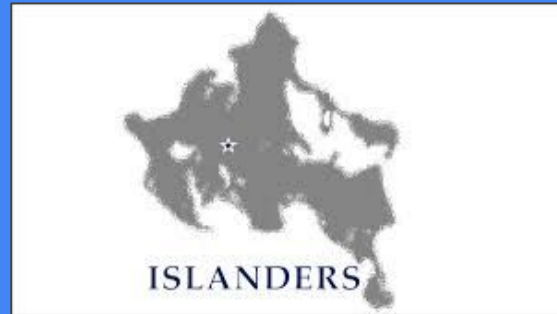


# Shelter Island UFSD

## 2025-2026 Proposed Budget:

“Safety First, Smart Spending, and Achieving Excellence: A Foundation for Success!”



Board of Education Meeting of January 13, 2025  
Budget Orientation and Administration Budget  
Presentation #1

# Accomplishments

- Ongoing Substantial Progress - 2024 US News & World Best High School (Top 18%) & 2025 Niche.com Best College Prep (reached top 15%).
- Sustained Continuous Improvement - State Exams in ELA and Mathematics
- Continuous Exceptional Performance - Regents Exams
- Ongoing Expansion of Offerings - College Level Courses
- Implementing Innovative ELA, Math, and Science Curriculum - Year 3
- Rolling Out Strategic Plan for the District - Year 2
  - Focus on Next Generation Learning Standards
  - Increase Availability of Subs
  - School-Wide Service Project
  - Increase Parental Involvement
  - Increase Outreach to ENL Community

# Budget Formation Process

- District administration consults with teachers and staff to determine programmatic wishes and goals for the 2025-2026 school year.
- District administration examines the value and efficacy of existing programs to determine if changes are needed in the 2025-2026 school year.
- District administration gathers pricing, contractual obligations and best estimates in compiling the spending plan.
- Administration monitors potential changes to State Aid formulas to determine how the District can fund the ideal spending plan. (There is more uncertainty this year than ever before.)
- 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:

- 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 2025-2026. 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

Real Property Insurance costs have been growing in excess of the 2% cap every year but one for the last five years. These costs are outside of the District's control but are essential in the protection of the District and the taxpayers.

	Cost	Percentage Increase
2020-2021	\$53,788	
2021-2022	\$57,000	5.97%
2022-2023	\$58,140	2.00%
2023-2024	\$70,548	21.34%
2024-2025	\$81,129	15.00%
2025-2026	\$86,493	6.61%

2025-2026 Cost is only an estimate and could rise once NYSIR, the District's insurance company, announces adjustments to its 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.

	2024-2025 Adopted Budget	2025-2026 Proposed Budget	Percent Change
Administration and General Support	\$580,610	<b>\$598,100</b>	3.01%
Operations and Maintenance	\$492,149	<b>\$498,277</b>	1.25%
Instructional Oversight and Development	\$407,916	<b>\$422,369</b>	3.54%
General Education	\$3,433,121	<b>\$3,579,381</b>	4.26%
Special Education, Wellness, Extracurricular and Athletics	\$1,517,367	<b>\$1,578,679</b>	4.04%
	<b>\$6,431,163</b>	<b>\$6,676,806</b>	<b>3.82%</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

	2023-2024 Adopted Budget	2024-2025 Adopted Budget	2025-2026 Proposed Budget	Percent Change
Board of Education	\$128,019	\$139,294	<b>\$148,906</b>	6.90%
Central Administration	\$331,159	\$332,126	<b>\$361,229</b>	8.76%
Business Office and Treasury	\$349,731	\$361,238	<b>\$366,557</b>	1.47%
Auditing and Legal	\$103,478	\$103,494	<b>\$108,931</b>	5.25%
Purchasing and Personnel	\$4,706	\$4,789	<b>\$4,975</b>	3.89%
Real Property Insurance	\$70,548	\$78,630	<b>\$89,638</b>	14.00%
BOCES Administration	\$123,766	\$128,580	<b>\$133,582</b>	3.89%
<b>Total</b>	\$1,111,407	\$1,148,150	<b>\$1,213,817</b>	5.72%

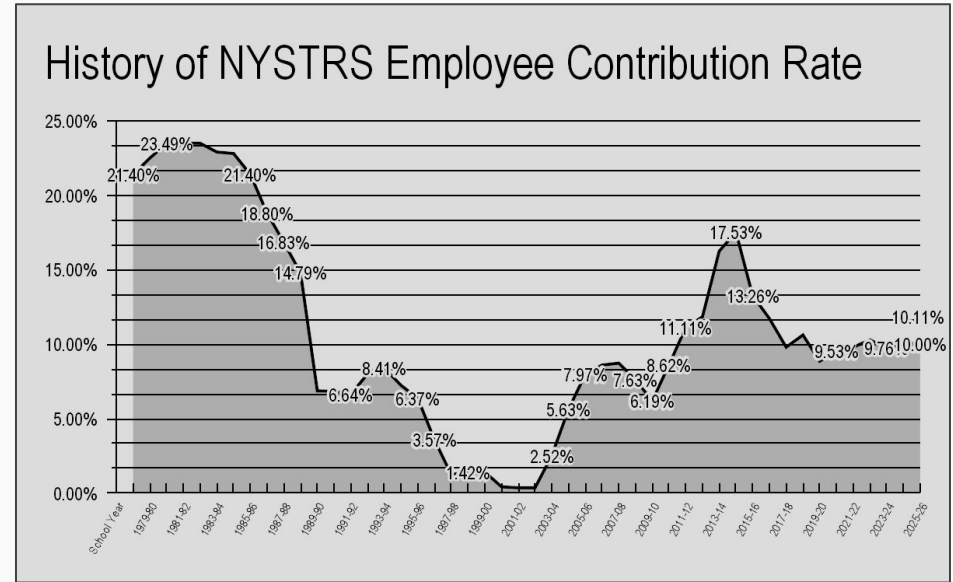
All figures are subject to adjustment.

