



SARAH HEAD, Director of Budget and Financial Services
Finance and Budget
2450 Lancaster Drive NE • PO Box 12024 • Salem, Oregon 97309-0024
503-399-3021

Andrea Castañeda, Superintendent

Date: April 10, 2025
To: Andrea Castañeda, Superintendent
From: Sarah Head, Director of Budget and Financial Services
Re: Financial Update for the Quarter Ended March 31, 2025

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 third quarter for the 2024-25 fiscal year.

Current Year (2024-25) Outlook:

- **Revenue** – The district is forecasting a \$2.6 million increase in General Fund revenues as compared to the December Financial Update. This increase is mainly due to State School Fund (SSF) revenue based on recent data provided by Oregon Department of Education (ODE).
- **Expenditures** – The district is forecasting an additional General Fund expenditure of approximately \$2.7 million compared to the December Financial Update. This underspending is comprised of approximately \$4.0 million in payroll savings mainly due to support from grants offset by an increase of \$6.7 million in goods and services based on updated projected expenses.
- **Enrollment** – The March 2025 enrollment is 37,600 students compared to 38,605 from last March, a decrease of 1,005 students. Enrollment continues to decline as projected and many school districts throughout the state continue to experience the same downward trend in enrollment. The district is regularly monitoring enrollment for SSF revenue impacts.
- **Summary and Look Ahead**
A General Fund ending fund balance of \$98.8 million, or 14.87%, of operating revenue is estimated for the 2024-25 fiscal year. There are still many unknown factors that may affect district resources and increase costs for the upcoming fiscal year, which makes it very important to have a sufficient ending fund balance. The collective bargaining process with Salem Keizer Education Association is still ongoing. The Joint Committee on Ways and Means Co-Chair budget framework for the 2025-27 biennium has been released with SSF at \$11.4 billion, relatively unchanged from the Governor's budget, except the Co-chair's budget assumes that accountability measures are adopted to improve measurable outcomes and support student success. The state legislature is still in session, which means SSF is not yet final and there are legislative bills that have been introduced that if passed may financially impact school districts. In addition, the federal government changes may impact federal funding. Due to uncertainties at the federal level, the district is not clear yet about what or how those changes will impact the upcoming school year. As updated and actual information becomes available, fluctuations will likely occur between this report and the next quarterly report.

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

	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)	9,110,323
Total Operating Revenue	\$ 664,289,817
 <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	9,110,323
Adjust Decrease/(Increase) - Projected Expenses - includes Contingency	80,978,524
Projected Ending Fund Balance	<u>\$ 98,757,739</u>
 Projected Ending Fund Balance as a Percent of Total Operating Revenue	 14.87%
<i>Administrative Policy ADM-A001 4.1 (7%-12% Targeted Ending Fund Balance)</i>	