

Shelter Island UFSD

2021-2022 Proposed Budget:

“Care, Safety, Academics, and Opportunity”



Board of Education Meeting of February 8, 2021
Preliminary Budget

Accomplishments

- Addition of Pre-K 3 Program
- Continuing District Improvement Plan
- Revamping of AIS Process
- Continued focus on SEL
- New Teacher Contract
- Full-Time, In-School Education while enrollment increase 20%
- Savings from Covid – put into reserves
 - Purchased technology, air filters, desks, tri-folds, markings, sinks, etc.

Budget Formation Process

- District administration consults with teachers and staff to determine programmatic wishes and goals for the 2021-2022 school year.
- District administration examines the value and efficacy of existing programs to determine if changes are needed in the 2021-2022 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 within 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 transition from pandemic to post-pandemic educational needs.

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 2021-2022. The budget is an aspirational document and one that evolves throughout the year as plans are achieved or contingencies become realities.

State Aid - An Early Look

Governor Cuomo has released State Aid figures for school districts all across New York State.

- The Governor has proposed a budget that incorporates Federal stimulus money as part of the aid to be paid to school districts.
- The Governor's "state aid runs" also include, for the first time, a listing of the projected STAR monies paid by the State to districts.
- The Governor's proposal consolidates eight aid categories into one "Services Aid" package.

State Aid - Governor's Proposal

	2020-2021 Anticipated	2021-2022 Proposed	Change
Foundation Aid	\$397,353	\$397,353	\$0
Services Aid	\$190,564	\$210,185	\$19,621
Building Aid	\$47,832	\$47,833	\$1
Pandemic Adjustment	-\$7,778		\$7,778
CARES Act	\$7,778		-\$7,778
Funding Adjustment		-\$23,216	-\$23,216
COVID-19 Stimulus		\$23,216	\$23,216
	\$635,749	\$655,371	\$19,622

Prior Aid Categories	2020-2021	2021-2022
BOCES Aid	\$56,466	\$72,945
Textbook Aid	\$13,165	\$13,456
Software Aid	\$2,877	\$2,966
Library Materials and Supplies	\$0	\$1,238
Transportation Aid	\$18,056	\$19,580
High Tax Aid	\$100,000	\$100,000
Total: Services Aid	\$190,564	\$210,185

The Governor's budget proposal contains language that consolidates certain classes of aid into a single block grant called "Services Aid".

State Aid - What Else Could Change?

- The Governor's proposals are built on NYS receiving the anticipated \$6 billion in Federal stimulus money. Should the State receive additional Federal funds, additional aid would be disbursed to school districts.
- According to a comment from the NYS Division of Budget, the State plans to pay school districts 100% of anticipated aid in 2020-2021. "No funds will be withheld," the department spokesman said.
- **The 2021-2022 figures are the Governor's proposal. The NYS Legislature is scheduled to adopt a budget by April 1, 2021, which normally increases aid from the levels in the Governor's proposal.**

State Aid - What Does This Mean for Shelter Island UFSD?

- The Governor's budget proposal increases state aid to the District, modestly.
- The District will lobby the Legislature to increase the Services Aid line.
- The 2021-2022 budget will need to be built with the idea that very little additional assistance will be forthcoming from New York State.

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 2021-2022 due to expected contribution rates)

Shelter Island UFSD Property Tax Calculations

Prior school year tax levy	\$10,777,960.00
Tax base growth factor	1.0088
Product	\$10,872,806.05
Capital Tax Levy in Prior Year	\$414,788.15
Difference	\$10,458,017.90
Allowable Levy Growth Factor	1.0123
Product	\$10,586,651.52
Capital Tax Levy in Coming Year	\$429,920.15
Tax Levy Limit Plus Exclusions	\$11,016,571.67

All figures are subject to adjustment.

The Board of Education will be asked to approve a resolution related to these calculations at this evening's Board meeting to allow the District to file a report with NYSED and the New York State Comptroller.

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.

