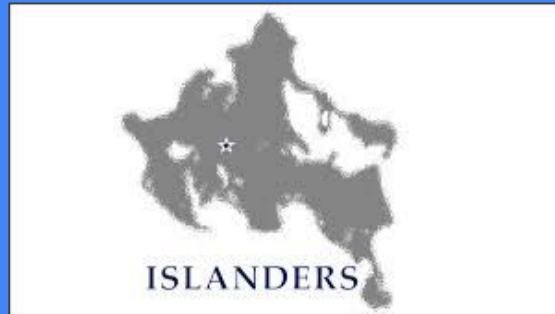


# Shelter Island UFSD

## 2025-2026 Proposed Budget:

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



Board of Education Meeting of February 25, 2025  
Facilities, Debt Service, Property Tax Cap Calculations  
Presentation #3

# Accomplishments

- Ongoing Substantial Progress - 2024 US News & World Best High School (Top 18%) & 2025 Niche.com Best College Prep (reached top 15%).
- AP Platinum Designation - One of the few districts on New York (only 7%).
- 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.
- 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.



# Co-Curricular Activities

- The District offers students the opportunity to participate in after-school clubs, including:
  - Book Craft Club, Art Club, NJHS, Jazz Band, Select Choir, Elementary Foreign Language Club, School Newspaper, Elementary Play, Secondary School Play, 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:
- Fall
  - Varsity Boys Cross Country, Varsity Girls Cross Country, Varsity Golf, Varsity Girls Volleyball, JV Girls Volleyball, JH Boys Cross Country, JH Girls Cross Country, JV Boys Soccer, JH Boys Soccer
- Winter
  - Varsity Boys Basketball, Junior Varsity Girls Basketball, Varsity Cheerleading, Varsity Boys Indoor Track, Varsity Girls Indoor Track, JV Boys Basketball, JH Boys Basketball, JH Girls Basketball, JH Girls Volleyball
- Spring
  - JV Baseball, JV Softball, Varsity Boys Track, Varsity Girls Track, JH Boys Track, JH Girls Track, JH Baseball, JH Softball
- Intramural Program (Elementary K-5 and Secondary 6-12)
  - Elementary Games and Fitness K-6
  - Off Season Athletic Conditioning and Workouts 7-12



# Proposed Budget - Co-Curricular and Athletics

	2023-2024 Adopted Budget	2024-2025 Adopted Budget	<b>2025-2026 Proposed Budget</b>	Percent Change
Co-Curricular Activities	\$126,113	\$121,764	<b>\$125,130</b>	2.76%
Athletics	\$224,660	\$201,455	<b>\$205,975</b>	2.24%
<b>Total</b>	<b>\$350,773</b>	<b>\$323,219</b>	<b>\$331,106</b>	<b>2.44%</b>

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 partners with other public school districts for certain transportation services to save taxpayers money.
- The District budgets for the cost of contracted bus companies as well as ferry fare for the North and South Ferries.





# Proposed Budget - Transportation

	2023-2024 Adopted Budget	2024-2025 Adopted Budget	2025-2026 Proposed Budget	Percent Change
Busing	\$356,547	\$435,312	<b>\$517,600</b>	18.90%
Ferries	\$90,808	\$96,465	<b>\$103,218</b>	7.00%
<b>Total</b>	<b>\$447,356</b>	<b>\$531,777</b>	<b>\$620,818</b>	<b>16.74%</b>

The increase is attributable to two factors: 1) Increases in the contractual costs with Sunrise Buses, and 2) A change in transportation needs for off-Island bus runs that are mandatory.

All figures are subject to adjustment.



# Will The District Need To Pierce The Cap?

- At the moment:
  - The expenditure budget is larger than the revenue budget.
  - Unless there is an unexpected infusion of State Aid, or a significant change in the program offered to students, it will be necessary to seek voter permission to pierce the property tax cap.
- Programs in the District are run in a lean and efficient manner. Cutting to stay within the property tax cap will require major changes to the character of the Shelter Island School.



# Budget In Summary, To Date...

	2023-2024 Adopted Budget	2024-2025 Adopted Budget	2025-2026 Proposed Budget	Percent Change
Board of Education	\$127,219	\$138,494	<b>\$145,990</b>	5.41%
Central & Business Administration	\$789,074	\$801,647	<b>\$835,136</b>	4.18%
Facilities	\$965,938	\$977,941	<b>\$1,006,399</b>	2.91%
Property Insurance and BOCES Administration	\$195,113	\$208,010	<b>\$224,044</b>	7.71%
Academic Administration and General Instruction	\$3,685,904	\$3,790,649	<b>\$3,986,085</b>	5.16%
Special Education and Other Instruction	\$1,924,843	\$1,974,265	<b>\$2,281,256</b>	15.55%
Clubs and Athletics	\$350,773	\$323,219	<b>\$331,106</b>	2.44%
Transportation	\$447,356	\$531,777	<b>\$620,818</b>	16.74%
Benefits	\$3,620,061	\$3,792,856	<b>\$3,953,441</b>	4.23%
Debt Service	\$427,838	\$436,563	<b>\$435,782</b>	-0.18%
Transfer to Other Funds	\$129,974	\$124,374	<b>\$169,290</b>	36.11%
<b>Total</b>	<b>\$12,664,093</b>	<b>\$13,099,796</b>	<b>\$13,989,348</b>	<b>6.79%</b>

All figures are subject to adjustment.

