



SARAH HEAD, Director of Budget and Financial Services
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Andrea Castañeda, Superintendent

Date: January 24, 2025
To: Andrea Castañeda, Superintendent
From: Sarah Head, Director of Budget and Financial Services
Re: Financial Update for the Quarter Ended December 31, 2024

Board Policy EL-8, Item 6 sets out a provision for the School Board to receive quarterly financial reports that include a recap of changes between the current and previous report in expenditures, revenue, enrollment, and a projected ending fund balance. The information provided in this memo summarizes the financial highlights of the second quarter for the 2024-25 fiscal year.

Current Year (2024-25) Outlook:

- **Revenue** – The district is forecasting a \$3.2 million increase in General Fund resources as compared to the September Financial Update. This increase is mainly due to investment and interest income.
- **Expenditures** – The district is forecasting an additional General Fund expenditure underspending of approximately \$4.4 million as compared to the September Financial Update. The additional underspend on personnel costs is projected to be approximately \$16.2 million. Approximately \$13.0 million of the payroll savings is due to support from grants. The remaining \$3.2 million personnel savings is due to updated projected staff vacancies. This is offset by an increase in goods and services projected expenses of approximately \$11.8 million mainly in necessary maintenance and technology expenses and classroom furniture.
- **Enrollment** – The December 2024 enrollment is 38,017 students compared to 38,893 from last December, a decrease of 876 students. The district has been experiencing a decline in enrollment over the past several years and projects enrollment will continue to decline.
- **Summary and Look Ahead**
A General Fund ending fund balance of \$98.8 million, or 14.93%, of operating revenue is estimated for the 2024-25 fiscal year. The Governor’s budget for the 2025-27 biennium was released in December 2024 with State School Fund (SSF) at \$11.36 billion. While the Governor’s budget includes an increase for current service level and PERS costs, it does not cover the estimated \$20 million in PERS cost increase for the district’s General Fund. The Governor’s recommended budget, the increased cost of PERS, the licensed collective group negotiations, grant resources, and operational needs are being evaluated as the district begins the budget development process for the upcoming fiscal year 2025-26. As updated and actual information becomes available, fluctuations will likely occur between this report and subsequent quarterly reports.

Salem-Keizer Public Schools
General Fund Revenue & Expenditure Projection
Fiscal Year Ending June 30, 2025
Quarter Ended December 31, 2024

	2024-25
State Formula Revenue	\$ 533,499,078
Exempt Revenue and Fund Transfers	26,011,524
Total Budgeted Revenue	\$ 559,510,602
Budgeted Beginning Fund Balance	87,000,000
Total Budgeted Resources	\$ 646,510,602
Total Budgeted Expenditure	\$ 646,510,602
Total Budgeted Resources	\$ 646,510,602
Less: Budgeted Beginning Fund Balance	(87,000,000)
Add: Actual Ending Fund Balance 2023-24	95,668,892
Total Operating Revenue - Prior to Year End	\$ 655,179,494
Year End Revenue Increase/(Decrease)	6,501,390
Total Operating Revenue	\$ 661,680,884
<u>Fund Balance Projection</u>	
Actual Beginning Fund Balance	\$ 95,668,892
Less: Budgeted Beginning Fund Balance	(87,000,000)
Adjust Increase/(Decrease) - Projected Revenue	6,501,390
Adjust Decrease/(Increase) - Projected Expenses - includes Contingency	83,647,221
Projected Ending Fund Balance	\$ 98,817,503
Projected Ending Fund Balance as a Percent of Total Operating Revenue	14.93%
<i>Administrative Policy ADM-A001 4.1 (7%-12% Targeted Ending Fund Balance)</i>	