



## **BRENTWOOD UNION FREE SCHOOL DISTRICT**

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### **HEARTLAND TOWN SQUARE ANALYSIS REPORT**

**REPORT ISSUED: FEBRUARY 2017**

CONFIDENTIAL

February 2017

The Board of Education  
Brentwood Union Free School District  
Brentwood, New York 11706



Board of Education:

We have been retained to function as the internal auditor for the Brentwood Union Free School District (hereinafter, "the District"). Our responsibility is to assess the internal control system in place for the accounting function within the District, and to make recommendations to improve upon certain control weaknesses or deficiencies. In doing so, we hope to provide assurance to the District's Board, management, and residents, that the fiscal operations of the District are being handled appropriately and effectively.

**BACKGROUND:**

We were requested by the Audit Committee to perform a special analysis of the effect of additional housing developments within the District and student enrollment. The District has had constant increases in enrollment in the past five school years. At the time of our review, the District has approximately 20,000 students enrolled. This is generally due to the uniqueness of the population it caters to and its proximity to apartment complexes and homeless shelters. The District learned of a new housing development known as Heartland Town Square within the District borders approximately 10 years ago. The development is said to bring 9,130 units; 8,217 of units will be rental units and 913 will be owner-occupied condos. Currently, the District contains thousands of homes, and four apartment complex buildings (not inclusive of senior-development apartment complexes). There is a fifteen-year plan to build Heartland Town Square which is divided into three phases. At each of these three phases the developers have estimated the number of additional school-aged children that would be attending the District.

**OBJECTIVE:**

The objective of our research was to determine whether the estimates of Heartland Town Square's developers are accurate. Currently, the developers anticipate their development will create an additional 2,056 students for the District. Our review assessed the uniqueness of the District's resident population and its proximity to existing apartment complexes, and how the aforementioned factors have affected the District to-date.

## **SCOPE AND PROCEDURES PERFORMED:**

The scope of this review entailed gaining an understanding of the District's current student population. This was accomplished by reviewing and utilizing the student information database eSchool Data (eSD), Heartland Town Square's proposal, the Eastern Suffolk BOCES Public School Building Survey 2015-2016, government websites, and other internet data.

To perform this research, we obtained a report from the District which contained demographic data for students from kindergarten through twelfth grade. We then analyzed the number of addresses in which more than six students resided. The results of this analysis were used to extrapolate the impact of student enrollment from the housing that will be available at the Heartland Town Square development. In addition, we reviewed the number of apartment complexes that exist within the District borders and the number of apartments (using the Suffolk County website) available in each of those complexes to gain an understanding of the ratio of students to apartments. Please see Appendix A.

## **RESULTS OF REVIEW:**

Through our review of the Heartland Town Square proposal, it was noted that the number of students was projected using the Rutgers University Center for Urban Policy Research. This research looks at school-age children (K-12). The proposal used a rate of zero (0) when calculating the number the additional school-aged children that would be attending the District as a result of the development's studio apartments. Therefore, the developers have anticipated that zero (0) school-age children will arise as a result of the 449 studio units that will be built. In addition, the developers use a two-bedroom-rate for their two-bedroom apartment with a den. Therefore, the developers do not view the den as an additional bedroom.

We also noted that the Rutgers research being used was done on a national level. The developers did not take into consideration the specific demographics that the District is serving. The variable used to determine the number of school-age children, therefore, may not be appropriate to estimate the impact of student enrollment in the District. Based on actual data obtained from the District's own database, we noted that approximately 360 homes house more than five school-age children (we considered this as an indication that there are multiple families living in the same home).

Suffolk County's government website contains a listing each year of the different apartment complexes for the entire county. With the help of the District personnel, and student demographic information maintained in eSD, we were able to discern which apartment complexes currently house students in the District. The District did its own count of the number of Brentwood District students in each apartment complex for three consecutive school years (2014-2015, 2015-2016, and 2016-2017). We were able to confirm the counts for the 2016-2017

school year with the data listed in eSD (based on a student listing as of January 18, 2017). We also excluded all pre-kindergarten and early intervention students as the developers based proposals on the number of additional *school-aged* children.

The data shows the difference between senior-development apartment complexes and non-senior-development complexes. The result, as expected, is that senior-development apartment complexes have virtually no impact on District enrollment. Other complexes such as Heritage Gardens and Sagtikos Gardens bring on an average of 200 children per year between the two apartment complexes.

We also analyzed the pricing of existing apartments in the District area and compared it to the pricing of Heartland Town Square's apartments which were noted in the proposal. We noted that the pricing of Heartland Town Square's apartments are either cheaper or close to the cost of existing apartment buildings within District borders; Heartland's single bedroom apartments are cheaper than the cost of some of the current Brentwood apartments and its double bedroom apartments were slightly more expensive, however, the development's affordable housing rates make the double bedrooms in the development cheaper than current apartment buildings in the District area. The District needs to consider how the outcome may be altered if the developers are unable to rent out their apartments using the anticipated rental rates as a reduction in price may attract larger families to the area. The District also needs to consider how the apartment rentals will be leased (e.g. half-year, month-to-month, and annual). If the developer does not require yearly leases, this may encourage constant movement in the District and spikes in enrollment.

Based on the research performed, and accounting for enrollment trends in the District, we found the developers calculation of additional school-age children to be substantially much lower. Using the development's proposed apartments for each phase of the build and our average percentage of school-aged children to apartment complex in Brentwood, we estimated how many children Heartland Town Square would affect enrollment in the District. Based on our calculations, we found that the ratio of children to apartment is approximately .80:1. As a result, we estimate that approximately 6,600 additional students would be enrolled by the end of the three phases of the Heartland Town Square build, as compared with Heartland's calculation of 2,056 additional students. It is our understanding that the developer does not intend to build an additional school.