	2020-2021 Budget	2021-2022 Proposed Budget	Percent Change
Administration and General Support	\$539,747	\$519,792	-3.70%
Operations and Maintenance	\$416,471	\$443,803	6.56%
Instructional Oversight and Development	\$317,427	\$326,219	2.77%
General Education	\$3,249,670	\$3,371,922	3.76%
Special Education and Wellness	\$1,288,386	\$1,361,766	5.70%
Extra Curricular and Athletics	\$191,317	\$202,659	5.93%
	\$6,003,017	\$6,226,161	3.72%

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

	2020-2021 Adopted Budget	Spent or Encumbered on January 15, 2021	2021-2022 Proposed Budget	Percent Change
Board of Education	\$114,071	\$112,497	\$122,809	7.66%
Central Administration	\$207,975	\$205,378	\$211,936	1.90%
Business Office and Treasury	\$335,349	\$298,492	\$341,982	1.98%
Auditing and Legal	\$100,630	\$106,931	\$104,327	3.67%
Purchasing and Personnel	\$4,370	\$2,590	\$4,458	2.00%
Real Property Insurance	\$53,788	\$54,812	\$57,000	5.97%
BOCES Administration	\$113,932	\$110,319	\$116,210	2.00%
Total	\$930,115	\$891,019	\$958,722	3.08%

All figures are subject to adjustment.

Operations and Maintenance of Plant

- The District employs six people who are responsible to maintain, repair, clean and operate the District's buildings and property.
- The Department works with outside vendors on larger projects and on specialty projects, such as the abatement of hazardous materials.
- The Department works with the District's architect/engineer on long-range planning and the preventative maintenance of the real property of the District.

Proposed Budget - Operations and Maintenance of Plant

	2020-2021 Adopted Budget	Spent or Encumbered on January 15, 2021	2021-2022 Proposed Budget	Percent Change
Plant Operations	\$613,016	\$604,246	\$615,242	0.36%
Plant Maintenance	\$262,675	\$233,039	\$292,789	11.46%
Printing and Postage	\$40,450	\$27,623	\$40,050	-0.99%
Total	\$916,141	\$864,908	\$948,081	3.49%

All figures are subject to adjustment.

Academic Administration and General Classroom Instruction

- Two administrators and 28 teachers provide general classroom instruction to all of the District's students.
- The District also employs non-instructional personnel who assist teachers and administrators in the performance of this responsibility.
- Classroom Equipment is any object purchased for instructional use that costs more than \$500.
- Classroom Contractual Expenses include field trip fees and RTI expenses.
- Classroom Materials and Supplies include textbooks and instructional items under \$500.

Proposed Budget - Academic Administration and General Classroom Instruction

	2020-2021 Adopted Budget	Spent or Encumbered on January 15, 2021	2021-2022 Proposed Budget	Percent Change
Academic Administration and Curriculum Development	\$349,224	\$357,361	\$358,348	2.61%
Classroom Instructional Salaries	\$3,015,215	\$2,924,009	\$3,103,482	2.93%
Classroom Non-Instructional Salaries	\$102,782	\$102,110	\$111,451	8.44%
Classroom Equipment	\$3,780	\$2,376	\$3,780	0.00%
Classroom Contractual Expenses	\$40,115	\$6,401	44,118.00	9.98%
Classroom Materials and Supplies	\$122,488	\$108,559	\$128,105	4.59%
Total	\$3,633,603	\$3,500,816	\$3,749,284	3.18%

All figures are subject to adjustment.

Special Education

- Students with Special Education needs receive uniquely tailored instruction that meets their need. Such instruction includes:
 - Smaller class sizes
 - One-to-one aides to focus on learning tasks
 - Speech instruction, physical therapy and occupational therapy
 - Residential settings with limited outside influences
- The academic path of Special Education students is determined by the Committee on Special Education (CSE) which writes an Individual Education Plan (IEP) for the student.

Occupational Education

- Select high school students can attend half-day courses at BOCES to learn career and occupational skills, such as automotive and marine engine repair, barbering, and culinary .
- Rates are set by BOCES and are subject to a three-year rolling average of enrollment.

Summer School

- The District provides summer instructional opportunities for elementary-aged students with classes focusing on reading and math skills.
- The programs are taught by District teachers and run for the month of July.

