

MIDDLETOWN TOWNSHIP PUBLIC SCHOOL DISTRICT

TENTATIVE BUDGET PRESENTATION 2025-2026

#Middletown Reimagined





GOALS OF THE BUDGET

2025 - 2026



GOAL 1

Continue to advance the educational experience of our students through the effective implementation of programs and services through the lens of modern education



GOAL 2

Ensure that the district is operating at the highest level of efficiency possible to maximize taxpayers' investment in the educational system.



GOAL 3

Begin a 5-7 year plan that addresses infrastructure needs, equitable services/resources across the district, and sets the stage for long-term financial health of the district.

WE ARE TASKED WITH ACHIEVING THESE GOALS DURING THE MOST FISCALLY CHALLENGING TIME IN PUBLIC EDUCATION

FOR IMMEDIATE RELEASE
September 20, 2024

Jefferson Township Public Schools
Budgetary Challenges

of Cozy Lake Elementary School and Sale of Central Office Due to
Jackson to merge high schools, sue New Jersey Dept of Education after Lakewood gets loan

New Jersey promises \$65 million loan to Lakewood Schools to avoid budget shortfall

TOMS RIVER AREA
Toms River Regional schools wants to sell headquarters to Ocean County to close budget gap
Three-minute read

Politics & Government
Just Close Schools, Murphy Says To Toms River, Districts With Aid Cuts
Take a look at how Gov. Phil Murphy's suggestion of closing schools in response to aid cuts would affect Toms River Regional's schools.

NEWS
N.J. elementary school closing a state aid cuts
Updated: Sep. 24, 2024, 12:08 p.m. | Published: Sep. 24, 2024, 8:01 a.m.

IN OUR SCHOOLS
Toms River school district has a \$12.4M hole, and this is what it might sell to fill it

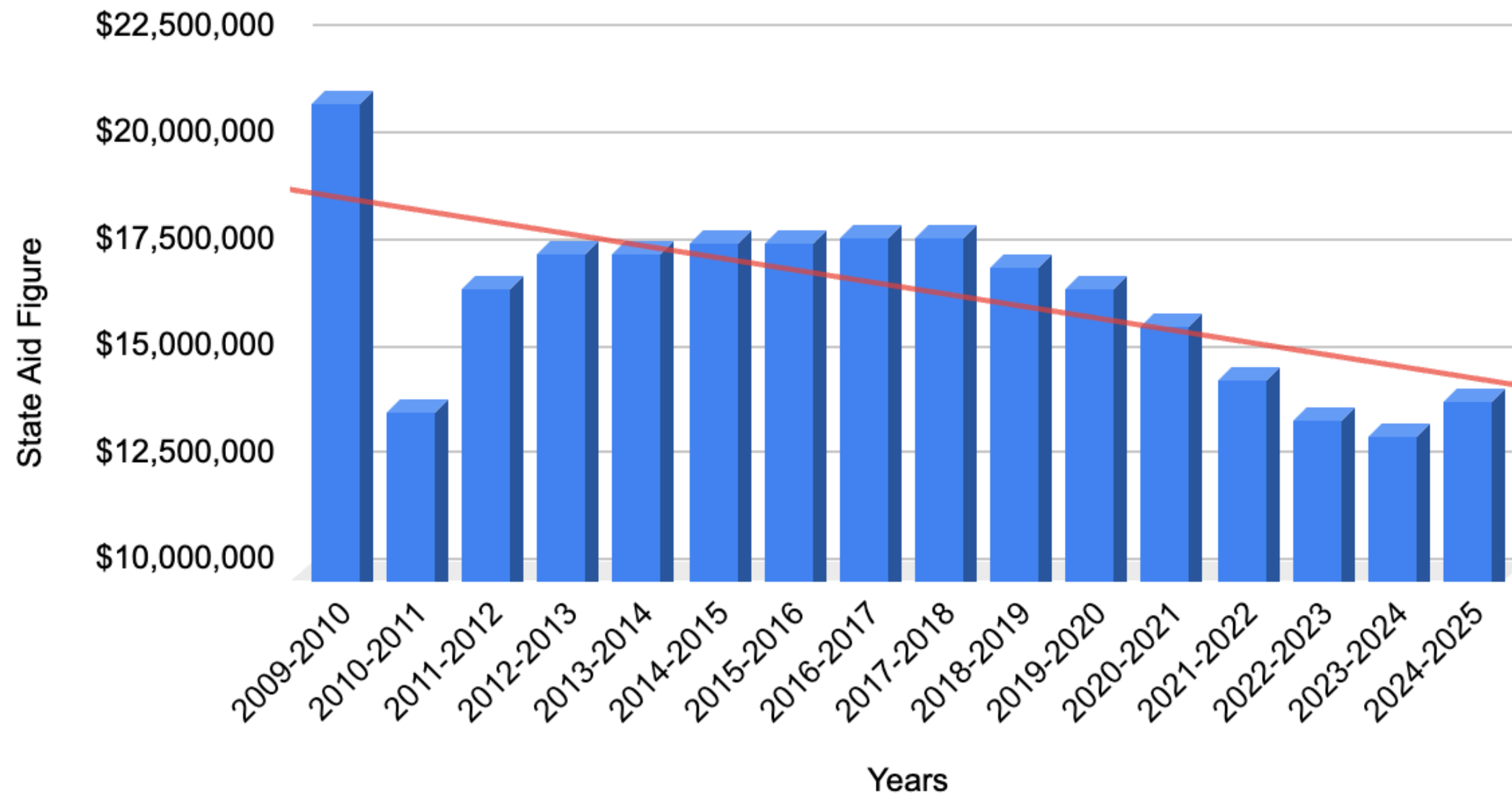
FINANCIAL REALITIES IN MIDDLETOWN IMPACTING THE ORGANIZATION TODAY AND IN THE FUTURE



