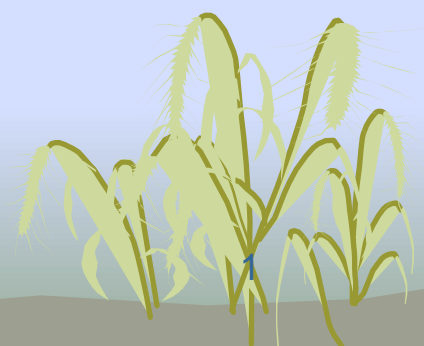
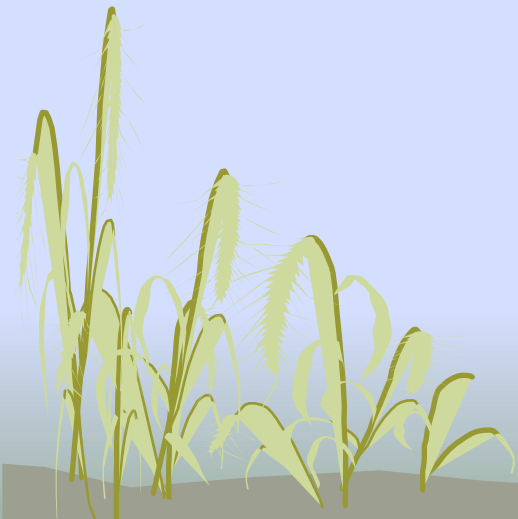


Newcastle Elementary School District

Proposed Budget
Presented June 10, 2020



Budget Journey...

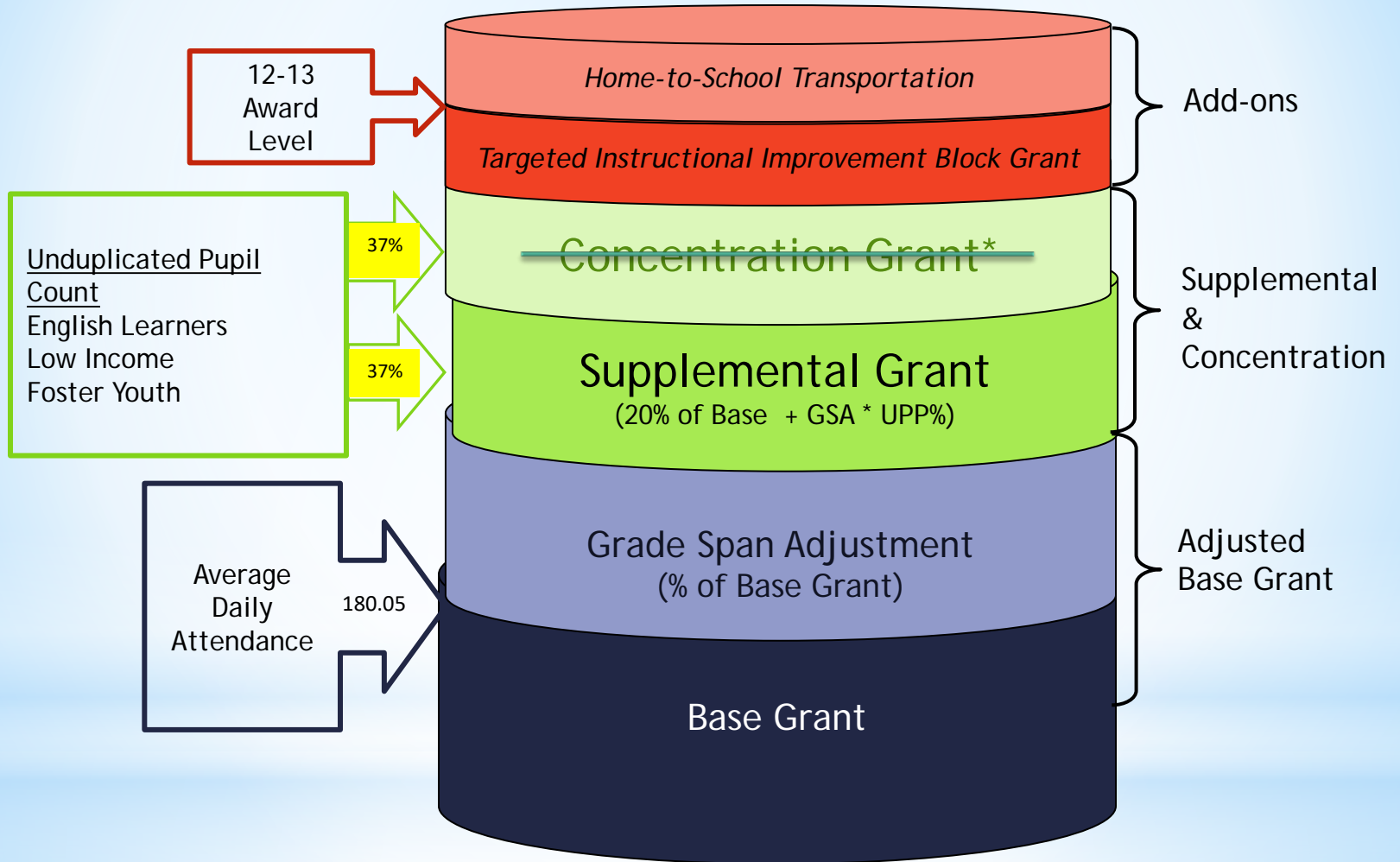
- State Budget Highlights
- Local Control Funding Formula Funding - How it works
- What does this mean to NESD in dollars?
- 2020-21 Budget Components and EPA designation
- 2020-21 Budgeted Revenue and Expenses
- **2019-20 Estimated Actual Summary**
- 2020-21 Ending Fund Balance
- Multi Year Projections
- Other Funds
- Long Term Debt
- What Is Next??

