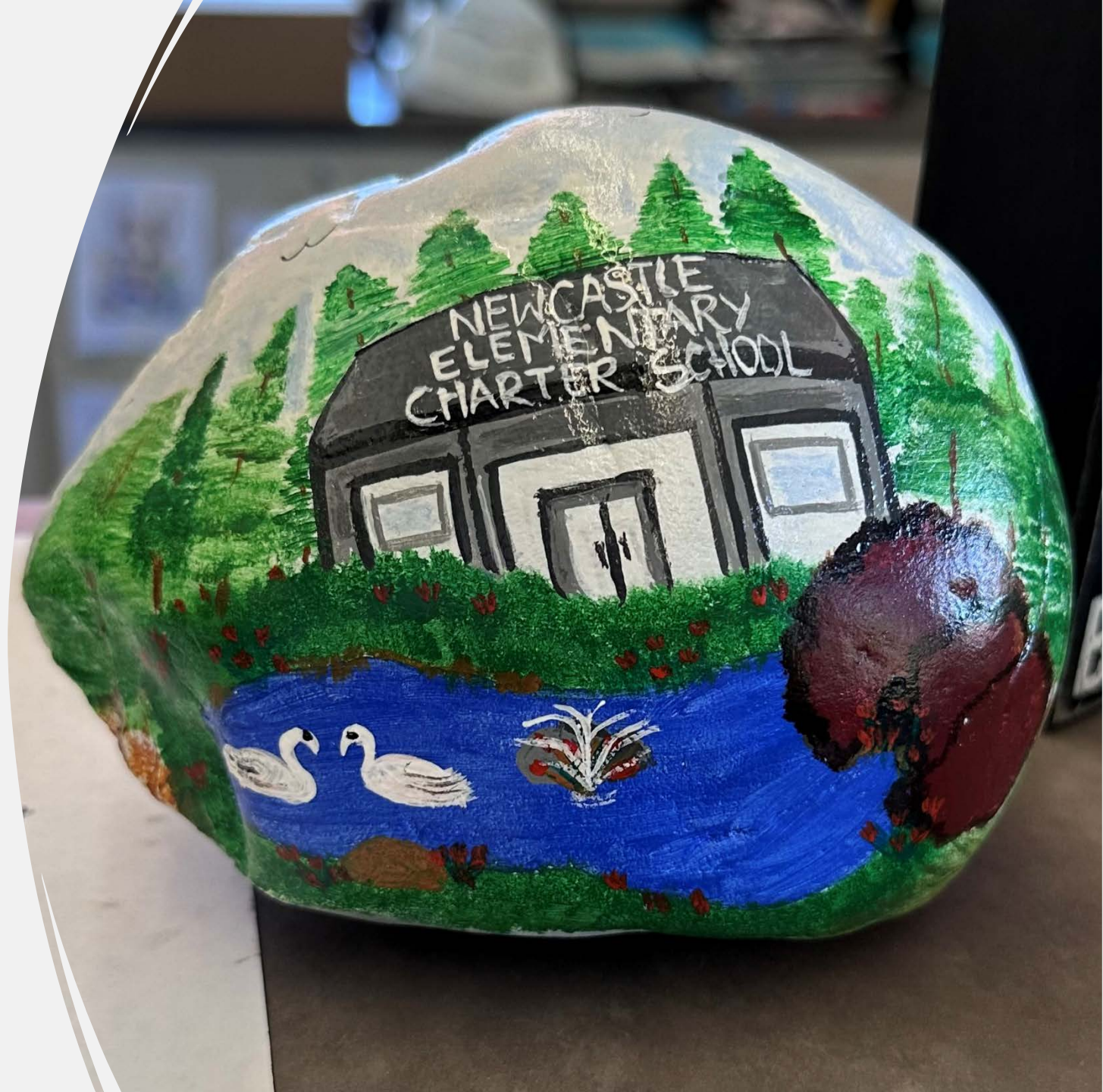


# Newcastle Elementary School District

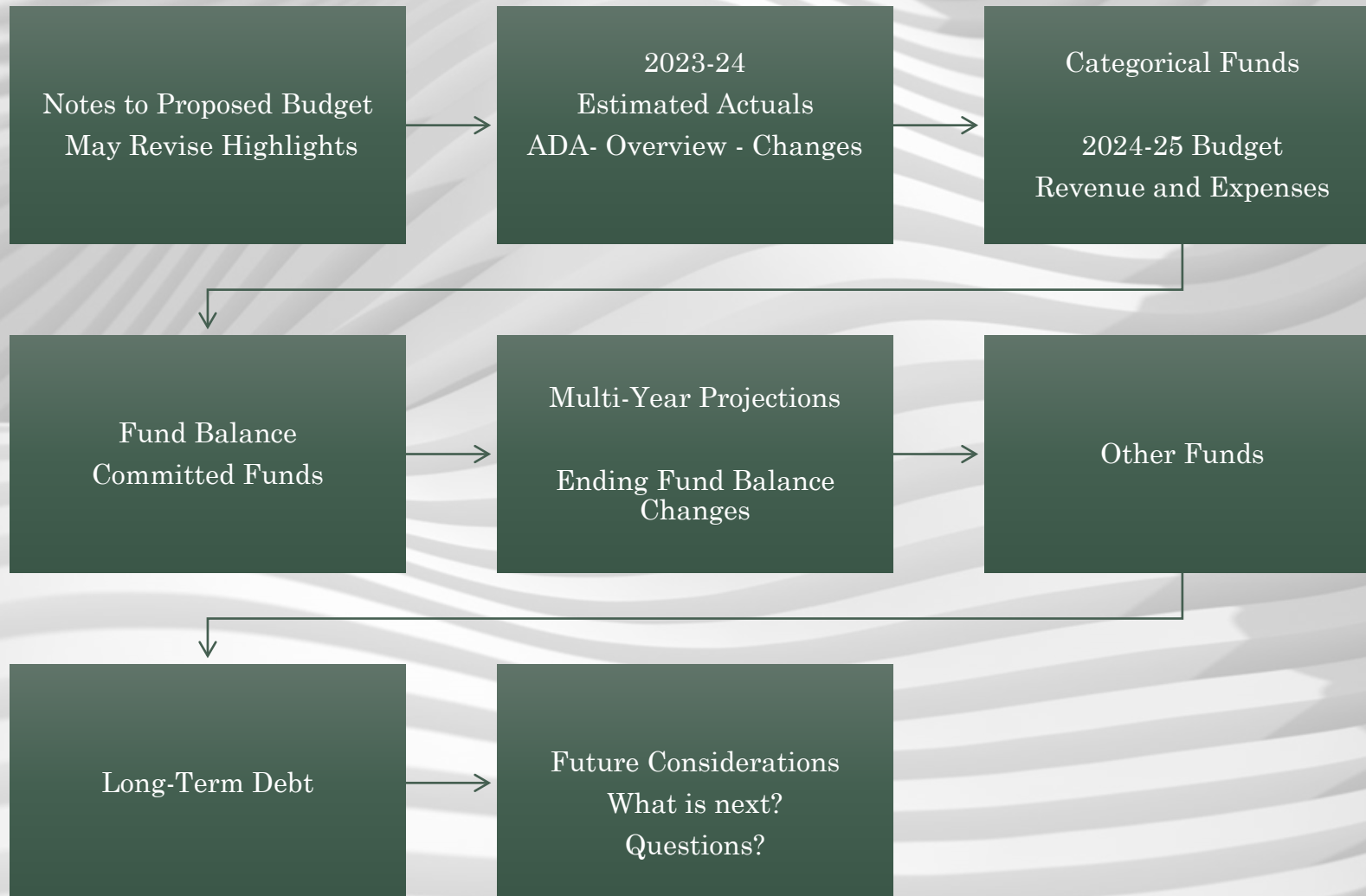
## 2024-2025 Proposed Budget

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- Presented to The Board of Trustees
- Public Hearing June 12, 2024
- Adoption June 26, 2024



# Budget Journey...



June 12, 2024

# Notes to the Presented Budget Proposal

Since the State budget has not been approved and things are expected to change, this budget is a “placeholder”

If material revisions are required a revised budget can be submitted 45 days after the State budget is adopted

Tonight, is a public hearing and budget adoption will happen at the June 26<sup>th</sup> meeting.

NESDs 2023-24 budget is due to the Placer County Office of Education by 6/30/2024.

There has been over \$1 million influx of one time funds since 2020 - creating intentional deficit spending



# May Revise Highlights

There is  
soooo  
much....

\*LCFF = Local Control Funding Formula

