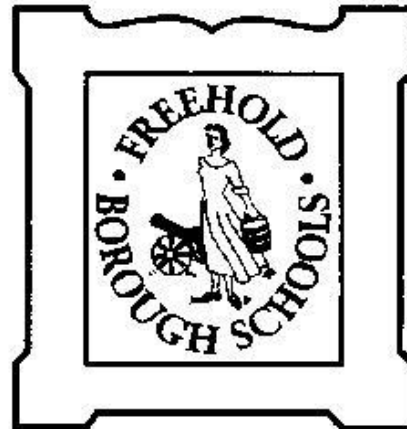


Freehold Borough Board of Education

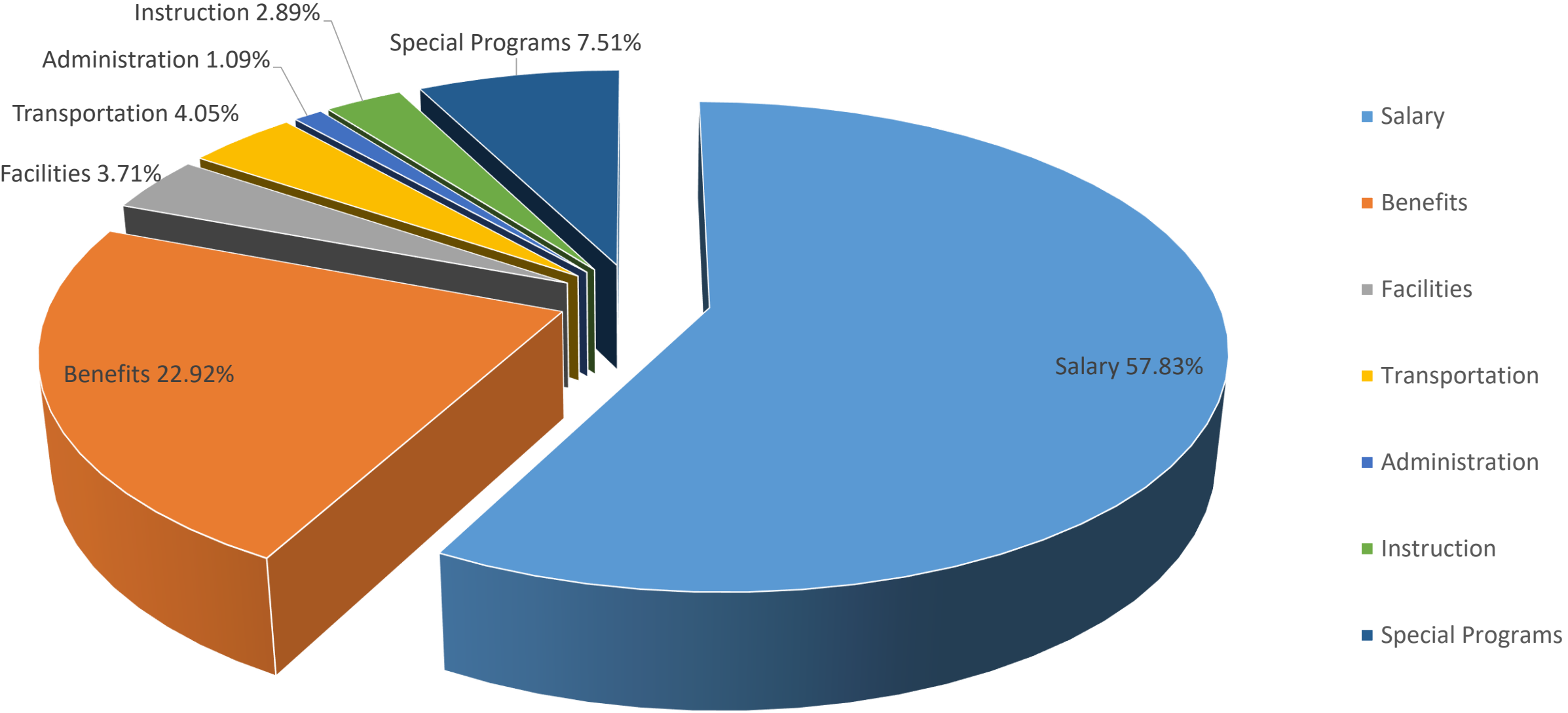
Initial Budget Discussion

March 2, 2020



Expenses

Breakdown of Expenses



Budget Accounts

Funds	Description
11	General Fund – All operating budget expenses
12	Capital Outlay – from capital reserve or capital appropriation in current year budget
20	Special Revenue Fund – grant funds received
30	Capital Projects – Long term capital project expenses
40	Debt Service Fund
60	Enterprise Fund - cafeteria

