



# Riverhead CSD 2020-2021 Proposed Budget Presentation #1

Presented by Dr. Aurelia L. Henriquez, Superintendent of Schools  
and

Sam M. Schneider, Deputy Superintendent

Riverhead Central School District

Board of Education Meeting

February 11, 2020

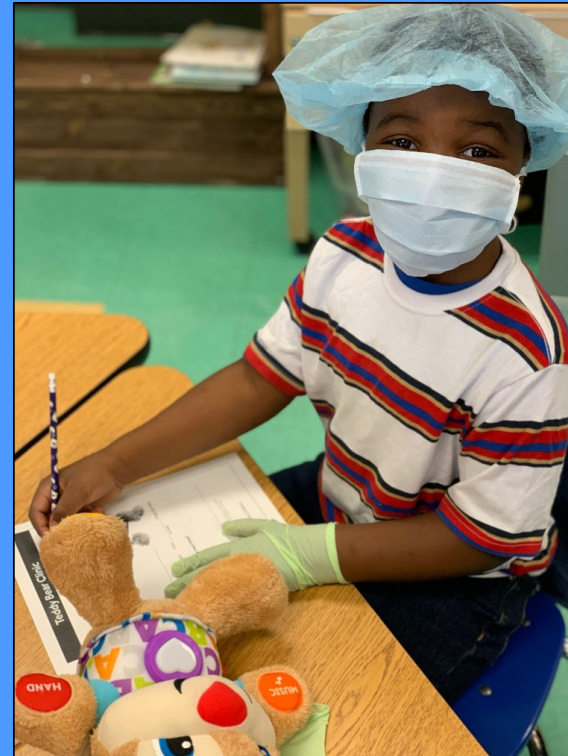
# Agenda

- Board of Education Budget Goals
- Tax Levy Cap
- General Support
- Benefits
- Debt Service



# BOE Goals

- On January 7, 2020, the Board of Education adopted budget goals:
  - To design and adopt a budget that stays within the Tax Cap limitations
  - To develop a budget that maintains district programs, adequate resources, and the support of the community
  - To design and adopt a budget that recognizes the current fiscal reality for Riverhead residents
  - To develop a budget that seeks to identify and implement cost efficiencies in all areas



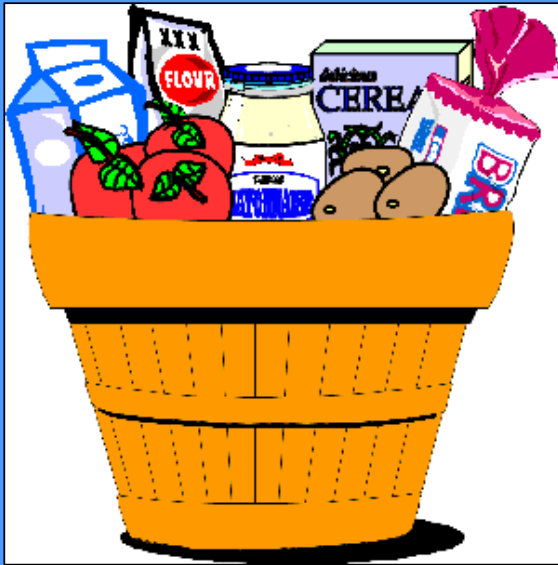
## Tax Cap – What Does the Law Say?

- 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 2019-2020 due to expected contribution rates.



# Tax Cap – 2020-2021



“The **Consumer Price Indexes (CPI)** program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.” - U.S. Department of Labor, Bureau of Labor Statistics

- The CPI this year is 1.81%.
- Once the exemptions are calculated, the RCSD Property Tax Cap will be 2.29%\*.
- \* The exact amount may adjust slightly when guidance is received from NYSED on implementing changes to the formula to incorporate the BOCES Capital Expenses.



# Why is the Tax Cap 2.29% for RCSD?

Prior school year tax levy	\$104,541,412
Tax base growth factor	1.0066
Product	\$105,231,385
PILOTS in Prior Year	\$1,676,231
Sum	\$106,907,616
Capital Tax Levy in Prior Year	\$4,609,916
Difference	\$102,297,700
Allowable Levy Growth Factor	1.0181
Product	\$104,149,289
PILOTS in Coming Year	\$1,670,490
Difference	\$102,478,798
Tax Levy Limit	\$102,478,798
Capital Tax Levy in Coming Year	\$4,458,540
Tax Levy Limit Plus Exclusions	\$106,937,337



# General Support

- Board Of Education – Unpaid volunteers
- Central Administration – Superintendent's Office, Business Office, Personnel Office
- Auditing – Three unfunded, mandated audits
- District Insurance – Real property and liability
- BOCES Administration – Mandated



## General Support

	2018-2019 Actual Expenditure	2019-2020 Adopted Budget	2019-2020 Revised Budget	2020-2021 Proposed Budget	Percent Change
BOE, Clerk, Associations	\$89,941	\$141,118	\$142,170	\$144,617	2.48%
Central Administration, Auditing, Legal	\$2,146,653	\$2,366,134	\$2,410,020	\$2,372,711	0.28%
Insurance & Assessments	\$769,578	\$849,267	\$873,901	\$916,246	7.89%
BOCES Administration	\$541,757	\$558,894	\$551,725	\$568,283	1.68%
<b>Total</b>	<b>\$3,547,928</b>	<b>\$3,915,413</b>	<b>\$3,977,817</b>	<b>\$4,001,857</b>	<b>2.21%</b>

Rates for real property and vehicle insurance are increasing up to 7%. Water and sewer charges also increased; the District is continuing to evaluate the plan to install wells to provide water to the irrigation systems.