\*COLA = Cost of Living Adjustment

LCFF 1.07% COLA

Budget Maneuver for 2022-23 deficit still being negotiated

Governor and CTA's plan utilizes deferrals and depleting the rainy day fund

The Legislature is recommending the suspension of the Prop 98 guarantee which would create a maintenance factor (IOU)

There may be 3 deferrals - 2 are "paper transactions" and one is real June 2024 to July 2024

June 12, 2024

A Step  
Back -  
2023-24  
Estimated  
Actuals





## Newcastle Elementary School District Operates With Two Primary Funds

- Newcastle Elementary School= NES
  - (Fund 01)
- Newcastle Charter School =NCS
  - (Fund 09)
- This will be referenced throughout this presentation.

# *2023-24 Local Changes That Have a Budget Impact*

Reduction of SELPA Funds from November to  
February = 200,000

AB 218 Obligations = 20,000

*NESD 15,500 HRCC 4,241 CCM 367*

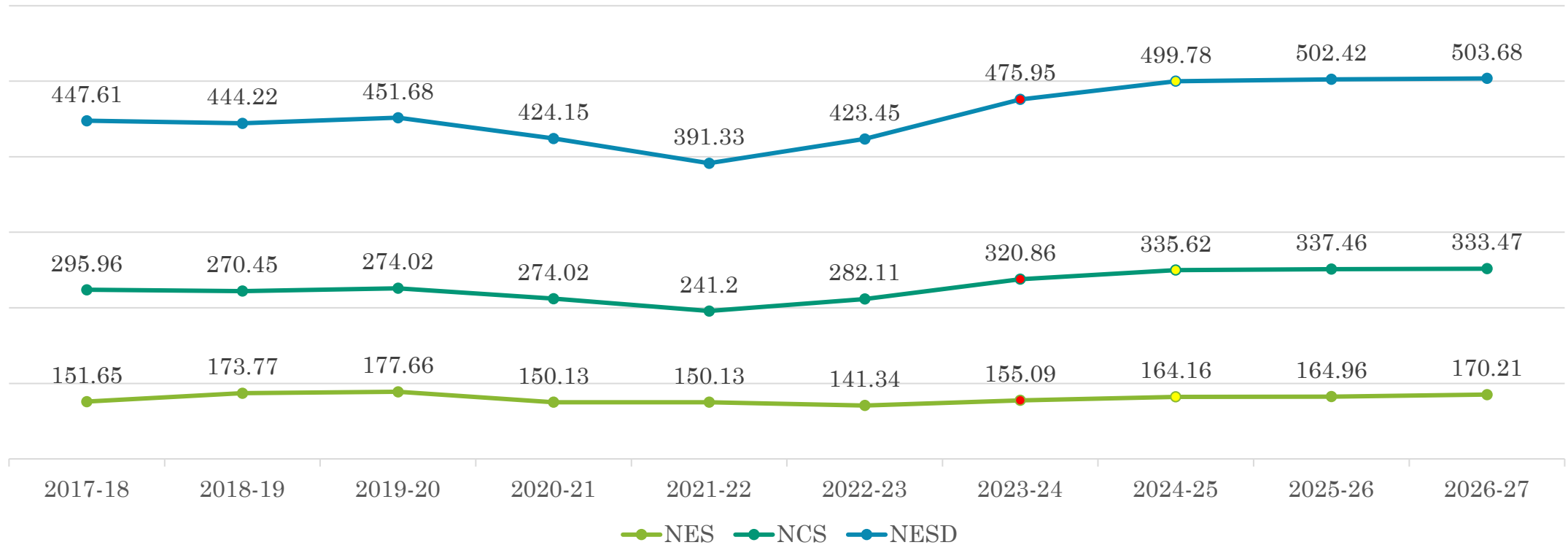
Van was vandalized and a tree fell on a shed

