



ANDREA CASTAÑEDA, Superintendent
2450 Lancaster Drive NE • PO Box 12024
Salem, Oregon 97309-0024
503-399-3001

Date: September 15, 2025
To: Board of Directors, Salem-Keizer Public Schools
From: Andrea Castañeda, Superintendent
Re: Financial Update for the Quarter Ended June 30, 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 fourth quarter for the 2024-25 fiscal year.

While this is the last quarterly report for fiscal year 2024-25, it is important to note that the information contained in this report is a projection of our ending fund balance for June 30, 2025, and is not audited or final. The audited Annual Comprehensive Financial Report will contain final numbers.

Current Year (2024-25) Outlook:

- **Revenue** – At this time, General Fund revenue is \$7.4 million higher as compared to the March Financial Update. Majority of the increase is due to a positive State School Fund (SSF) revenue May adjustment received for the fiscal year 2023-24.
- **Expenditures** – The district is forecasting an additional \$9.8 million in General Fund expenditures compared to the March Financial Update. This is comprised of a \$15.5 million transfer to the Special Capital Projects Fund in anticipation of refinement of the district real estate portfolio, offset by additional savings of approximately \$1.4 million in personnel and \$4.3 million in goods and services.
- **Enrollment** – The June 2025 enrollment is 37,077 students compared to 38,047 from last June, a decrease consistent with our enrollment forecast. Enrollment continues to decline, and the district continues to monitor enrollment for SSF revenue impacts.
- **Summary and Look Ahead**
A General Fund ending fund balance of \$96.4 million, or 14.35%, of operating revenue is estimated for the 2024-25 fiscal year, which is above policy targets. This fund balance is vital going into the 2025-27 biennium, during which expenses will outpace revenue. The collective bargaining with the Salem Keizer Education Association has been finalized and will increase personnel costs in the 2025-26 fiscal year and thereafter. The ASK-ESP classified bargaining agreement will expire on June 30, 2026, and it is anticipated that costs will increase. The State of Oregon September 2025 Economic and Revenue Forecast was not favorable and needs to be closely monitored. In addition, there are still uncertainties at the federal level that may impact federal funding.

Salem-Keizer Public Schools
General Fund Revenue & Expenditure Projection
Fiscal Year Ending June 30, 2025
Quarter Ended June 30, 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)	16,487,535
Total Operating Revenue	\$ 671,667,029
<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	16,487,535
Adjust Decrease/(Increase) - Projected Expenses - includes Contingency	71,225,332
Projected Ending Fund Balance	<u>\$ 96,381,759</u>
Projected Ending Fund Balance as a Percent of Total Operating Revenue	14.35%
<i>Administrative Policy ADM-A001 4.1 (7%-12% Targeted Ending Fund Balance)</i>	