Governor's May Revise Budget Highlights

LCFF

- * Governor – 2.31% COLA with (-10%) Deficit Factor
- * Triggered off if Federal HEROS Funds Are Received
- * Legislature- 2.31% COLA - No Deficit
- * Deferrals if Federal HEROS Funds Are NOT Received
- * June 2020 Deferral of State Aid to July 2020
- * April, May and June 2020-21 Deferral in State Aid to August, Sept and October of 2021-22
- * Special Education – Does not receive 2.31% COLA
- * PERS and STRS Employer Contribution Reductions

Local Control Funding Formula



*Unduplicated Pupil Percentage (UPP) must be above 55% to receive Concentration Grant funding

LCFF Funding Changes for 2020-2021 What does it look like?

Entitlement Factors per ADA	K-3
2019-20 Base Grant	\$7,702
Statutory COLA at 2.31%	\$178
2020-21 Base Grant Before Deficit	\$7,880
Deficit Factor at (10%)	(\$788)
2020-21 Base Grant	\$7,092

The May Revision suspends the 2.31% COLA and includes an additional reduction—for a total of 10% cut to the LCFF

First, the 2.31% COLA is applied to arrive at the 2020–21 base grants

Then the 10% reduction is applied—for an effective reduction of 7.92% to the 2019–20 base grant amounts

