

Shelter Island UFSD 2026-2027 Proposed Budget



*“Protecting Today’s Programs and Early Learning
While Building Financial Stability for the Future”*

Board of Education Meeting of January 12, 2026
Budget Introduction & Outlook
Presentation #1

Accomplishments

- Ongoing Substantial Progress - 2024-25 US News & World Best High School (Top 18%) & 2025 Niche.com Best College Prep (reached top 15%).
- Only public school district in Suffolk County to achieve AP Platinum designation.
- Sustained Continuous Improvement - State Exams in ELA and Mathematics - Outperform Suffolk County Averages in both subjects now.
- Continuous Exceptional Performance - Regents Exams & AP Exams
- Ongoing Expansion of Offerings - College Level Courses
- Implementing Innovative ELA, Math, and Science Curriculum - Year 4



Budget Formation Process

- District administration consults with teachers and staff to determine programmatic wishes and goals for the 2026-2027 school year.
- District administration examines the value and efficacy of existing programs to determine if changes are needed in the 2026-2027 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.

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 2026-2027. The budget is an aspirational document and one that evolves throughout the year as plans are achieved or contingencies become realities.



Very Early Budget Outlook

- The district anticipates potential budget challenges in the upcoming fiscal year.
- Two options are under consideration: further reductions to already reduced programs, or seeking voter approval to exceed the tax cap to maintain programs and restore Pre-K 3.
- The Property Tax Cap currently allows an estimated levy increase of approximately 2.09%.
- As projected, maintaining the current budget without program changes would result in a 4.88% budget increase next year, and a ~ 10% tax levy increase if Pre-K 3 is restored.

All figures subject to adjustment.
The Property Tax Cap calculation uses certain assumptions because necessary data is not yet available.



Why Is This Occurring?

Very Preliminary Revenue Projections	2025-2026	2026-2027
Property Taxes	\$11,742,232	\$11,987,612
State Aid	\$708,725	\$709,000
Reserves	\$211,000	\$50,000
Interest Income	\$141,000	\$100,000
Appropriated Fund Balance	\$495,174	\$200,000
Total	\$13,298,131	\$13,046,612

All figures subject to adjustment.
Assumes normal budgetary experiences replicates
itself in the coming months.

- **Loss of important revenue sources:**
 - The District did not replenish as much reserves at the end of the 2024-2025 school year because there was no money left over. As a result, the reserves were depleted more than usual.
 - Appropriated Fund Balance is money left over in Year 1 that is used as a revenue in Year 2. There will not be enough unspent money in the budget this year to accumulate the funds needed for greater use of the AFB, as we had done in previous years. (As you may recall, we have been reducing this amount of money for this very reason.)
- **In the last two years, costs have increased as follows:**
 - Health insurance up 12.11%.
 - Property and liability insurance up 26.72%.
 - Several other large increases as well.



Why Is This Occurring?

- The cost of salaries, benefits and programs only increase. The increases are often well in excess of the allowable rate of increase in the property tax cap.
- The expenses, in effect, run away from the revenues faster than the revenues can go.

Selected Budget Lines	Projected Increase
Instr Salaries Secondary School	\$81,571
Instr Salaries Special Ed	\$51,340
Salaries Special Ed Aides	\$39,419
Special Ed Contractual Services	\$17,200
Special Ed Other Public School	\$24,980
Occupational Ed BOCES	\$44,500
Instr Salaries Coaches	\$14,986
NYS Teacher Retirement Sys	\$44,712
Medical Insurance Waiver	\$70,575
Medical Insurance - Employees	\$98,563
Medical Insurance - Retirees	\$133,352
Total	\$621,199

All figures subject to adjustment.
Assumes normal budgetary experiences replicates
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- Non Property Tax Levy revenues will decrease by \$496,899 next year. With double-digit increases in expensive programs such as health insurance and property and liability insurance, it will not be possible to preserve the programs currently being offered, restore the Pre-K 3 program, and yet only increase the property tax levy by 2.09%.
- Over the next few Board of Education meetings, District administration will show a budget that preserves programs but requires voters to potentially pierce the Property Tax Cap.
- If the Board chooses to put that budget to the voters, but the voters do not support that budget, cuts to the program would eliminate many optional, yet extremely valuable, programs from the District's budget, and could result in a building that is not available for community use.

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.

	2025-2026 Adopted Budget	2026-2027 Proposed Budget	Percent Change
Administration and General Support	\$530,936	\$547,338	3.09%
Operations and Maintenance	\$484,876	\$480,233	-0.96%
Instructional Oversight and Development	\$414,542	\$422,049	1.81%
General Education	\$4,998,887	\$5,181,696	3.66%
Special Education, Wellness, Extracurricular and Athletics	\$1,887,368	\$2,013,037	6.66%
Total	\$8,316,609	\$8,644,353	3.94%

All figures subject to adjustment.
Assumes normal budgetary experiences replicates
itself in the coming months.

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.



