District Facts
The School District Is Also A Business: Important Facts

- 28th largest NJ school district (FY2018)
- Largest employer in East Brunswick
- Total population:
  - Milltown Borough, NJ (2017) 7,162
  - Spotswood Borough, NJ (2017) 8,456
  - East Brunswick Public Schools (10/2018) 8,378*
  - South River Borough, NJ (2017) 16,349
  - East Brunswick Township, NJ (2017) 48,840

* Excluding approximately 1,500 employees
The School District Is Also A Business: Important Facts

- Major transit system:
  - East Brunswick Public Schools
    - 570 routes
    - 6.75 million miles
    - 2.33 million passengers
  - Equivalent to:
    - 271 trips around the Earth (24,901 miles)
    - 28 one-way trips to the Moon (238,900 miles)
    - One-fifth of the distance to Mars (33.9M miles)
The School District Is Also A Business: Important Facts

- Major food service provider (annual meals served):
  - EBPS – Lunches: 554,905*
  - EBPS – A La Carte: 225,203*
  - Chipotle: 222,650
  - Olive Garden: 195,000
  - Red Lobster: 168,000
  - Carrabba’s: 115,000
  - National average – all restaurant types: 109,500
  - EBPS – Breakfasts: 89,802*

*As of June 30, 2018 over less than 180 serving days.
The School District Is Also A Business: Important Facts

- **Buildings**
  - U.S. Capitol Building (floor area) 718,740 sq. ft.
  - Brunswick Square Mall 769,041 sq. ft.
  - **East Brunswick Public Schools** 1,425,900 sq. ft.
  - Freehold Raceway Mall 1,769,000 sq. ft.

- **Land**
  - **East Brunswick Public Schools** 274 acres
  - Six Flags Great Adventure 510 acres
  - Helmetta, NJ 576 acres
  - Disney’s Animal Kingdom 580 acres
The District Controls Costs & Participates in Shared Services

- Energy program
- Cooperative purchasing with other districts
- In-house transportation services & multi-tiered busing
- Through Education Services Commission of NJ
- In cooperation with the Township
- Through the County of Middlesex
- Refinancing debt
The District Is *Also* A Revenue Producer

- Early Morning Program
- After School Kids (elementary)
- ENCORE (after school at HMS & CJHS)
- Early Learning Academy
- SAT/PSAT/ACT Preparation
- Elementary Enrichment
- Elementary & HMS Fun and Fitness
- Performing Arts Center Rental
The District *Always* Strives for Excellence

- Numerous student, school-based, and district-wide academic, athletic, and arts accomplishments
- Numerous staff accomplishments

- “EBHS is without a doubt one of the finest schools in the nation. It is a school that has a very strong academic program, supported by ample financial resources and guided by excellent leadership.” (Middle States Association of Colleges and Schools Accreditation for Growth Validation Team)
Certificate of Excellence in Financial Reporting – Awarded for FY2017

6th Consecutive Year  3rd Consecutive Year
Moody’s Investor Service
Annual Comment on EBPS – 16 May 2018

- **Overview**: “East Brunswick Public Schools has a very good credit position, and its Aa2 rating is a little stronger than the US school districts median of Aa3.”

- **Debt**: “[N]et direct debt to full value (1.3%) is roughly equivalent to the US median.”

- **Finances**: “The financial position of the district is healthy and is aligned with the assigned rating of Aa2.”.
Budget Facts
FY2020 Budget Revised For Final Adoption

“The gap of time between the public hearing held by May 7 and the adoption date of May 14 is statutory and allows the board additional time to meet to adopt the budget after the public hearing on the budget has been held... this gap does not give the board statutory authority to make changes to the advertised budget which were not specifically discussed in detail at the public hearing. Any revenue and appropriation changes that were not discussed specifically and in detail at the public hearing shall not be included in the adopted budget. (N.J.S.A. 18A:22-32)”
Factors Impacting The Bottom Line

- **Revenue**
  - Limited enhancement opportunities

- **Expenditures**
  - Continuation of high-quality general and special education services
  - Collective bargaining
  - Health benefits
  - Mandated charter school payments
<table>
<thead>
<tr>
<th>Year Range</th>
<th>Amount</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>2008-2009</td>
<td>$20,087,014</td>
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<tr>
<td>2009-2010</td>
<td>$17,678,170</td>
<td>(11.99%)</td>
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<tr>
<td>2010-2011</td>
<td>$13,817,220</td>
<td>(21.84%)</td>
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<tr>
<td>2011-2012</td>
<td>$16,473,782</td>
<td>19.23%</td>
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<tr>
<td>2012-2013</td>
<td>$17,678,170</td>
<td>7.31%</td>
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<tr>
<td>2013-2014</td>
<td>$17,678,170</td>
<td>0.00%</td>
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<tr>
<td>2014-2015</td>
<td>$17,844,870</td>
<td>0.94%</td>
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<tr>
<td>2016-2017</td>
<td>$17,995,272</td>
<td>0.88%</td>
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<tr>
<td>2017-2018</td>
<td>$17,995,272</td>
<td>0.00%</td>
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<tr>
<td>2018-2019</td>
<td>$18,761,697</td>
<td>4.26%</td>
</tr>
<tr>
<td>2019-2020</td>
<td>$20,313,778</td>
<td>8.27%</td>
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</tbody>
</table>
Mandated Charter School Payments

- 2009-2010 $50,346
- 2010-2011 $1,243,215 2,369.34%
- 2011-2012 $1,473,871 18.55%
- 2012-2013 $1,758,258 19.30%
- 2013-2014 $1,871,920 6.07%
- 2014-2015 $2,327,968 24.36%
- 2015-2016 $2,363,199 1.51%
- 2016-2017 $2,599,781 10.01%
- 2017-2018 $2,709,534 4.22%
- 2018-2019 $3,101,768 14.48%
- 2019-2020 $2,923,847 (5.74%)
Significant Factors Impacting
The Bottom Line