*Most of this will be covered by insurance*

# 10 Years of Average Daily Attendance

7 Years of P2 Data

3 Years Projected



June 12, 2024



# 2023-2024 NES and NCS Estimated Actuals

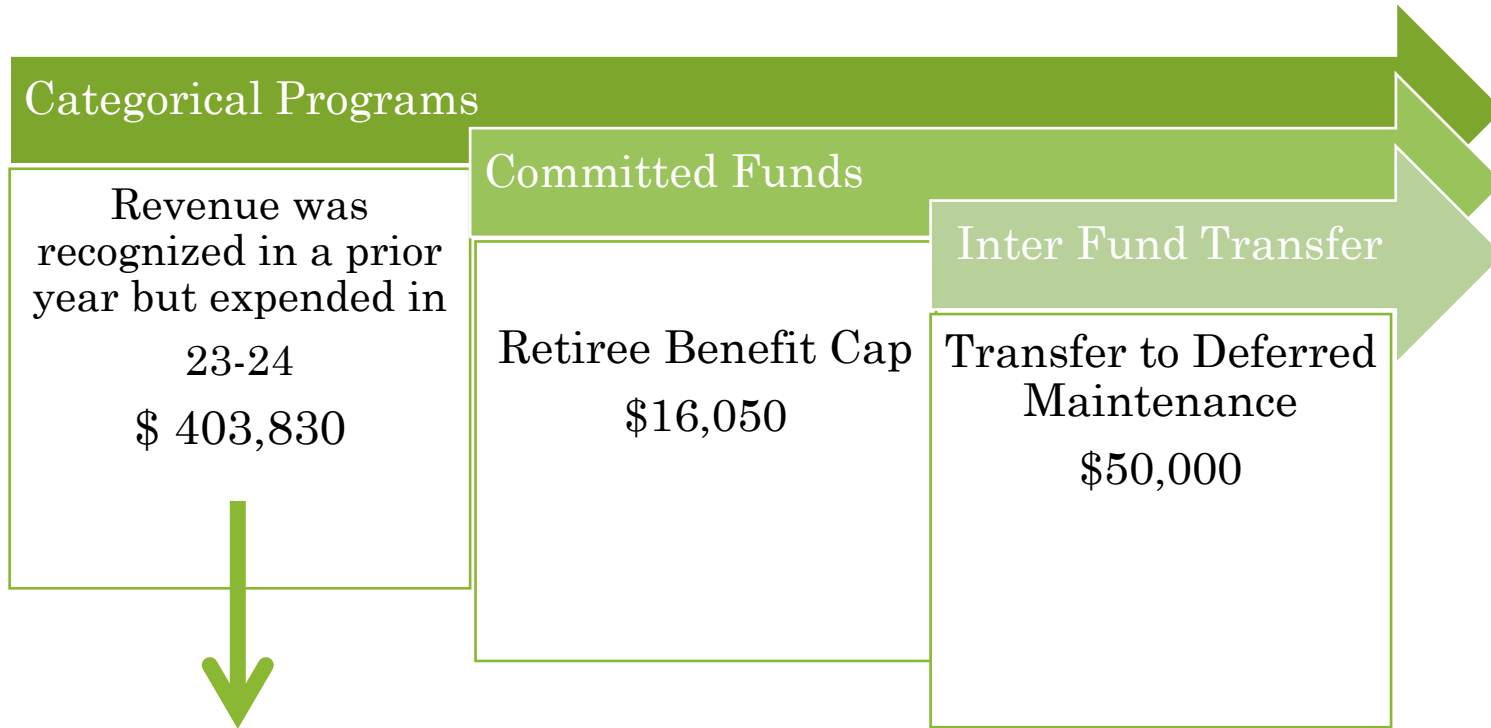
2023-24	NES – *ADA 155.56	NCS – ADA 320.76	Total – ADA 454
Revenue	3,535,280	4,048,233	7,583,513
Expenses	(5,120,408)	(3,324,836)	(8,445,244)
**Transfers In	779,781	0	779,781
Transfers Out	(53,191)	(776,590)	(829,781)
(Deficit)/Surplus	(858,538)	(53,193)	(911,731)
Beg Fund Bal	2,079,029	601,799	2,680,828
Ending Fund Bal	1,220,491	548,606	1,769,097

June 12, 2024

\*ADA = Average Daily Attendance

\*\*Transferred From NCS to NES = \$776,590

# What is in the 2023-24 deficit....



Primarily...  
ELO-P, Kitchen Infrastructure,  
Learning Recovery and ELO-G Funds

Budgeted Deficit	\$ 911,731
Use of Fund Balance	\$ 469,880
Structural Deficit	\$ 441,851