Structure of Account Codes

- Governed by NJ DOE Chart of Accounts

Fund	Program	Function	Object
XX	XXX	XXX	XXX
	Regular Programs Special Programs Athletics Co-Curricular	Instruction Support Services Non-Instructional operations	Salaries Benefits Professional/Technical Services Property Services Supplies Professional Memberships

Salary

- Two Collective Bargaining Units
 - FBEA – 229 Employees. Represents teachers, teacher assistants, secretaries, custodians, and maintenance employees. Contract expires 06/30/20. In negotiations
 - FBAA – 8 Employees. Represents principals, directors, supervisor, and vice principal. Contract expires 06/30/21.
 - Non – unit – 22 Employees. Confidential secretaries, technology staff, security staff, facilities supervisor, business office staff, superintendent.
- No new positions anticipated in 20/21. One vacant budgeted technology position currently at FIS.
- Fiscal Year 14: 224 Employees. Fiscal Year 20: 259 Employees

Benefits

- Currently NJ School Employee Health Benefit Plan - Direct 15

SEHBP Plan Rates

January 1, 2020 - December 31, 2020

SEHBP - Horizon Direct 15

Coverage Status	Annual Rates	
Single	\$	12,032
Parent/Child(ren)	\$	22,379
Spousal (2 Adults)	\$	24,063
Family	\$	34,411

Instruction

- Matching funds for mindAligned Count Basie initiative
- Curriculum writing in 20/21 for September 2021 implementation
 - Science
 - Visual & Performing Arts
 - World Languages
- Sustain lease purchase of 590 Chromebooks for middle school 1:1 initiative. Last lease payment for 190 Chromebooks in FY-21

Special Programs

- Out of District Tuition
 - 17 Students currently out of district. Tuition per pupil for private school placements range from \$62,217 to \$116,110 - includes ESY and 1:1 aides where needed
- Increase in 1:1 nursing services in the current year amounted to \$300,000.
- Continue with nurse practitioner program. Exploring funding & opportunities to expand the program to a satellite of FQHC.

Transportation

- Howell Township School District currently provides 9 bus routes for special needs busing (\$410,000):
 - 2 at FIS
 - 2 at PAE
 - 5 at FLC
- Out of district student transportation fulfilled by MOESC
- Filling athletic transportation routes continues to be a challenge statewide. Current year bid is for \$550 per run for a minimum of four hours and \$125 per hour thereafter.

Facilities

- Full impact of increased gas and electric costs for additions/renovations at all schools. Added 43,164 square feet.
Electricity
- Update long range facilities plan
- Fund a portion of capital construction project this summer for HVAC in PAE 5th grade wing

Revenue

History of State Aid

- Current K-12 School Aid formula was enacted in 2008 called the School Funding Reform Act (SFRA).
- Funded in 2009, but cut in 2010. Districts largely remained flat funded in aid after this.
- Why was this a problem? The formula is based on student enrollment and as student enrollment went up and the amount of money received remained the same we were receiving less per pupil.
- In contrast other districts had a decrease in enrollment but received the same amount of money, so their aid per pupil went up.

History of State Aid



State Aid

	FY-20	FY-21	Difference
Equalization Aid	\$12,668,954	\$14,765,525	\$2,096,571
Transportation Aid	\$407,350	\$407,350	-
Special Education Aid	\$1,438,457	\$1,438,457	-
Security Aid	\$739,721	\$739,721	-
Total	\$15,254,482	\$17,351,053	\$2,096,571

Formula Part 1 - Adequacy

- A district's adequacy budget is the amount of money the district should be spending in order to give students a constitutional thorough and efficient education. (NJSA 18A:7F-46)
- Based on model school district spending in educational adequacy reports adopted by the legislature.
- Weighted formula taking into account added spending needed for at-risk students, English Language Learners, Limited English Proficient, and special education students.