In addition, Eastern Suffolk BOCES performs a Public School Building Survey each school year to measure the capacity at which a district is operating in regards to enrollment. Through our review of the Eastern Suffolk BOCES Public School Building Survey for the 2015-2016 school year, we noted that of the 17 District school buildings, 14 are operating at more than full occupancy capacity (greater than 100%). Specifically, Brentwood High School has the highest occupancy percentage with a rated capacity of 3,574 students, an enrollment of 4,444 students,

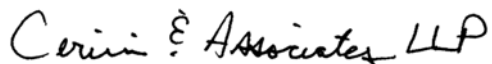
and an occupancy percentage of 124%. The other 3 school buildings are operating at a 97%, 99%, or 100% capacity. The occupancy percentage is calculated based on the rated capacity for the school building as compared to the enrollment at the school building. Using the BOCES report, we noted that the enrollment at the District for school-aged children is approximately 19,000 students in 2015-2016 and therefore the District is, for the majority of the school buildings, operating at more than full capacity. Based on our review of the 2016-2017 school year with the data listed in eSD, we noted the student enrollment has increased since the BOCES survey was performed, further substantiating that any additional increases in student enrollment will have an adverse effect on the District's ability to provide physical space to safely educate the students.

We recommend that the District continue to record the number of new students each month for the remainder of the year, and indicate the number of students leaving the District each month for the year. In doing so, the District will be able to validate the enrollment fluctuations and the unique demographics of the District and the population it serves.

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We would like to thank the District for its cooperation and professionalism. Should you have any questions regarding anything included in our report, please do not hesitate to contact us at (631) 582-1600.

Sincerely,

A handwritten signature in black ink that reads "Cerini & Associates LLP". The script is cursive and fluid.

Cerini & Associates, LLP  
Internal Auditors

## Appendix A

### Heartland Impact

Rental Units 8,217  
Owner-occupied Units (Condos) 913

Apartment Complex	# Apartments (suffolkcounty.gov)	# of Students (eSchool Data)		Monthly Rent (\$)	Notes
		Per C&A 2016/2017 (K-12)	Type of Apartments		
Brookwood Garden Apartments (10-25 Walter Street)	64	23	40 one-bedroom	\$ 1,240.00	All inclusive
			24 two-bedroom	\$ 1,450.00	All inclusive
Sagtikos Gardens (1721, 1723, 1725, 1727, 1729, 1731, 1733, 1735, 1737, 1739, 1741, 1743, 1745, 1747 N Gardiner Dr)	54	76	All one-bedroom	\$ 1,250.00	Average 625 sq. ft.
Heritage Gardens (Fairfield Circle)	145	103	One-bedroom		
			Two-bedroom		
East Newbrook Gardens (Eastbrook Ct)	58	55			
<b>Total</b>	<b>321</b>	<b>257</b>			
<b>% of Total</b>	<b>100.00%</b>	<b>80.06%</b>			

Senior Apartment Complex		Per District 2016/2017		
Village at Brentwood (2nd Avenue)	100	3	Senior Complex	
St Anne's Gardens	100	1	Targeted for elderly families	
Springfield Gardens (Broadway West)	114	2	Suspected Senior Complex	
St Paul's Gardens	85	0	Senior Complex	
<b>Total</b>	<b>399</b>	<b>6</b>		
<b>% of Total</b>	<b>100.00%</b>	<b>1.50%</b>		

<b>Grand Total</b>	<b>720</b>	<b>263</b>		
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Heartland Phase	Proposed Apartments	% Using "Per C&A 2016/2017"	Estimated Students per Phase
1 (Years 1-5)	3,150	80.06%	2,522
2 (Years 6-10)	3,042	80.06%	2,435
3 (Years 11-15)	2,025	80.06%	1,621
<b>Total</b>	<b>8,217</b>		<b>6,579</b>

Monthly Rent @ Heartland	
Apartment Type	Rent (\$)
Studio - market	\$ 990.00
Studio - affordable	\$ 820.58
1 bedroom - market	\$ 1,210.00
1 bedroom - affordable	\$ 938.33
2 bedroom - market	\$ 1,980.00
2 bedroom - affordable	\$ 1,056.00
2 bedroom w/ den - market	\$ 2,530.00
2 bedroom w/ den - affordable	\$ 1,144.00

**CONFIDENTIAL****EASTERN SUFFOLK BOCES  
201 SUNRISE HIGHWAY  
PATCHOGUE, NEW YORK 11772****PUBLIC SCHOOL BUILDING SURVEY 2015-2016  
FIRST SUPERVISORY DISTRICT AREA**

District	Schools	Grades Housed	Rated Capacity	Enrollment	% Occupancy	Relocatables In use	Plans to Close Bldgs.
<b>Brentwood</b>	East Kindergarten Center	k	679	663	97%		
	Hemlock Park	1-5	657	799	121%		
	Laurel Park	1-5	616	661	107%		
	Loretta Park	1-5	678	772	113%		
	North Elementary	1-5	860	869	101%		
	Northeast Elementary	1-5	997	1090	109%		
	Oak Park Elementary	1-5	820	816	99%		
	Pine Park Elementary	k	570	642	112%		
	Southeast Elementary	1-5	613	725	118%		
	Southwest Elementary	k-5	1085	1227	113%		
	Twin Pines Elementary	1-5	813	950	116%		
	East Middle School	6-8	1040	1064	102%		
	North Middle School	6-8	1045	1114	106%		
	South Middle School	6-8	907	915	100%		
	West Middle School	6-8	798	972	121%		
	Freshman Center	9	1100	1248	113%		
	Brentwood HS	10-12	3574	4444	124%		