LOSS OF STATE AID IN MIDDLETOWN



STATE AID 2009 - 2025

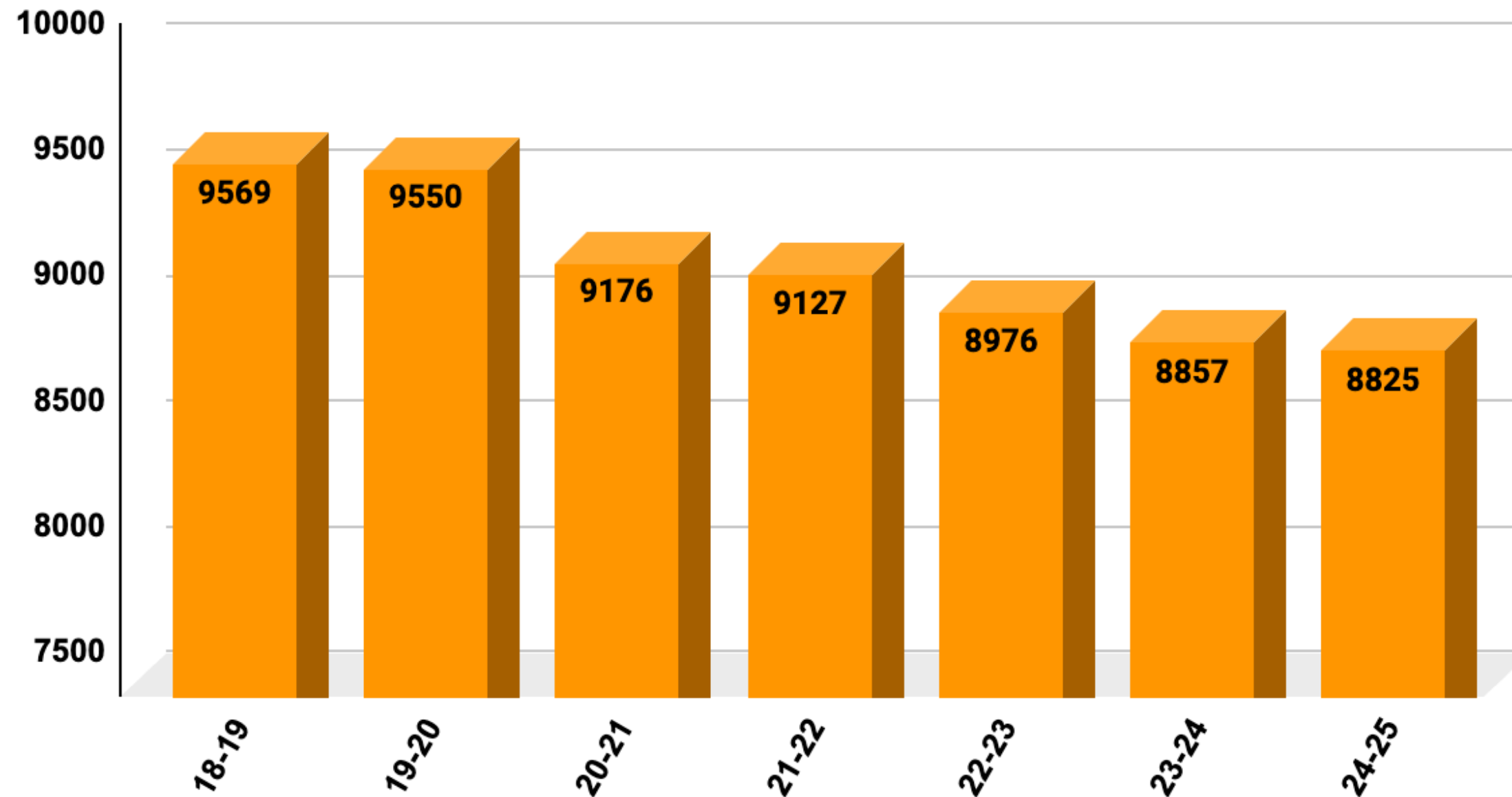


- Since 2009 on a downward trend
- 2009 = \$20,962,445
- 2025 = \$13,990,077
- MIDDLETOWN HAS **LOST OVER 7 MILLION IN STATE AID** SINCE 2009
- When compounded equates to **OVER \$60 million in lost aid**

ENROLLMENT DECLINE



DISTRICT ENROLLMENT TRENDS



- Decline of 1500 students since 2010
- Little population growth anticipated over the next 5 years
- 1-building housing 200 students taken offline



BASELINE PER PUPIL

(as per the State Funding for Regional Assistance (SFRA))

Level	Baseline Per Pupil Amount (2025)
Elementary	\$13,946
Middle (1.01)	\$14,085
High School (1.16)	\$16,177
Vocational School (1.26)	\$17,572

The 2025 cost to provide a thorough and effective education for a student in New Jersey Public Schools



STATE AID PER PUPIL

Year	Enrollment	State Aid	State Aid Amount Per Student
2009-2010	10,288	\$20,962,445	\$2,037
2010-2011	10,263	\$13,741,235	\$1,339
2024-2025	8825	\$13,990,077	\$1,585