ADEQUACY BUDGET CALCULATION:
***** REGULAR EDUCATION *****

Projected Weighted Base Enrollment	1,623 (A)
Total Base Cost	
- @ \$11,975 per pupil	
times GCA 0.99530 times Item(A)	19,344,079 (B)
Projected Weighted At-Risk Only Enrollment	589 (C)
Total At-Risk Only Cost	
- @ \$11,975 per pupil	
times GCA 0.99530 times Item(C)	7,020,125 (D)
Projected Weighted LEP Only Enrollment	7 (E)
Total LEP Only Cost	
- @ \$11,975 per pupil	
times GCA 0.99530 times Item(E)	83,431 (F)
Projected Weighted combined LEP & Low Income Enrollment	195 (G)
Total Combined LEP & Low Income Cost	
- @ \$11,975 per pupil	
times GCA 0.99530 times Item(G)	2,324,150 (H)
***** SPECIAL EDUCATION *****	
Special Education Enrollment	
- FTE Resident Enrollment @ 15.40%	247 (I)
Total Special Education Cost	
- @ \$18,928 per pupil	
times GCA 0.99530	
times Item (I) times 2/3	3,102,162 (J)
Speech Only Enrollment	
- FTE Resident Enrollment @ 1.570%	25 (K)
Total Speech Only Cost	
- @ \$1,241 per pupil	
times GCA 0.99530	
times Item (K)	30,879 (L)
ADEQUACY BUDGET -	
Items (B) + (D) + (F) + (H) + (J) + (L)	\$31,904,826 (M)

LOCAL SHARE CALCULATION - REGULAR DISTRICT

Equalized Valuation (10/1/2019)	773,551,499	(N)
District Income (2017)	171,935,979	(O)
Equalized Val. x 0.014483784 / 2	5,601,976	(P-1)
District Income x 0.052773887 / 2	4,536,865	(P-2)
Local Fair Share : Item(P-1) + Item(P-2)	10,138,841	(P)

LOCAL SHARE - COUNTY VOCATIONAL SCHOOL DISTRICT

County Local Shares	1,789,636,957	(Q)
County Adequacy Budgets	1,520,825,498	(R)
Item(Q) / Item(R)	1.1768	(S)

Local Share		
Item(S) x Item(M) - for Vocs Only		0 (T)

EQUALIZATION AID CALCULATION

Adequacy Budget [Item(M)]	31,904,826	(U)
Local Fair Share [Item (P) or (T)]	10,138,841	(V)

EQUALIZATION AID

[Item(U) less Item(V)]	\$21,765,985	(W)
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STATE AID DIFFERENTIAL CALCULATION:

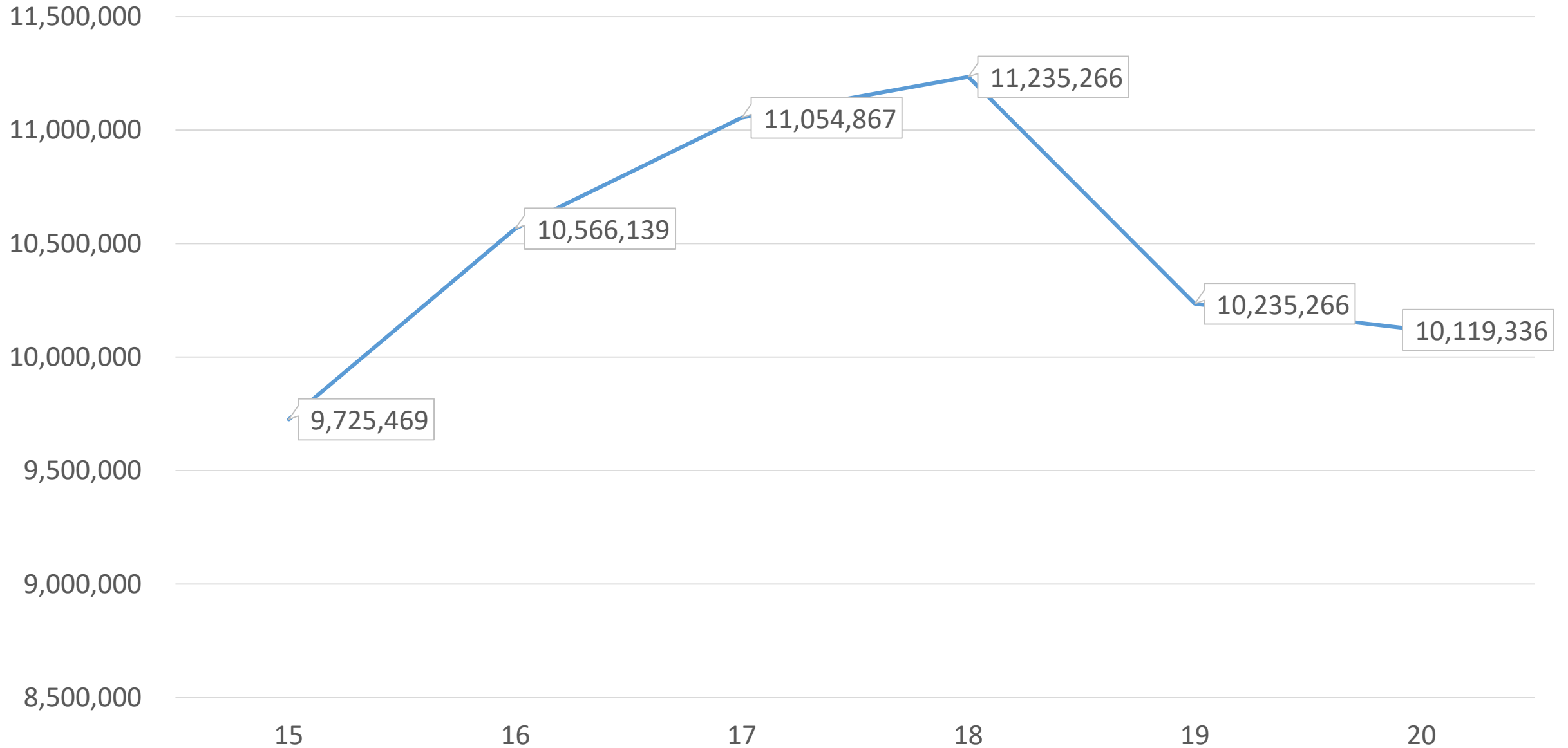
Uncapped Aid:	
EQA(W) + CAT(B) + CAT(E) + TRN(C)	24,370,003 (B-1)
Prebudget Year Aid:	
BUD(A-1) thru (A-4) + BUD(A-7)	15,254,482 (B-2)
State Aid Differential:	
Item (B-2) minus Item (B-1)	-9,115,521 (B)

State Aid Received: \$17,351,053 divided by
Uncapped Aid: \$24,370,003 =
71.2% Funding

Formula Part 2 – Local Fair Share

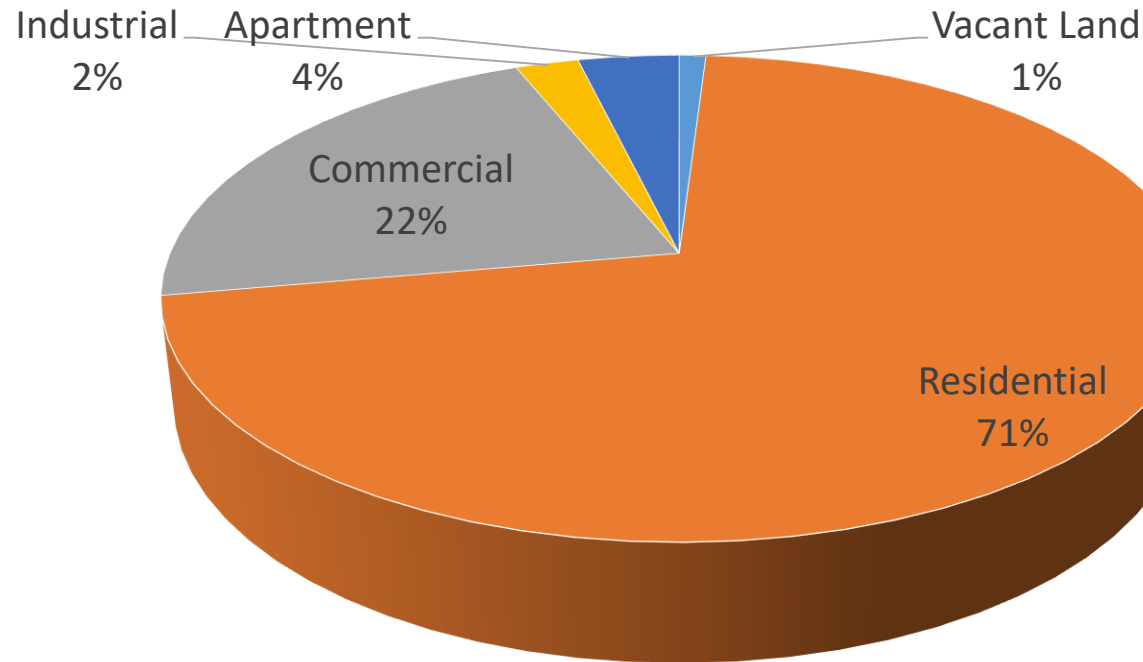
- Equalized valuation of all properties. Monmouth County part of assessment demonstration program 1/3 of all ratables reassessed every year.
- District Income - Adjusted Gross Income of all tax returns in the area
- Equalized Valuation factored by the property value rate which is determined such that equalization aid equals the Statewide available equalization aid for all districts determined according to this act had each school district's local share equaled the product of the property value rate (NJSA 18A:7F-52)
- District Income is factored by the income rate which shall be determined such that equalization aid equals the Statewide available equalization aid for all districts determined according to this act had each school district's local share equaled the product of the income rate and the district's income (NJSA 18A:7F-52)