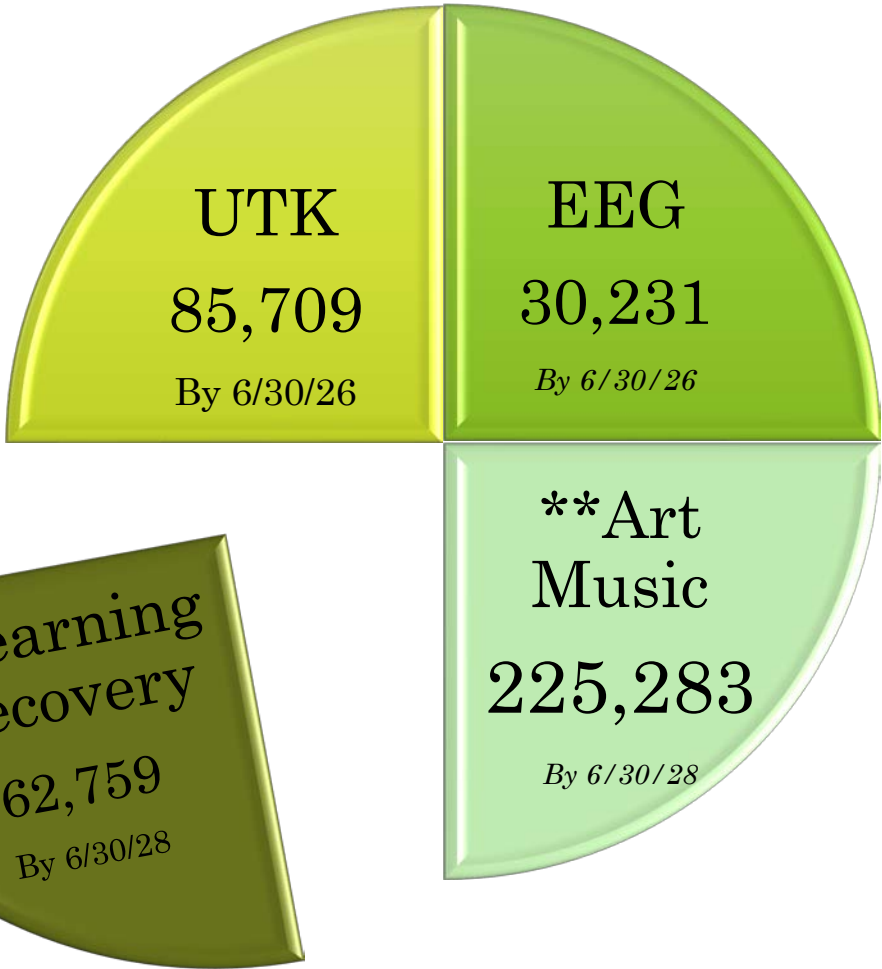
# Categorical Funds



# Newcastle Elementary and Newcastle Charter Schools Categorical Funds Balances as of 5/31/24

ELO-G - 0

ESSER III - 0



*There will be new restrictions on these funds in 2025-26.*

# 2024-25 Budgeted Categorical Expenses

Learning Recovery  
*(A Portion of the)*  
.8 Intervention Teacher  
*Will be expensed by 6/30/25*

Universal TK  
Curriculum  
Classroom Improvements

Arts, Music, Instructional Material  
Discretionary Grant  
Library Aide  
.8 Intervention Teacher  
*(A portion of)*

Prop 28-(Ongoing)  
.2 Music Teacher  
Art Docent Coordinator  
Art Supplies

2024-2025  
Budget



# 2024-2025 Budget Components

## Average Daily Attendance (ADA)

	2023-24	2024-25	
Estimated Actuals		<b>Budget</b>	
NES	155	164	
NCS	<u>321</u>	<u>336</u>	
	476	500	24.00 Increase

## Lottery

Unrestricted (Salaries)	\$177
Restricted (Curriculum)	\$ 72

## Unduplicated Pupil Percentage (UPP)

NES	21.19%	NCS	21.12%
-----	--------	-----	--------

## Mandated Costs Block Grant Per ADA

NES	\$38.21	NCS	\$20.06
-----	---------	-----	---------

## Retirement 2024-25

STRS	19.10%
PERS	27.05%

## Salary Step and Column Projection

Certificated	1.35%
Classified	2.12%

Afternoon Bus  
Service

TK Room  
Modifications

# 2024-25 Big Happenings

Installation of Walk In  
Refrigerator/Freezer

Using Kitchen  
Infrastructure Funds



June 12, 2024



# 2024–2025 Proposed Budget Revenue

	NES	NCS	Total	Notes
General Purpose	2,245,158	3,758,279	6,003,437	State Aid EPA Property Taxes
Federal	247,478	0	247,478	Title I & II Fed SPED
State	368,644	332,781	701,425	Lottery Mandated Costs *STRS on Behalf State SPED
Local	1,201,575	25,000	1,226,575	Oversight Fees Billbacks SPED & Interest
Trans In	565,721	0	565,721	
<b>Total</b>	<b>4,628,576</b>	<b>4,116,060</b>	<b>8,744,636</b>	

Education  
Protection  
Act (EPA)  
Funding

Fund	Beginning Balance	Budgeted Revenue	Budgeted Teacher Salary and Benefits	Ending Balance
Newcastle Elementary	0	528,874	528,874	0
Newcastle Charter School	0	1,091,171	1,091,171	0

EPA funding is a sub-group of the State Aid calculation process and stems from the passage of Prop 30 back in 2012. It is not add-on revenue, but instead is deducted from total State Aid due (less local property taxes) and assigned a separate resource (1400) for tracking purposes by the State. **This portion of State Aid, designated as EPA funding, is budgeted for certificated teacher salaries for all school sites and charter schools to stay in compliance with Prop 30 requirements.**