To stay within the Property Tax Cap, the budget will need to be reduced by \$726,834.



# 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 in some years (Not in the 2025-2026 budget cycle)

# Shelter Island UFSD Property Tax Calculations

Prior school year tax levy	\$11,498,886
Tax base growth factor	1.0017
Product	\$11,518,434
PILOT in Prior Year	\$63,458
Sum	\$11,581,892
Capital Tax Levy in Prior Year	\$375,441
Difference	\$11,206,451
Allowable Levy Growth Factor	1.0200
Product	\$11,430,580
PILOT in Coming Year	\$63,458
Difference	\$11,367,122
Capital Tax Levy in Coming Year	\$375,110
<b>Tax Levy Limit Plus Exclusions</b>	<b>\$11,742,232</b>

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.



# Revenue Budget

	2024-2025 Proposed	2025-2026 Anticipated	Difference
Property Taxes (at cap)	\$11,498,886	<b>\$11,742,232</b>	\$243,346
State Aid	\$694,128	<b>\$708,725</b>	\$14,597
Reserves	\$210,824	<b>\$190,000</b>	-\$20,824
Interest Income	\$107,750	<b>\$127,000</b>	\$19,250
Appropriated Fund Balance	\$590,210	<b>\$490,000</b>	-\$100,210
Total	\$13,101,798	<b>\$13,257,957</b>	\$156,159
<b>Projected Expenditure Budget</b>			
		<b>\$13,984,792</b>	
<b>Budget Reduction Needed</b>			
		<b>\$726,834</b>	

What is Appropriated Fund Balance? See the next slide.

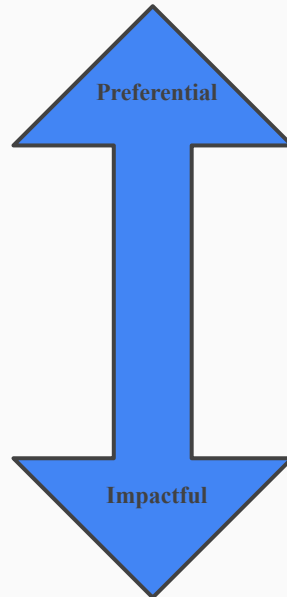
# Appropriated Fund Balance?

- The Appropriated Fund Balance is money left over from Year 1 that is used as a revenue source in Year 2.
- The District **must** reduce its reliance on Fund Balance because less and less of the budget is left unspent each year.
- It is very easy to present a balanced budget by projecting use of more Appropriated Fund Balance. But it is very difficult to leave more of the budget unspent during the year simply because the budget is lean and efficient.

<u>School Year</u>	<u>AFB</u>
2018-2019	\$770,556
2019-2020	\$746,008
2020-2021	\$714,978
2021-2022	\$699,996
2022-2023	\$685,331
2023-2024	\$650,000
2024-2025	\$590,210
2025-2026 (proposed)	\$490,000

# What Could Be Cut?

- **Smaller Cuts:**
  - Travel and Conference
  - Materials and Supplies
  - Equipment
- **Bigger Cuts:**
  - Programs
  - Staff
- **Revenue Changes:**
  - Greater use of reserves
  - Greater use of Fund Balance



Levy Increase	How Much Needs To Be Cut
2.12%	\$726,834
4.00%	\$510,225
5.00%	\$395,236
6.00%	\$280,247
7.00%	\$165,258
8.44%	\$0

This represents a Tax Cap Compliant Budget.

This represents the Budget as Presented to Date.



# What Is The Tax Impact?

2024-2025 Levy		\$11,496,884
2025-2026 Tax Cap Compliant Levy		\$11,742,232
20225-2026 "Budget To Date" Levy		\$12,473,623
<b>For A Home Assessed At:</b>		
	<b>Approximate Tax Levy Increase on \$100,000 of Additional Spending Is:</b>	
\$800,000		\$20.57
\$1,000,000		\$25.72
\$1,200,000		\$30.86
\$1,500,000		\$38.57

**All figures are subject to adjustment and are to be used as estimates only. Final determinations as to an individual parcel's property tax assessment are solely made by the Town of Shelter Island, not the School District.**



For a home assessed at \$1,000,000, there would be \$186.94 in additional taxes during the year to fund the budget as presented rather than at the Property Tax Cap.

$$\$726,834 / \$100,000 = 7.26 \quad 7.26 * \$25.72 = \$186.94$$

If the budget were to carry a 5.00% tax levy increase instead of the levy increase as presented, a homeowner of a \$1,000,000 assessed property would save \$85.28 in the year.

# What Does This Mean?

**The following additional taxes to fund the budget as presented as \$726,834 over rather than at the Property Tax Cap would be:**

<u>Assessed Value</u>	<u>Increase Per Month</u>	<u>Increase Per Year</u>
500,000	7.79	93.47
800,000	12.44	149.34
1,000,000	15.58	186.94
1,200,000	18.67	224.04
1,500,000	23.35	280.02

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- The Board is scheduled to adopt the District's budget in early April. The Board could even wait until late-April to adopt the budget.
- It may be prudent to wait until the state budget is finalized before making any more additional cuts.
- The District will continue to monitor developments in educational needs for next year between now and when the budget must be finalized.
- The budget presentations will continue, following the schedule on the following slide.

# Next Time....

- 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