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: 2025 TRS is not yet determined.	Contribution Rates Based on Earnings	
Note: ERS rate is for Tier 4 and includes a 2025 increase.	2024-2025	2025-2026
TRS	10.11%	Between 9.5% and 10%
ERS	15.00%	17.80%
Social Security	7.65%	7.65%

	2024-25 Adopted Budget	2025-2026 Proposed Budget	Percent Change
TRS	\$ 503,530	<b>\$ 533,077</b>	5.87%
ERS	\$ 180,258	<b>\$ 233,789</b>	29.70%
Social Security	\$ 492,907	<b>\$ 510,928</b>	3.66%

**Why are costs going up if rates are declining?**  
 Due to increases in salaries, the District's mandatory contributions to TRS will increase.

# 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.

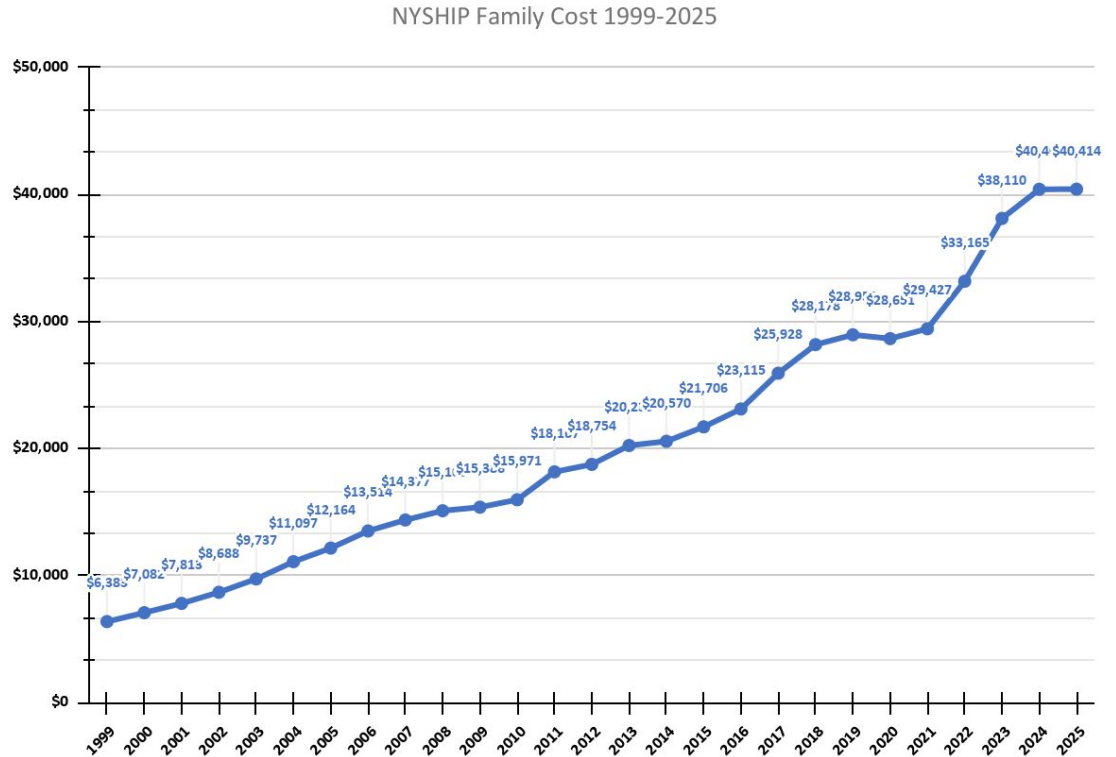
# Where Are Health Insurance Costs Heading?

This chart shows actual annual NYSHIP Full Share rates from 1999 to 2025.

	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%
2024	\$40,405.08	6.02%	\$17,347.92	7.48%
2025	\$40,413.60	0.02%	\$17,754.36	2.34%

# Where Are Health Insurance Costs Heading?

This chart shows actual annual NYSHIP Full Share rates from 1999 to 2025.



# 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.

	2024-2025 Adopted Budget	<b>2025-2026 Proposed Budget</b>	Percent Change
Medical Insurance			
Employees	\$1,380,134	\$1,430,047	3.62%
Waiver	\$215,187	\$245,635	14.15%
Retirees	\$843,440	\$869,935	3.14%

Full share costs for active employees are:

- Single = \$17,754.36
- Family = \$40,413.60



# 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, 2025.
- The budget presentations will continue, following the schedule on the following slide.

# Next Time....

- February 10 - Budget Presentation
- February 25 - Budget Presentation & Tax Levy Limit
- March 10 - Budget Overview and Adjustments
- April 7 - Budget Adoption by the Board of Education
- May 12 - Budget Hearing at Board of Education Meeting
- May 20 - Budget Vote - 12:00 pm until 9:00 pm at the School Gym