Guidance, Counseling and Health

- The District's guidance counselor works with students to select courses and plan a cohesive and logical progression of study during their years in the building. The guidance counselor then works with 12th grade students to apply for college and prepare for career pathways.
- The District's psychologist and social worker provide counseling and specialized services to students and families.
- The District's nurse monitors the health of students and works with families and local physicians to promote healthy lifestyles.

Proposed Budget - Special Education, Occupational Education, Summer School, Library and Computer Instruction, and Guidance, Counseling and Health

	2020-2021 Adopted Budget	Spent or Encumbered on January 15, 2021	2021-2022 Proposed Budget	Percent Change
Special Education	\$1,128,480	\$807,911	\$1,170,778	3.75%
Occupational Education	\$43,326	\$57,155	\$60,000	38.49%
Summer School	\$23,575	\$0	\$23,575	0.00%
Library and Computer Instruction	\$296,582	\$286,662	\$305,012	2.84%
Guidance, Counseling and Health	\$464,178	\$453,222	\$496,316	6.92%
Total	\$1,956,140	\$1,604,950	\$2,055,681	5.09%

All figures are subject to adjustment.

Co-Curricular Activities

- The District offers students the opportunity to participate in after-school clubs, including:
 - Book Craft Club, Video Game/Programming Club, NJHS, Jazz Band, Select Choir, Debate Tea, DECA Business Club, School Newspaper, Science Club, Student Council, Unity Club, Yearbook, NHS
- The District's field trip chaperones are paid from this section of the budget.
- The District's Science Fair and newspaper are funded from this section of the budget.

Athletics

- The District offers the following athletic opportunities for students in grades 7 through 12:

Level	Sport	Gender		Level	Sport	Gender
Varsity	Baseball	Boys		JV	Basketball	Boys
Varsity	Basketball	Boys		JV	Basketball	Girls
Varsity	Cross Country	Boys		JV	Softball	Girls
Varsity	Cross Country	Girls		JV	Volleyball	n/a
Varsity	Golf	n/a		JHS	Basketball	Boys
Varsity	Volleyball	n/a		JHS	Basketball	Girls
Varsity	Winter Track	n/a		JHS	Volleyball	Girls
n/a	Cheerleading	n/a		Intramural	Fitness	n/a
				Intramural	Running	n/a
				Intramural	Tennis	n/a

Proposed Budget - Co-Curricular and Athletics

	2020-2021 Adopted Budget	Spent or Encumbered on January 15, 2021	2021-2022 Proposed Budget	Percent Change
Co-Curricular Activities	\$98,331	\$58,689	\$108,469	10.31%
Athletics	\$172,586	\$54,947	\$173,659	0.62%
Total	\$270,917	\$113,636	\$282,128	4.14%

All figures are subject to adjustment.

Transportation

- The District provides transportation for students both on-island as well as off-island.
- The District is responsible for transporting students to any private placement within 15 miles of the student's home (50 miles for Special Education students).
- The District budgets for the cost of contract bus companies as well as ferry fare for the North and South Ferries.

Proposed Budget - Transportation

	2020-2021 Adopted Budget	Spent or Encumbered on January 15, 2021	2021-2022 Proposed Budget	Percent Change
Busing	\$395,690	\$327,167	\$395,590	-0.03%
Ferries	\$116,710	\$87,345	\$116,688	-0.02%
Total	\$512,400	\$414,512	\$512,278	-0.02%

All figures are subject to adjustment.

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	\$5,094,859	\$1,131,302	\$6,226,161
Contribution Rate	10.00%	18.30%	7.65%
Proposed Appropriation	\$509,486	\$207,028	\$476,301

All figures are subject to adjustment.

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.
- Since 1999, NYSHIP rates have increased by 324%.

How Are Health Insurance Costs Calculated?

- 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.
- Employees who have coverage elsewhere are eligible for a waiver payment, which is less costly for the District than paying for unnecessary health insurance

How Are Health Insurance Costs Calculated?