History of Operating Tax Levy



Ratables in Freehold Borough

	2018	2019	Difference
Vacant Land	\$ 9,600,100	\$ 10,783,800	\$ 1,183,700
Residential	754,455,600	771,996,400	\$ 17,540,800
Commercial	233,786,500	234,733,200	\$ 946,700
Industrial	25,411,800	25,450,200	\$ 38,400
Apartment	32,216,500	40,897,000	\$ 8,680,500
	\$ 1,055,470,500	\$ 1,083,860,600	\$ 28,390,100



FRHSD Sending District Enrollments

	2010-2011	2018-2019	Change in Enrollment	Amount(Below Above Local Fair Share	Adequacy FY 20	% of State Aid Received FY 20	Amount (Under Over Aided FY 20
Freehold Borough	1,413	1,666	+253	0	-9,315,133	62%	(\$9,315,133)
Farmingdale	156	155	-1	\$483,206	+479,405	100%	(\$2,472)
Colts Neck	1,218	971	-247	\$9,116,762	+9,022,024	79%	(\$314,202)
Englishtown/Manalapan	5,276	4,971	-305	(\$6,025,503)	+4,081,122	248%	\$10,297,786
Freehold Township	4,350	3,728	-622	\$15,496,484	+15,577,866	92%	(\$405,570)
Marlboro	5,737	4,761	-976	\$8,104,563	+12,658,186	154%	\$3,734,071
Howell	6,641	5,596	-1,045	\$6,223,374	+19,796,999	155%	\$11,012,370
FRHSD	11,865	10,532	-1,333	(\$28,751,103)	+597,835	219%	\$25,302,050

Special Revenue Fund

- Preschool Education Aid from state - \$1,127,385. Funding for 75 in district seats and 15 Headstart
- Federal Programs
 - Title I – Supplement student instruction. Basic skills teachers, parent involvement events
 - Title II – Professional Development
 - Title III – English Language Learner
 - IDEA – Special Education. Out of District Tuition

Debt Service (Bonds)

	Original Bond Issue	Outstanding as of 6/30/20	Principal & Interest Payment in FY-21
2011 Bond Refunding	\$2,485,000	\$570,000	\$290,000 – Principal \$19,800 – Interest
2017 Bond Issue – Additions & Alterations to PAC & FLC	\$15,605,000	\$15,155,000	\$480,000 – Principal \$431,250 – Interest
Projected Debt Service Aid from State FY-21			(\$518,066)

Steps Moving Forward

- March 16 – Tentative Budget Adoption – after this budget goes to county superintendent for compliance review and approval. After county supt. approval budget advertised in APP for public hearing.
- May 18 – Public hearing and adoption of budget at the board meeting.
- Within 48 hours of public hearing the user friendly budget is posted to District website
- July 1, 2020 – start of Fiscal Year 21 - state legislature needs to adopt budget by this date to lock in aid numbers.