

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 March 30, 2026
Budget Options
Presentation #3

Budget Summary, To Date...

- The Board of Education has been reviewing a budget that may require voter approval to exceed the property tax cap.
- For many years, the District has operated with a highly lean and efficient budget.
 - For example, Bridgehampton serves a student population similar in size to Shelter Island, yet operates with a budget that is nearly \$10 million higher.
- Over time, property tax revenues have not kept total pace with the District's growing expenditure needs.
- While property taxes have increased by roughly 2% annually, key costs, such as health insurance, have risen by 12% or more each year, creating a widening financial gap.
- To address these shortfalls over the past 7 years, the District has implemented gradual reductions through attrition and strategic measures while relying on reserve funds in recent years; however, this approach is not sustainable long term, as reserves cannot continue to support ongoing needs.
- Limited year-end surpluses have also made it difficult to meaningfully rebuild reserve funds.
- Finally, the Board recognizes the importance of providing a Pre-K 3 program on the island, where families have limited alternative options for early childhood education.



At the March 2 Meeting, this was the Budget:

	2025-2026 Adopted Budget	2026-2027 Proposed Budget	Percent Change
Board of Education	\$133,451	\$141,013	5.67%
Central & Business Administration	\$744,635	\$780,708	4.84%
Facilities	\$938,742	\$958,995	2.16%
Property Insurance and BOCES Administration	\$224,020	\$241,579	7.84%
Academic Administration and General Instruction	\$3,671,396	\$3,746,960	2.06%
Special Education and Other Instruction	\$2,236,577	\$2,313,503	3.44%
Clubs and Athletics	\$297,923	\$307,365	3.17%
Transportation	\$516,425	\$520,221	0.73%
Benefits	\$3,936,899	\$4,277,265	8.65%
Debt Service	\$428,783	\$442,394	3.17%
Transfer to Other Funds	\$169,290	\$184,290	8.86%
Total	\$13,298,141	\$13,914,292	4.63%

All figures are subject to adjustment.



At the March 2 Meeting, this was the Budget Impact:

	Dollar Value	Percent Change From Prior Year
Allowable Levy Under Cap Formula	\$12,000,754	2.20%
Levy Increasing 7%	\$12,564,188	7.00%
Expenditure Budget with the 7% Levy Increase	\$13,623,188	2.44%
Expenditure Budget at Present (see prior slide)	\$13,914,292	4.63%
Levy Increase for Expenditure Budget at Present	\$12,855,291	9.48%
Additional Cuts Needed to Meet 7% Levy Increase	\$291,103	

All figures are subject to adjustment.



The Following Savings Have Been Developed Since March 2:

Clerical Personnel	\$74,093
Guidance, Counseling and Health Personnel	\$52,253
Maintenance and Custodial Personnel	\$142,536
Special Education Personnel	\$54,719
Total Personnel	\$323,602
Special Education Contractual Expenses	\$17,000
Total Savings Over Previous Presentations	\$340,602

All figures are subject to adjustment.



Property Tax Impact of the Savings Developed Since March 2

	2025-2026	2026-2027	Percentage Change
Property Taxes	\$11,742,232	\$12,514,690	6.58%
State Aid	\$708,725	\$709,000	0.04%
Reserves	\$211,000	\$50,000	-76.30%
Interest Income	\$141,000	\$100,000	-29.08%
Appropriated Fund Balance	\$495,174	\$200,000	-59.61%
Budget Total	\$13,298,131	\$13,573,690	2.07%

Allowable Levy Under Cap Formula = \$12,000,754 = 2.20%

As we stand now: BUDGET INCREASE 2.07%

LEVY INCREASE: 6.58%

All figures are subject to adjustment.



How Does The 6.58% Increase Impact Taxes?

Assessed Valuation	2025-2026 Actual School Taxes Paid	2026-2027 Proposed School Taxes Paid	Yearly Increase In School Taxes
\$1,000,000.00	\$1,864.40	\$1,988.00	\$123.60
\$1,621,000.00	\$3,022.19	\$3,222.55	\$200.36
\$2,200,000.00	\$4,101.68	\$4,373.60	\$271.92

The Assessor's Office indicates that the average home on Shelter Island is assessed at a value of \$1,621,000.



What Does This Budget Do?

- Maintains all current programs.
- Brings back the ½ Day Pre-K 3 program.
- Helps the district replenish and rebuild some reserves.
- Sets the district on a stable course where piercing the cap will be highly unlikely for years to come.

Budget - Next Steps

- The Board of Education will take input from the Community to learn voter thoughts of a 2.07% budget increase and a tax levy increase of 6.58%.
- Administration will continue to work at finding cost savings and potential revenues.
- 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, 2026.
- The budget presentations will continue, following the schedule on the next slide.

Next Time...

- 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)