment.

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, 2022.
- The budget presentations will continue, following the schedule on the following slide.

Next Time....

- January 31 - Budget Presentation - Educational
- February 15 - Budget Presentation - Facilities, Transportation, Capital
- February 28 - Budget Workshop
- March 14 - Budget Overview and Adjustments
- April 11 - Budget Adoption by the Board of Education
- May 9 - Budget Hearing at Board of Education Meeting
- May 17 - Budget Vote - 12:00 pm until 9:00 pm at the School Gym