Baseline per pupil for 2025: elementary students = \$13,946

State Aid per pupil for 2025: elementary students = \$1,585

State Aid accounted for 8.8% of the Baseline per pupil for 2025

REAL COST TO EDUCATE A STUDENT IN MIDDLETOWN



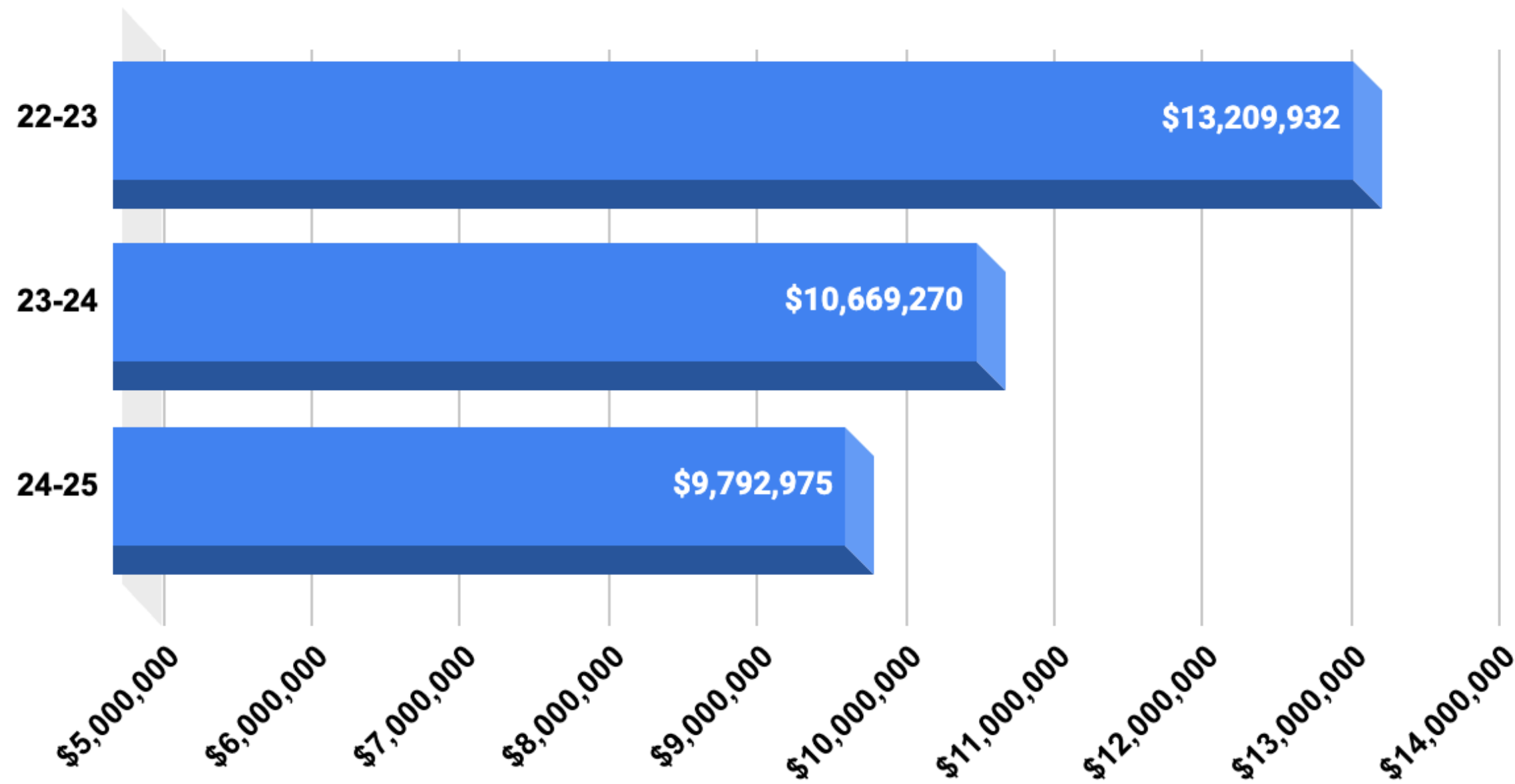
Cost Per Pupil Based on 2024-25 Operating Budget and Enrollment	\$20,768
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District Actual Costs Per Pupil	\$20,768
What the State Says We Should Spend Per Pupil	\$15,445
State Aid Per Pupil	\$1,585

OVER ADEQUACY, UNDER LFS



AMOUNT OVER ADEQUACY



- Over adequacy by \$9.7 million
- Under Local Fair Share (LFS) by \$59 million

ADDITIONAL DISTRICT FACTORS



Capacity available in many buildings

Average age of the district's buildings is 76 years

SCHOOL	BUILDING AGE
High School North	73 years
High School South	51 years
Bayshore Middle	94 years (addition built)
Thorne Middle	65 years
Thompson Middle	65 years
Bayview	69 years
Fairview	94 years
Harmony	65 years
Leonardo	94 years
Lincroft	69 years
Mid. Village	85 years
Navesink	84 years
New Monmouth	57 years
Nut Swamp	61 years
Ocean Ave	94 years
River Plaza	101 years