- Full share costs for active employees are:
 - Single = \$12,898.44
 - Family = \$29,426.88

	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	\$640,166	-23.73%

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	\$1,192,815	6.95%
Health Insurance & Other Benefits	\$2,217,855	\$1,824,718	\$2,060,687	-7.09%
Total	\$3,333,142	\$2,150,548	\$3,253,502	-2.39%

All figures are subject to adjustment.

Debt Service

- The District has issued bonds or other borrowings that represent the unconditional promise of the District to repay the loan.
- Debt schedules are determined at the time the loan is finalized.
- The District also borrows money each fall in anticipation of property tax receipts being received beginning each January. This Tax Anticipation Note is repaid each June, with interest.

What Are Transfers to Other Funds?

- The District must cover a portion of the costs of summer instruction for certain Special Education students. The balance is paid via grant to the Special Aid Fund.
- Ideally, the Cafeteria should support itself through the sale of food to students and staff. Due to its operating expenses and limited revenue sources, the Cafeteria runs a deficit each year. The General Fund then must support such deficits through a transfer to the Cafeteria Fund.

Proposed Budget - Debt Service and Transfers to Other Funds

	2020-2021 Adopted Budget	Spent or Encumbered on January 15, 2021	2021-2022 Proposed Budget	Percent Change
Bonds Principal and Interest	\$366,156	\$30,578	\$365,056	-0.30%
Energy Performance Contract Principal and Interest	\$82,982	\$41,491	\$82,982	0.00%
Tax Anticipation Note Interest	\$36,000	\$20,833	\$38,775	7.71%
Transfer to Special Aid Fund	\$10,425	\$0	\$11,000	5.52%
Transfer to Cafeteria Fund	\$102,000	\$40,000	\$125,000	22.55%
Total	\$597,563	\$132,902	\$622,813	4.23%

All figures are subject to adjustment.

Proposed Budget - Summary

	2020-2021 Adopted Budget	Spent or Encumbered on January 15, 2021	2021-2022 Proposed Budget	Percent Change
Central Administration and Support	\$930,115	\$891,019	\$958,722	3.08%
Operations and Maintenance of Plant	\$916,141	\$864,908	\$948,081	3.49%
Instruction	\$5,860,660	\$5,219,401	\$6,087,093	3.86%
Transportation	\$512,400	\$414,512	\$512,278	-0.02%
Benefits	\$3,333,142	\$2,150,548	\$3,253,502	-2.39%
Debt Service and Interfund Transfers	\$597,563	\$132,902	\$622,813	4.23%
Total	\$12,150,022	\$9,673,290	\$12,382,489	1.91%

All figures are
subject to
adjustment.

The proposed budget requires reductions to become property tax cap compliant. Those reductions will occur over the next few weeks.

Revenue

- SIUFSD revenues come from three main sources:
 - Property Taxes -- Paid by the property owners in the District
 - State Aid -- Funds remitted to the District from New York State, as proposed by the Governor and authorized by the Legislature
 - Appropriated Fund Balance (AFB) -- Funds that are unspent from the prior year
 - The District must take steps to reduce its reliance on the AFB as it becomes harder and harder each year to underspend the budget. If the AFB is not attainable, then the property tax levy must be used to make up the difference
 - By instituting a multi-year, gradual reduction to the AFB, the District can create long-term financial stability

Revenue

	2020-2021 Anticipated	2021-2022 Proposed	Difference
Property Taxes	\$10,777,960	\$11,016,572	\$238,612
State Aid	\$657,085	\$655,371	-\$1,714
Appropriated Fund Balance	\$714,978	\$700,000	-\$14,978
Total	\$12,150,023	\$12,371,943	\$221,920

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, 2021.
- The District will continue to look for potential reductions in the expenditure plan. Expenses must be reduced to make the budget property tax cap compliant.

Next Time....

- February 24 - Budget Workshop
- March 8 - Budget Overview and Adjustments
- April 12 - Budget Adoption by the Board of Education
- May 10 - Budget Hearing at Board of Education Meeting
- May 18 - Budget Vote - 12:00 pm until 9:00 pm at the School Gym