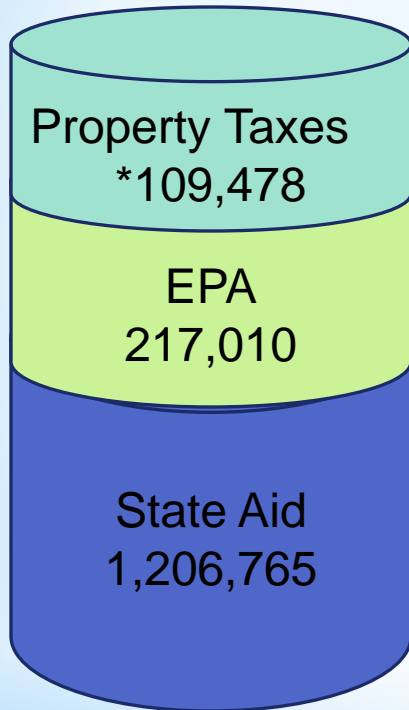
**From School Services Presentation*

LCFF Funding Changes

Grade Span	2019-20 Base Grant per ADA	2.31% COLA	2020-21 Base Grant per ADA	10% Reduction	Effective 2020-21 Base Grant per ADA
K-3	\$7,702	\$178	\$7,880	[-\$788]	\$7,092
4-6	\$7,818	\$181	\$7,999	[-\$800]	\$7,199
7-8	\$8,050	\$186	\$8,236	[-\$824]	\$7,412

Chart from School Services Presentation

Specific to Newcastle Elementary School District		
Add Ons - Reduced	2019-20	2020-21
Transportation	\$42,556	\$34,347
Economic Recovery Target	\$34,347	\$30,912
	Total Reduction	(\$11,664)



**Total LCFF Revenue
For Newcastle
Elementary (NES)**

\$ 1,533,253

*Property Taxes 109,478 =
1,246,568 - 1,137,090
(In Lieu Taxes to Charter Schools)



What does this mean in to NESD?

LCFF Revenue Change : (\$448,000)

NES (\$207,000) NCS (\$241,000)

**Special Education No COLA
(\$50,300)**

Retirement Contribution Savings		May Revise	January Budget
STRS	\$ 65,400	16.15%	18.40%
PERS	\$ 24,200	20.70%	22.80%
Savings	\$ 89,600		

Newcastle Elementary School District



Budget Components

Average Daily Attendance

2019-20		2020-21
Estimated	Actuals	Budget
NES	178	180
NCS	<u>275</u>	<u>279</u>
	453	459

Mandated Costs Block Grant			
NES	\$32.18	NCS	\$16.86

Lottery	
Unrestricted (Salaries)	\$153
Restricted (Curriculum)	\$ 54

Unduplicated Pupil Percentage (UPP)

NES	38.4%	NCS	18.9%
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Multi Year Projection Assumptions

ADA

2021-22	455.86	2022-23	453.09
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Certificated S/C 1.23%

Classified S/C 2.5%

Fund	Beginning Balance	Budgeted Revenue	Budgeted Exp Teacher Salary and Benefits	Ending Balance
Newcastle Elementary	0	217,010	209,475	7,535
Newcastle Charter School	0	345,868	345,868	0

**Education
Protection
Act (EPA)
Funding**

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.**

Present, Future and Possible COVID-19 Funding

New	Revenue	Expenses	Balance	Notes
COVID 19	7,899	12,874	(4,975)	State Funding
CARES Act or ESSER (Budgeted)	19,271	8,700 (Budgeted)	10,571	Federal Based on Title I - NES Only Will Receive in 2020-21

The State Legislature has proposed additional CARES Act Funding be distributed based on the LCFF model. This would be an additional \$179,500 for NESD if passed

Newcastle Elementary and Newcastle Charter School 2020/2021 Projected Revenue

	NES	NCS	Total	Notes
General Purpose	1,612,093	2,170,029	3,782,122	State Aid EPA Property Taxes
Federal	133,009	0	133,009	Title 1 & II Fed SPED
State	233,886	163,775	397,661	Lottery Mandated Costs *STRS on Behalf State SPED
Local	700,612	6,000	706,612	Oversight Fees Billbacks SPED
Total	2,679,600	2,339,804	5,019,404	