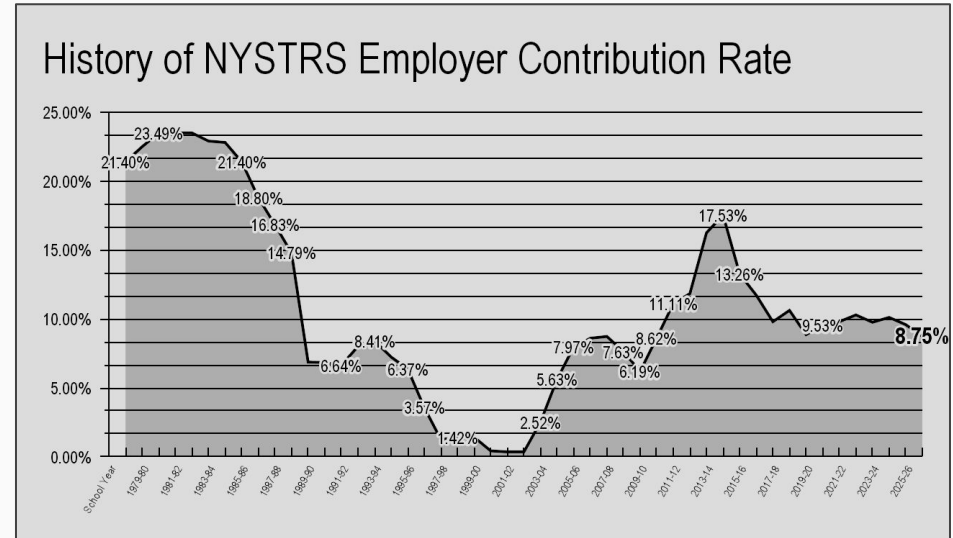
Proposed Budget - BOE, Central Administration and Support

	2025-2026 Adopted Budget	2026-2027 Proposed Budget	Percent Change
Board of Education	\$134,251	\$141,813	5.63%
Central Administration	\$336,523	\$356,834	6.04%
Business Office and Treasury	\$296,811	\$309,460	4.26%
Auditing and Legal	\$106,326	\$107,975	1.55%
Purchasing and Personnel	\$4,975	\$5,169	3.89%
Real Property Insurance	\$89,638	\$99,638	11.16%
BOCES Administration	\$133,582	\$138,778	3.89%
Total	\$1,102,106	\$1,159,666	5.22%

All figures subject to adjustment.
Assumes normal budgetary experiences replicates
itself in the coming months.

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

	Contribution Rates Based on Earnings	
	2025-2026	2026-2027
TRS (Not yet final)	9.59%	8.25% to 8.75%
ERS (For Tier 4)	19.6%	19.6% until January 1, 2027, then 21.4%
Social Security	7.65%	7.65%

	2025-2026 Adopted Budget	2026-2027 Proposed Budget	Percent Change
TRS	\$511,288	\$556,000	8.74%
ERS	\$222,124	\$197,124	-11.25%
Social Security	\$494,937	\$504,836	2.00%

All figures subject to adjustment.
Assumes normal budgetary experiences replicates
itself in the coming months.

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.

Full Share Cost of NYSHIP Health Insurance

		2025	2026	Percent Change
Under 65	Single	\$17,754.36	\$19,337.52	8.92%
Over 65	Family	\$40,413.60	\$43,965.48	8.79%
Over 65	Single	\$6,622.20	\$7,156.56	8.07%
1 Over 65, 1 Under 65	Family	\$21,846.72	\$27,143.64	24.25%
Both Over 65	Family	\$18,138.60	\$19,599.96	8.06%

What Does The District Pay For Insurance?

- The District pays a portion of the health insurance cost for active employees and their eligible dependents. The contribution rates are determined by negotiated contracts with the various labor unions.
 - Employees can waive health insurance and receive a payment from the District. Waiver payments cost less than the cost of the insurance.
- The District pays nearly all of the health insurance costs for retirees and their eligible dependents.
- As required by law, the District also reimburses Medicare-aged retirees and their eligible dependents for the Medicare cost deducted from Social Security payments.
 - Payments for each retiree or eligible dependent cost as little as \$2,434.80 per year to as much as \$8,278.80 per year.
 - The District expects to spend at least \$168,975.60 on reimbursement payments next year.

Benefits

	2025-2026 Adopted Budget	2026-2027 Proposed Budget	Percent Change
Medical Insurance for Active Employees	\$1,417,047	\$1,515,610	6.96%
Medical Insurance for Retirees Including Medicare Reimbursement	\$863,968	\$997,320	15.43%
Medical Insurance Waiver	\$241,635	\$312,210	29.21%
Other Medical Benefits	\$173,400	\$200,500	15.63%
Workers Compensation, Unemployment and Disability	\$12,500	\$14,000	12.00%
Total	\$2,708,550	\$3,039,641	12.22%

Next Time...

- February 9, 2026 - Budget Meeting #2 - 5:30 pm, Conference Room
- March 2, 2026 - Budget Workshop - 5:30 pm, Conference Room
- March 16, 2026 - Budget Overview - 5:30 pm, Conference Room
- March 30, 2026 - Budget Meeting *IF NEEDED*, 5:30 pm, Conference Room
- April 20, 2026 - Board Adopts Budget - 5:30 pm, Conference Room
- May 11, 2026 - Public Budget Hearing - 5:30 pm, Conference Room
- May 19, 2026 - Budget Vote & Board Member Elections, 10:00 am - 8:00 pm, Gymnasium (NEW HOURS)