On November 8, 2016, the voters approved the California Children’s Education and Health Care Protection Act (Proposition 55) that maintains increased personal income tax rates for taxpayers in high tax brackets through 2030. **Proposition 55 did not extend the sales tax increase; therefore, the temporary sales tax increase expired at the end of calendar year 2016.**

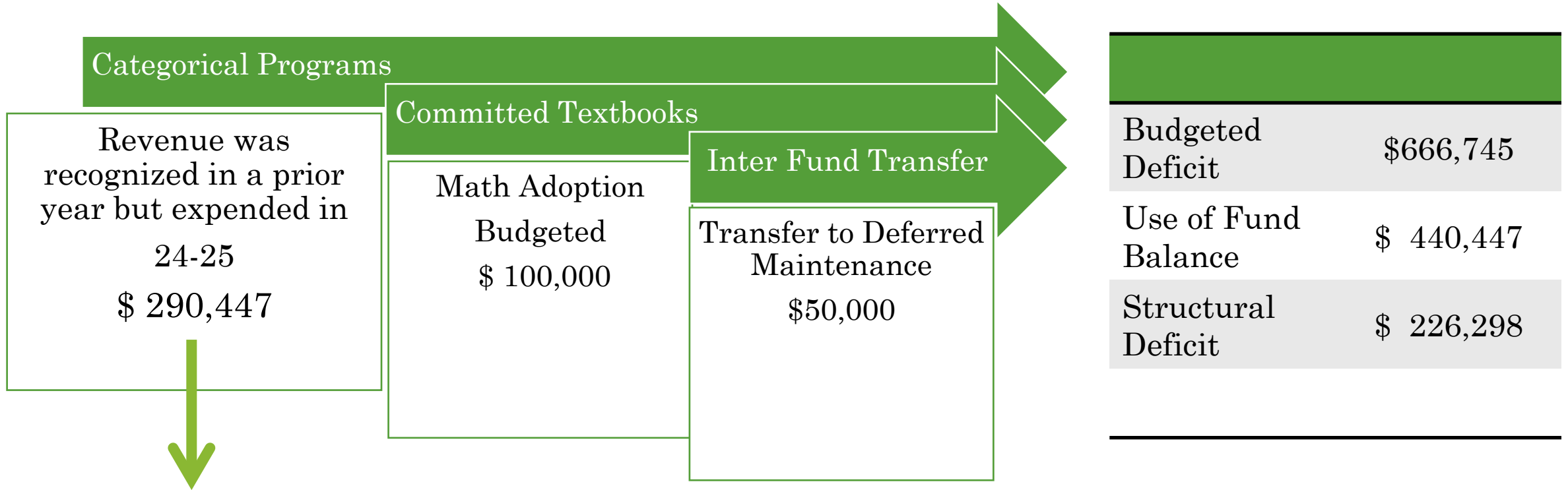
# 2024-25 Budgeted Expenses

	NES	NCS	Total	Notes
Certificated Salaries	1,603,508	1,595,924	<b>3,199,432</b>	Salary and Benefits are 69% of all expenses
Classified Salaries	957,813	432,686	<b>1,390,499</b>	
Benefits	1,012,087	850,332	<b>*1,862,419</b>	
Books & Supplies	224,209	159,922	<b>384,131</b>	
Other Operating Services	329,175	743,055	<b>1,072,230</b>	Outside services and utilities
Other Outgo/ Capitol Outlay	783,049	103,900	<b>886,949</b>	Long term debt PCOE Billbacks SPED
Trans Out	50,000	565,721	<b>615,721</b>	
<b>Total Expenses</b>	<b>4,959,841</b>	<b>4,451,540</b>	<b>9,411,385</b>	

	<b>NES</b>	<b>NCS</b>	<b>Total</b>
Revenue/Trans In	4,628,576	4,116,060	8,744,636
Expenses/Trans Out	(4,959,841)	(4,451,540)	(9,411,381)
Excess/(Deficit)	(331,265)	(335,480)	(666,745)
Estimated Beginning Fund Balance	<b>1,220,491</b>	<b>548,606</b>	<b>1,769,097</b>
Ending Fund Balance	889,226	213,125	1,102,352

**2024-25  
NES and NCS  
Proposed  
Budget  
Estimated  
Ending Fund  
Balance**

# What is in the 2024-25 deficit....



Primarily...  
ELO-P, Art Music & Instructional Material,  
Kitchen Infrastructure, Learning Recovery  
Grants

# MAJOR CHANGES TO 2024-25 BUDGET THAT REDUCED DEFICIT

2023-24  
One Time  
Expenses  
Removed

Total (\$345,000)

Universal TK (82,500)  
ELO-P (203,294)  
Learning Recovery (29,800)  
Kitchen Infrastructure (29,000)

Full Implementation  
of SELPA Revenue  
Increase

*\$611,000*

*23-24 \$451,566*  
*24-25 \$1,062,490*

# 2024-2025 Proposed Budget Fund Balance Allocation

Goal is 15% of NES/NCS Expenses

NES/NCS \$381,066 = 4.33%

Of \$8,795,660 NES/NCS Expenses (minus Trans Out)