Building	Capacity (Students)	Enrollment	% of Capacity Used
High School North	1849	1284	69.40%
High School South	1793	1394	77.70%
Bayshore	792	534	67.40%
Thompson	930	859	92.40%
Thorne	930	596	64%
Bayview	665	367	55.20%
Fairview	530	296	55.80%
Harmony	863	486	56.30%
Leonardo	366	284	77.60%
Lincroft	485	491	101.20%
Mid. Village	611	425	70%
Navesink	326	209	64.10%
New Monmouth	699	510	73%
Nut Swamp	822	465	56.60%
Ocean Ave	454	289	63.70%
River Plaza	403	267	66.30%

Cost estimates to conduct structural upgrades to buildings

SCHOOL	ESTIMATED UPGRADE COSTS (FROM MASTER FACILITIES ASSESSMENT)
High School North	\$66,000,000
High School South	\$60,000,000
Bayshore Middle	\$30,000,000
Thorne Middle	\$40,000,000
Thompson Middle	\$44,000,000
Bayview	\$27,000,000
Fairview	\$14,000,000
Harmony	\$30,000,000
Leonardo	\$18,000,000
Lincroft	\$16,000,000
Mid. Village	\$17,000,000
Navesink	\$12,000,000
New Monmouth	\$20,000,000
Nut Swamp	\$22,000,000
Ocean Ave	\$16,000,000
River Plaza	\$16,000,000

IMMEDIATE INFRASTRUCTURE NEEDS



- HVAC replacements
- Parking lot improvements
- Window replacements
- Bathroom renovations
- Security and alarm systems
- Interior and exterior door replacements
- Elementary kitchen and cafeteria improvements

PROJECTED BUDGET



	2024-2025	2025-2026
Total Budget	183,282,115	196,817,038

***Increase of \$13,534,923 or 7.4% just to maintain current operations**



Salary Increases	\$4,800,000
Benefits Increases	\$3,700,000
Transportation Increases	\$750,000
Out of District Tuition Costs	\$1,500,000
Server Upgrades Secondary	\$200,000
Security Upgrades Cameras	\$170,000
Prop. & Casualty Insurance Increase	\$100,000
Maintenance Projects (Urgent-safety)	\$1,500,000
Curriculum Training 3-5	\$100,000
Fine and Performing Arts Budget	\$120,000
Utilities Cost Increase (Gas, Water, Electric)	\$225,000
Vendor Contract Increases	\$150,000
***This is an approximation	\$13,315,000

2025 - 2026 BUDGET NUMBERS

OPERATING BUDGET

\$186,956,046

TAX INCREASE

4.8%*

IMPACT TO TAXPAYER

Assessed Value

\$728,537

Yearly: \$334.20

Monthly: \$27.85

*Maximum percentage available to generate revenue which includes use of the health care adjustment (1.7%) and banked cap (1.17%)

	Revenue at 4.8%	2025-2026 Projected Operating Costs	Deficit
Total Budget	186,956,046	196,817,038	\$9,860,992



We are at a critical juncture as a district.

Our basic operating costs outpace our ability to generate revenue.

These operating costs are largely based on areas beyond our control.

Between the difficulties, one hides
the opportunity

— *Albert Einstein* —

A Plan to Ignite a *Reimagined Middletown*



- ✓ Long-term financial health
- ✓ State-of -the-art educational facilities
- ✓ Greater operational efficiency
- ✓ Balanced resources across the district
- ✓ Logical sending zones
- ✓ Spaces that support modern education



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Sometimes
the hardest thing and
the right thing are
the same.