- Workers compensation claims
- Grades K-5 enrollment growth
- Grades K-5 class size support
- Special Education programs & support
Workers Compensation Claims

- High-cost claims result in adverse claims experience

<table>
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<tr>
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<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
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<tbody>
<tr>
<td></td>
<td>$542,486</td>
<td>$598,014</td>
<td>$930,014</td>
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<tr>
<td>Increase</td>
<td>+$55,528</td>
<td>+$332,000</td>
<td>+$332,000</td>
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<tr>
<td>% Increase</td>
<td>+10.24%</td>
<td>+55.52%</td>
<td>+55.52%</td>
</tr>
</tbody>
</table>
K-5 Enrollment

- 03/16/2018 - 3,379 projected
  - 3,293 demographer
- 09/18/2018 - 3,535 actual
- 11/01/2018 - 3,562 actual
- 12/13/2018 - 3,596 actual
- 01/09/2019 - 3,620 actual
- 01/28/2019 - 3,631 actual
- 05/06/2019 - 3,664 actual

+285 since March 2018 projection
Grades K-5 Class Size Support

- Unanticipated elementary grade enrollment growth result in large class sizes requiring the addition of classroom supports

<table>
<thead>
<tr>
<th>FY2019</th>
<th>FY2019</th>
<th>FY2020</th>
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<tbody>
<tr>
<td>Budget</td>
<td>Revised</td>
<td>Budget</td>
</tr>
<tr>
<td>$198,065*</td>
<td>$379,932</td>
<td>$389,952</td>
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<tr>
<td>+$181,867*</td>
<td>+$191,887*</td>
<td>+$191,887*</td>
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<tr>
<td>+91.82%</td>
<td>+96.88%</td>
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</table>
## Special Education Programs & Support

- Legally required special needs programs and services requires reallocation of financial resources

<table>
<thead>
<tr>
<th></th>
<th>FY2018 Expense</th>
<th>FY2019 Budget</th>
<th>FY2019 Revised</th>
<th>FY2020 Budget</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$13,938,584</td>
<td>$14,332,359*</td>
<td>$14,820,897</td>
<td>$15,516,872</td>
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<tr>
<td>Expense increase</td>
<td>+$393,775</td>
<td>+$488,538*</td>
<td>+$1,184,513*</td>
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<tr>
<td>Growth rate</td>
<td>+2.83%</td>
<td>+3.41%</td>
<td>+8.27%</td>
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</tbody>
</table>
Summary of Significant Factors

- Workers compensation claims: $332,000
- Grades K-5 class size support: $191,887
- SpEd programs & support: $1,184,513
- Total: $1,708,400

vs.

- Tax levy growth: $2,295,292
- Funds for other increases: $586,892
FY2020 Budget Revised For Final Adoption

- Support and improve instructional programs, and co-curricular and athletic activities
- Flex Program supporting at-risk students
- Ongoing technology investment
- Continued facilities improvements
- Mitigating costs across-the-board
### FY2020 Budget Revised For Final Adoption

- **Estimated revenue**: $157,288,478
- **Appropriations**: $157,288,478
- **Net Excess Revenue/(Shortfall)**: $0

- **General Fund tax increase**: $2,295,292*
- **Debt Service Fund tax decrease**: $(677,358)
- **Net tax increase**: $1,617,934

*$250,000 below cap  
Net tax increase of 1.20%
FY2020 Budget Revised For Final Adoption

- **Teacher Additions**
  - Grade K-5 (+8.0 FTEs)
  - World Language – Mandarin (+1.0 FTE)

- **Administrator Reductions**
  - Department Chairperson at HM (-1.0 FTE)

- **Teacher & Other Certificated Staff Reductions**
  - Behaviorist (-2.0 FTEs)
  - LCSW (-2.0 FTEs)
  - Media Specialist at CH, HM, HS (-3.0 FTEs)
  - Teacher (Math) at CH (-2.0 FTEs)
  - Teacher (Physical Education) at CH (-1.0 FTE)
  - Teacher (Health/Physical Education) at HS (-2.0 FTEs)
FY2020 Budget Revised For Final Adoption

- Non-certificated Staff Reductions
  - Secretary – Assistant Superintendent at AD (-1.0 FTE)
  - Secretary – Counseling/SAC at HS (-2.0 FTEs)
  - Secretary – CST at AD (-2.0 FTEs)
  - Secretary – Department Chairperson at HM (-1.0 FTE)
  - Secretary – Main Office at CH (-0.71 FTE)
  - Secretary – Main Office at HM (-1.0 FTE)
  - Secretary – Main Office at HS (-2.0 FTE)
  - Secretary – Student Services at AD (-1.0 FTE)
FY2020 Budget Revised For Final Adoption

- Academics
  - Science materials
  - Textbook replacements
    - Human Biology
    - Physics (digital)
    - Algebra II
    - Psychology
    - New Jersey Social Studies
FY2020 Budget Revised For Final Adoption

- Short-Term Debt Rollover (five-year repayment)
  - Capital Improvements
    - Lighting (HS)
    - Roof replacement (CH)
  - Classroom furniture replacements
  - Maintenance/grounds equipment replacements
  - Musical instrument replacements
  - Physical Education/Athletics equipment replacements
  - School bus replacements
  - Truck replacements
Key Budget Dates

- Final budget adoption
  - May 9, 2019
Budget Information

- www.ebnet.org
- Quick Links list
- Click “User Friendly Budget & Related Information”