REU=Reserve for Economic Uncertainty

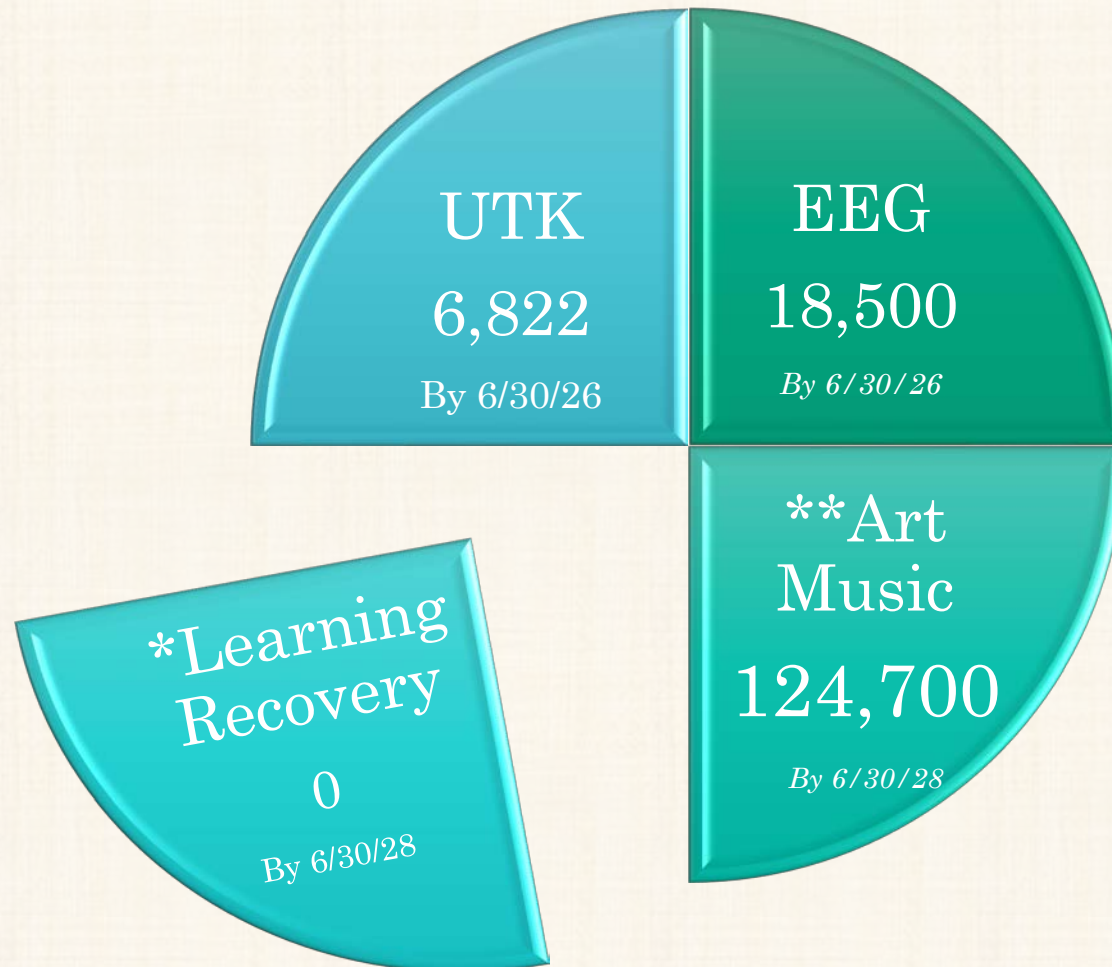
June 12, 2024

	NES	NCS
*REU 5% -NES Only	245,492	
Additional REU NES and NCS	91,895	<b>43,679</b>
Restricted	151,795	<b>169,447</b>
Committed	334,674	
Facility Use	19,935	
Enrichment/Gate	18,007	
Revolving Cash	700	
Library	1,373	
Classroom Programs	13,084	
Music Donations	7,993	
PTC Donations	367	
Field Trip/Sports	3,911	
<b>Total</b>	<b>889,226</b>	<b>213,126</b>