June 10, 2020

SPED= Special Education

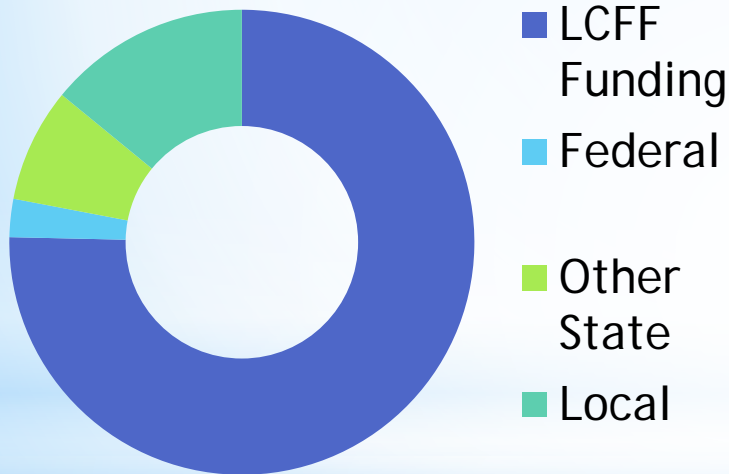
*STRS on Behalf = 238,667

Newcastle Elementary and Newcastle Charter School 2020/2021 Projected Expenses

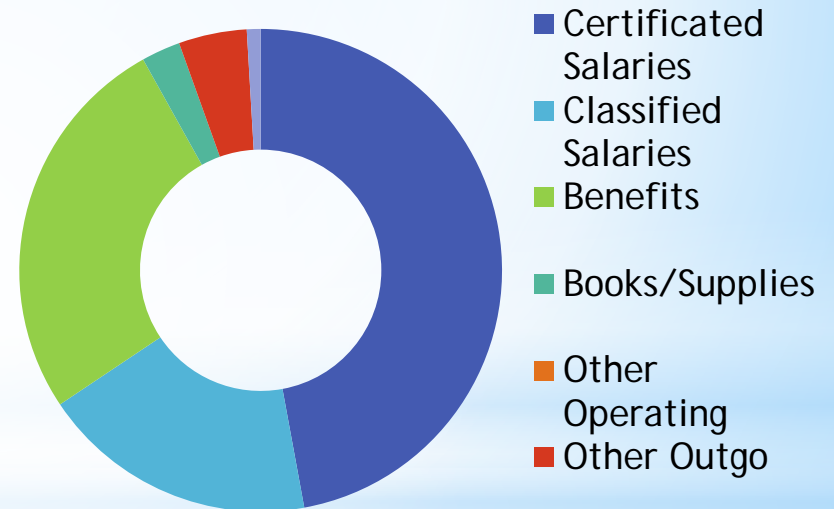
	NES	NCS	Total	Notes
Certificated Salaries	1,398,394	1,159,749	2,558,143	Salaries and Benefits represent 83% of expenses
Classified Salaries	719,973	285,460	1,005,433	
Benefits	863,970	563,425	*1,427,395	
Books & Supplies	84,830	56,828	141,658	
Other Operating Services	358,351	316,500	674,851	Outside services and utilities
Other Outgo	129,155	118,858	248,013	Long term debt Payments
Trans Out	4,450	45,550	50,000	Deposit to Deferred Maintenance
Total Expenses	3,559,123	2,546,371	6,105,493	

Newcastle Elementary and Newcastle Charter School 2020/2021 Revenue and Expenses

Revenue



Expenses



2019/2020 Estimated Actuals Preview

	NES	NCS	Total	2nd Interim NES/NCS
Revenue and Trans In	3,816,504	2,503,452	6,319,956	6,287,143
Expenses and Trans Out	3,764,844	2,558,624	6,323,468	6,293,018
Excess/ (Deficit)	51,660	(55,172)	(3,512)	(5,875)
Beg Fund Balance	3,645,345	336,301	3,981,646	3,981,646
Ending Fund Balance	3,697,005	281,129	3,978,134	3,975,771

Newcastle Elementary and Newcastle Charter School 2020/2021 Projected Ending Fund Balance

	NES	NCS	Total
Revenue and Trans In	2,679,600	2,339,804	5,019,404
Expenses and Tran Out	3,559,123	2,546,370	6,105,493
Excess/ (Deficit)	(879,523)	(206,566)	(1,086,089)
Beg Fund Balance	3,697,005	281,129	3,978,134
Ending Fund Balance	2,817,482	74,563	2,892,045