# Benefits

RCSD Paid Contribution Rates of Gross Salary			
	2017-2018	2018-2019	2019-2020
ERS	15.90%	15.90%	16.20% (estimated)
TRS	10.63%	8.86%	9.53%

The TRS contribution rate increase will cost the District more than \$368,000 in next year's budget. Each .1% increase to the contribution rate costs about \$55,000. The remaining increases to TRS are due to salary increases and additional staff.

- Employees' Retirement System (ERS) and Teachers' Retirement System (TRS) are state mandated programs
- RCSD also must provide health insurance, unemployment benefits, and workers' compensation coverage



# TRS Contribution Rates



# Workers' Compensation

- When an employee is injured at work, the employee's health insurance does not cover the costs; all costs are carried by the Workers' Compensation program.
- The RCSD is self-insured and uses an outside consultant to administer the program.
- All decisions on coverage and benefits are made by the New York State Workers' Compensation Board, an independent State agency.



# Workers' Compensation

- Workers' Compensation Costs:

- Medical costs based on workplace injury
- Payment for loss of time based on workplace injury
- Payment for loss of use based on workplace injury (either temporary payments or permanent perpetual payments)

Warrant of January 28, 2020	
Lost Wages	\$6,848.66
Medical Costs	\$11,186.69
Legal Fees	\$370.00
	\$18,405.35



# Health Insurance

- The District participates in the Empire NYSHIP program
- Rates are set by the program each December for the period January 1 – December 31
- 2020 rates:
  - Single: \$1,032.82
  - Family: \$2,387.58
- Employees pay a portion of the cost of the insurance; the rate is set by negotiated contract



# Benefits

	2018-2019 Actual Expenditure	2019-2020 Adopted Budget	2019-2020 Revised Budget	2020-2021 Proposed Budget	Percent Change
ERS & TRS	\$7,266,991	\$7,370,670	\$7,370,670	<b>\$8,201,970</b>	11.28%
Social Security	\$4,849,221	\$5,334,554	\$5,334,554	<b>\$5,652,904</b>	5.97%
Workers' Comp., Unemployment, etc.	\$1,009,366	\$1,132,447	\$1,142,531	<b>\$1,154,597</b>	1.96%
Health Insurance & Waivers	\$16,223,370	\$17,800,919	\$17,788,919	<b>\$18,077,530</b>	1.55%
<b>Total</b>	<b>\$29,348,948</b>	<b>\$31,638,590</b>	<b>\$31,636,674</b>	<b>\$33,087,001</b>	<b>4.58%</b>

Due to expected contribution rates to TRS & ERS, none of the pension costs are excluded from the “Tax Cap” calculation.

# Debt Service

- The District has certain existing debt obligations, including capital work approved by the voters in 2011, the Turf Field and bus purchases that are made annually.
- The District is also repaying money borrowed under the Energy Performance Contract.
- The District's fiscal year runs from July 1 to June 30; there is no tax remittance until at least six months into the fiscal year.
- A Tax Anticipation Note (TAN) is issued to cover operating expenses until taxes are received.



# Debt Service

	2018-2019 Actual Expenditure	2019-2020 Adopted Budget	2019-2020 Revised Budget	2020-2021 Proposed Budget	Percent Change
Construction Bonds	\$5,949,041	\$5,947,636	\$5,947,636	\$5,943,198	-0.07%
Buses & Turf Field	\$1,111,275	\$1,126,840	\$1,126,840	\$1,122,920	-0.35%
Tax Anticipation Note	\$745,500	\$675,000	\$675,000	\$687,500	1.85%
Energy Performance Contract	\$583,086	\$583,087	\$583,087	\$583,086	0.00%
<b>Total</b>	<b>\$8,388,902</b>	<b>\$8,332,563</b>	<b>\$8,332,563</b>	<b>\$8,336,703</b>	<b>0.05%</b>





# Future Presentations

- March 10 – Regular Day School Budget, Transportation, Facilities
- March 24 – Special Education, PPS, Guidance and Other Instructional Items, Revenues and Projected Tax Levy
- April 21 – BOE Adoption of Proposed Budget
- May 12 – Public Hearing on Proposed Budget
- May 19 – Budget Vote (6 am – 9 pm at local polling locations)



# Questions?

- Call or write to:  
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