Total  
Estimated  
Ending Fund  
Balance  
NES and NCS  
\$1,102,352

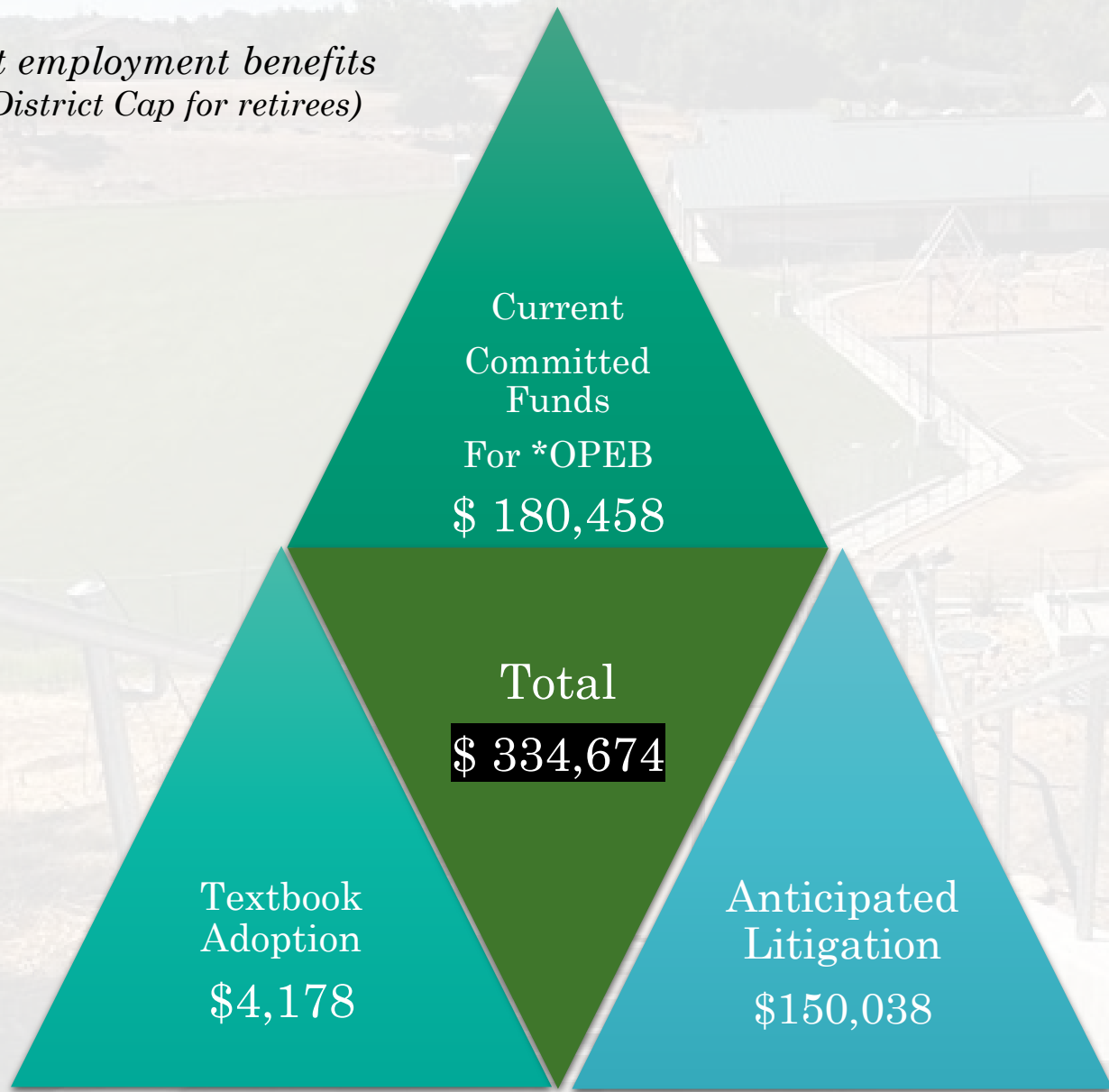
\*State mandated REU is 5% of Fund 01- NES Expenses  
\$4,909,841

# Newcastle Elementary and Newcastle Charter Schools Estimated Categorical Funds Balances as of 6/30/25





*\*OPEB = Other post employment benefits  
(Health and Welfare District Cap for retirees)*



**Estimated  
Committed  
Funds  
Balance  
June 2024**

*Resolutions 9,10 & 11 - 20/21*



**MULTI YEAR PROJECTIONS**  
*APPROXIMATELY RIGHT BUT EXACTLY WRONG*

## Multi Year Budget Components

*MYP projections show the trajectory of the district's revenue and expenses. The projections will change if any of the following components are changed.*

Average Daily Attendance	24-25	25-26	26-27
	500	502	504

LCFF Revenue Projected COLA		
24-25	25-26	26-27
1.07%	2.93%	3.08%

Lottery – Per ADA	
Lottery Unrestricted	Lottery Restricted
\$177	\$72

Mandated Costs – Per ADA			
	23-24	24-25	25-26
NES	\$ 38	\$ 38	\$ 39
NCS	\$ 20	\$ 21	\$ 21

Retirement	24-25	25-26	26-27
STRS	19.10%	19.10%	19.10%
PERS	27.05%	27.60%	28.00%

Salary Step and Column Projection	
Certificated	1.35%
Classified	2.12%

# NES - NCS Multi Year Projections

	2024/2025	2025/2026	2026/2027
Revenue	8,178,915	8,339,934	8,608,763
Expenses	(8,795,660)	(8,193,542)	(8,333,915)
Trans In	565,721	380,000	400,000
Trans Out	(615,721)	(380,000)	(400,000)
Excess/ (Deficit)	(666,745)	146,392	274,848
Beg Fund Balance	<b>1,769,097</b>	<b>1,102,352</b>	<b>1,248,744</b>
Ending Fund Balance	<b>1,102,352</b>	<b>1,248,744</b>	<b>1,523,592</b>
Committed	<b>334,674</b>	<b>323,974</b>	<b>313,274</b>
Restricted/ Nonspendable	<b>321,942</b>	<b>118,834</b>	<b>700</b>
Assigned	<b>64,670</b>	<b>0</b>	<b>0</b>
Reserves	<b>381,066</b>	<b>805,936</b>	<b>1,209,618</b>
* % Reserve	<b>4.3%</b>	<b>9.8%</b>	<b>14.5%</b>

Surplus primarily due to reduction in expenditures using one time categorical funds

\*Reserves are calculated on NES and NCS Expenses minus Transfers In and Out - 5% plus 10% per BP 3100

# NOTES TO 2025-2026 SURPLUS

2024-25  
One Time Expenses  
Removed

Total (\$273,100)

Text Book Adoption (100,000)

Universal TK (77,737)

Kitchen Infrastructure (95,400)