Just for Fun.....	
Deficit	(1,086,089)
LCFF Deficit	448,000
SPED Decrease	50,300
Add Back PERS/STRS	(89,600)
Revised Deficit	(677,389)

2020/2021

Projected Ending Fund Balance Allocation

NESD's Reserves enables the district to endure deferrals without taking a short term loan

	NES	NCS
REU 5% NES Only	180,234	
Add'l REU to 15% for NES and NCS	728,090	
Restricted	166,672	30,583
Committed	183,050	
Chrome Book Insur	1,671	
Library Funds (800+50,30)	5,817	
Stem Donations	325	
PTC Donation	65,000	
Music Donations	7,924	
Classroom Tech	30,000	
Text Book Adoption	85,000	
Revolving Cash	700	
Lottery & EPA	8,839	1,862
Towards Future Deficit	1,354,160	42,118
Total	2,817,482	74,563

Grant Updates

Prior Year	Revenue	Spent in 2019-20	Balance	Notes
Title IV ESSA	7,708	5,208	2,500	Every Student Succeeds Act
Classified Professional Development	3,731	104	3,627	Focus on Safety Training
Low Performing Students	45,954	6,120	39,834	Final Report Due 11/1/2021

NES/NCS Multi Year Projections

	2020/2021	2021/2022	2022/2023
Revenue and Trans In	5,064,954	4,947,965	**5,208,965
Expenses and Trans Out	6,151,043	6,277,451	6,419,736
Excess/ (Deficit)	(1,086,089)	(1,329,486)	(1,210,771)
Beg Fund Balance	3,978,134	2,892,045	1,562,559
Ending Fund Balance	2,892,045	1,562,559	351,788
Committed	183,050	173,550	0
Restricted/ Nonspendable	197,255	114,437	0
Assigned	1,603,415	339,787	0
Reserves	908,324	934,785	351,788
*Percent Reserve	15%	15%	6%

*Reserves are calculated on NES and NCS Expenses – Transfers out – 5% plus 10% per BP 3100 – 15% of expenses minus Trans In and Out

** Includes Transfer IN from Capital Outlay Fund of 250,000

2020/2021 Projected Budget

June 10, 2020

Fund	Beginning Fund Balance	Est. Net Change	Ending Fund Balance	Notes
Food Service	14,634	(6,709)	7,925	COVID-19 impacted Food Service's Revenue in 19-20
Deferred Maintenance	308,765	24,300	333,065	Buildings, HVAC, Grounds Long Term Maintenance
Capital Facilities	8,705	6,550	15,255	Developer Fees Impacts of Enrollment Growth
Capital Outlay	515,209	9,000	524,209	Proposed to use portion in 2022-23 for REU

NESD LONG TERM DEBT

	Balance Principal As of 7/1/20	Balance Interest As of 7/1/20	Duration/Interest Rate
Placer County Treasury Loan	2,799,690	1,206,526	Last Payment 9/30/46 2.8% Interest
SWS Loan – Facility Repairs	386,162	85,048	Last Payment 10/2029 4.15 % Interest
Capitol Public Finance Prop 39 Supplement	665,208	164,718	Last Payment 4/2033 3.15%
Total	3,851,060	1,456,292	5,307,352

Other Post Employment Benefits (OPEB)	Potential L/T Expense 123,500	2020/2021 Payment 14,250	Committed in Fund Balance 109,250
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Multi Year Long Term Debt Payments

	2020/2021	2021/2022	2022/2023
Placer County Treasury Kentucky Greens Property	148,471	148,471	148,471
SWS Loan Facility Repairs	49,627	49,627	49,628
Capitol One Finance Prop 39 Supplement Loan	49,915	51,911	53,998
*OPEB Other Post Employment Benefits	14,250	14,250	9,500
Total	262,263	264,259	261,597

* Other Post Employment Benefits

What is next....

The final State Budget will be released by 6/30/2020.

A revised budget will be presented to you within 45 days of June 30th and hopefully it will result in better revenue projections.

The End



Any Questions?