- *Anonymous*

PHASE 1:
BEGIN TO STRATEGICALLY
SHRINK THE DISTRICT
FOOTPRINT & CREATE
GEOGRAPHICALLY LOGICAL
SENDING ZONES



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- Bayshore Middle School students will be rezoned for Thorne and Thompson Middle Schools (dependent upon elementary school attendance)
- Leonardo Grade School and Navesink Elementary School students will be combined and zoned to attend what will be known as *Bayshore Elementary School* (former Bayshore Middle School building)
- Two elementary schools get the benefit of an updated facility that boasts multiple gyms, a cafeteria, and plentiful instructional space
- Resulting in a 2-middle school, 2-high school, and 10 elementary school footprint
- Recurring savings of approximately \$4 million dollars each year
- Eliminates the \$30 million renovation costs estimated for Leonardo and Navesink
- Leonardo property becomes an asset to generate potential revenue



SOUTH AND NORTH SENDING ZONES

HIGH SCHOOL SOUTH	HIGH SCHOOL NORTH
THOMPSON	THORNE
<p>River Plaza Lincroft Nut Swamp Middletown Village Fairview</p> 	<p>OAS Leonardo (will become Bayshore Elem.) Navesink (will become Bayshore Elem.) New Monmouth Harmony Bayview</p> 

Students who would have attended Bayshore for the 2025 - 2026 school year (current 5th, 6th, 7th graders) and would be scheduled to attend a different high school in this alignment will have the option to attend High School North or High School South.

PHASE 2: INFRASTRUCTURE UPGRADES TO SECONDARY BUILDINGS



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- Begin planning infrastructure upgrades for the entire district in a long-range facilities plan
- First set of buildings to be addressed would be secondary schools: Thorne, Thompson, High School South, and High School North
 - additional space at middle schools
 - infrastructure upgrades to the high school
- Potential target date construction to commence would be September 2025 with a hopeful completion for the 2026 -2027 school year
- Timed to coincide with payoff of district bonds



**PHASE 3 AND BEYOND:
FURTHER CONSOLIDATION
OF DISTRICT FOOTPRINT
AND CONTINUATION OF
BUILDING UPGRADES**



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- During the 2025 -2026 school year, examine the remaining elementary school footprint to further consolidate to an 8-school elementary model
 - 2 HS, 2 MS, 8 Elementary Schools
 - Properties become an asset for potential revenue
- Simultaneously determine which elementary schools will need additional space to accomodate this shift in the district footprint
- Upgrade remaining 8 elementary schools to support modern education for all students (2026- 2030)
 - addition of large spaces (i.e. gyms, all purpose rooms, cafeterias)
 - Enhance classroom spaces to support modern learning

WHAT IS THE ALTERNATIVE?

Reduction to staff: minimum 120 staff members
Class sizes in all elementary schools to 28 per class
Class sizes in all secondary schools to 30 per class
Athletic transportation
Reduction to co-curricular programming at all levels
Reduction in athletic programs at all levels
Elimination of supplemental supports (interventionists, SACs, Counselors)
Largest numbers allowable by code in special education classrooms
Elimination of Elementary Band Program
Elimination Tier 3 Counseling Services
Elimination of Inclusion Support Contract with NJCIE
Elimination of all summer programs other than ESY
Elimination of Morphology initiative in grades 3-5
Elimination of elementary technology special classes
Recurring budget deficit year-after-year

ADVANTAGES OF MIDDLETOWN REIMAGINED



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- Long-term plan become the backbone of the district's 5-year Strategic Plan
 - #1 identified weakness in the strategic planning process is infrastructure
 - #2 are inefficiency and inequitable services as a result
- Continue to move toward greater operational efficiency by reducing the overall district-operating expenses
- Creation of geographically logical and streamlined sending zones in the district
- Avoid costly facilities upgrades to two buildings (one of which we do not own)
- Maximize the capacity of larger, newer buildings in the district



- Begin much-needed facilities upgrades to all buildings to support modern education
- Increase equity in resources/services for each sending zone (Ex: Special Education Services)
- Gain property to be used as a profitable asset
- Phase-in of smaller class sizes in elementary schools across the district
 - Bayshore Elementary School class sizes will be 21–23 students at all grade levels for the 2025–26 school year
 - Later phases of the plan will allow for this in all elementary schools
- Affords the opportunity to create an alternative learning school to support our youngest learners when faced with behavioral challenges, school anxiety, etc.