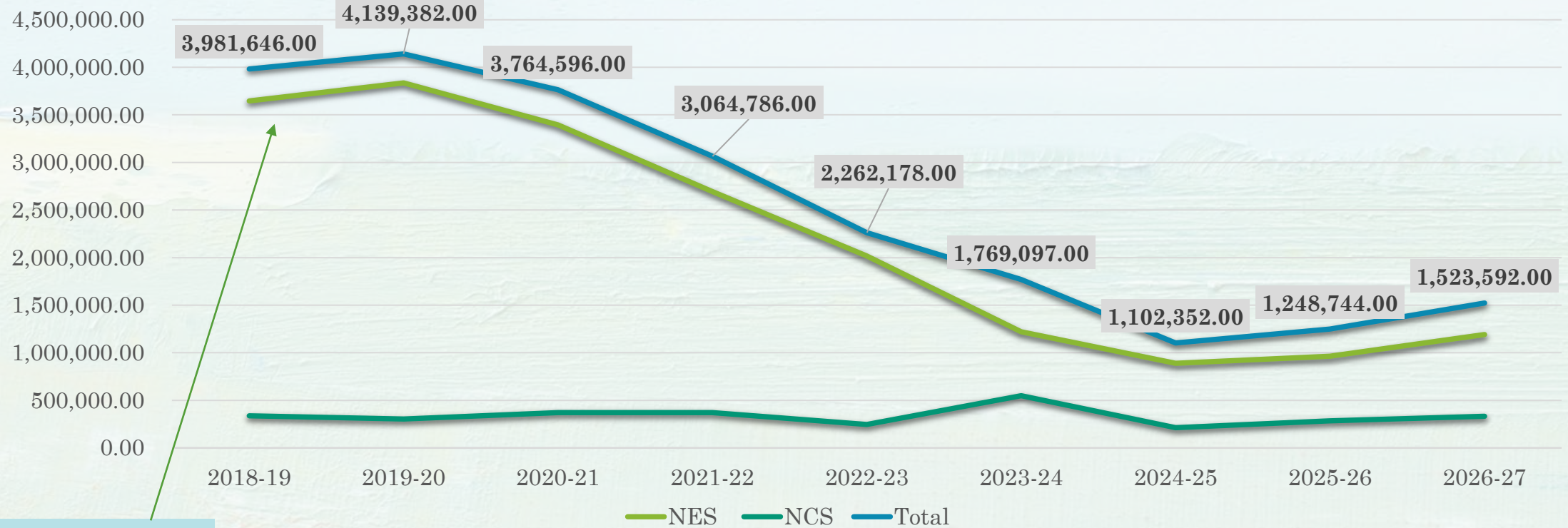
2024-25  
Reduced Ongoing  
(\$224,000)

*1.0 Extra 3<sup>rd</sup> Grade  
Position*

*.8 FTE Reading  
Intervention*

# Ending Fund Balance Trajectory

## Newcastle Elementary and Newcastle Charter School



2018-19 was the last year NESD received Basic Aid Supplemental Funding

June 12, 2024

# Other Funds





<b>2024-2025</b>	<b>Estimated Beginning Fund Balance</b>	<b>Est. Net Change</b>	<b>Ending Fund Balance</b>
<b>Food Service</b>	<b>498,504</b>	<b>144,179</b>	<b>642,683</b>
<ul style="list-style-type: none"> <li>● Food Service is on a five year spending plan with CDE because the fund balance is more than six months of expenditures.</li> <li>● Walk in Refrigerator/Freezer is in Process which will provide more room in the kitchen for scratch made meals.</li> </ul>			
<b>Deferred Maintenance</b>	<b>276,758</b>	<b>(54,700)</b>	<b>222,058</b>
<p>New Floor Scrubber, Sports Field Repair, Pond Maintenance, Asphalt Repairs, Goats, Playground Bark, Sprinkler Inspections, HVAC Repairs, and Solar Panel Cleaning</p>			

OTHER FUNDS





**O  
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S**

<b>2024-2025</b>	<b>Estimated Beginning Fund Balance</b>	<b>Est. Net Change</b>	<b>Ending Fund Balance</b>
<b>Capital Facilities</b>	<b>126,541</b>	<b>(96,600)</b>	<b>29,941</b>
<ul style="list-style-type: none"> <li>• Revenue is provided from developer fees</li> <li>• Used for construction or reconstruction of school facilities necessary to reduce overcrowding.</li> <li>• Replace or refurbish to bathroom outside the multi purpose room</li> </ul>			
<b>Capital Outlay</b>	<b>386,128</b>	<b>11,000</b>	<b>397,128</b>
<p>This fund has been used for various projects on the school campus.</p>			

OTHER FUNDS

2024-2025	Estimated Beginning Fund Balance	Est. Net Change	Ending Fund Balance
<b>Student Body</b>	40,827	0	40,827
<ul style="list-style-type: none"> <li>• Student Body account is informational only and is used for activities directly related to students.</li> <li>• A budget has not been established for 2024-25</li> </ul>			
<b>County School Facilities</b>	0	0	0
<p>This fund was used to receive State modernization funds that were used to pay off the district's capital loans in 2022-23</p>			

# NESD Long Term Debt

	Balance Principal As of 7/1/24	Balance Interest As of 7/1/24	Duration/Interest Rate
Placer County Treasury Loan	2,505,246	907,088	Last Payment 9/30/46 2.8% Interest

Other Post Employment Benefits (OPEB)	Potential L/T Expense	2024-25 Expense 1 Retiree	Committed in Fund Balance
	188,483	10,700	180,458

Correction \$177,783

# Multi Year Long Term Debt Payments

	2024/2025	2025/2026	2026/2027
Placer County Treasury Kentucky Greens Property	148,471	148,471	148,471
*OPEB Other Post Employment Benefits	10,700	10,700	10,700
<b>Total</b>	<b>159,171</b>	<b>159,171</b>	<b>159,171</b>

# Future Considerations

Universal Free Meals cost more than expected so there may be changes in the future

Prepare for a possible implementation of deferrals by monitoring cash flow- *Dry Period Financing will be applied for through the Placer County Treasurer*

AB 218 claims and future costs- Studies are being considered to put guardrails on the claims to help local education agencies

Mitigating on going expenditures to address structural deficit. Footballs vs. Puppies





## What is next.....?

- NESD Budget approval June 26<sup>th</sup>
- State Budget Is Approved by June 30th
- 45 Day Revise if needed due by August 15th
- 2023-24 Unaudited Actuals due by September 15th

Any  
Questions?



Thank you  
and Good  
Knight!

June 12, 2024