



HEIDI SANN, Chief Financial Officer
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Andrea Castañeda, Superintendent

Date: November 12, 2025
To: Andrea Castañeda, Superintendent
From: Heidi Sann, Chief Financial Officer
Re: Financial Update for the Quarter Ended September 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 first quarter for the 2025-26 fiscal year.

Prior Year (2024-25) Recap:

The district's audited financial statements are in the process of being finalized and will be presented in the 2024-25 Annual Comprehensive Financial Report. Preliminary figures indicate that the General Fund ending fund balance for the fiscal year will be approximately \$95.7 million, or 14.25% of General Fund revenues.

Current Year (2025-26) Outlook:

This September quarterly report reflects the supplemental budget approved and adopted by the school board on October 14, 2025.

- **Revenue** – The district currently is forecasting General Fund revenue to remain relatively the same as compared to budget. The State of Oregon's September 2025 Economic and Revenue Forecast was unfavorable, and a new forecast is scheduled for release on November 19. Once that update is available, the district will assess any potential impact on state school funding.
- **Expenditures** – The district is forecasting to spend approximately \$19.1 million less than budgeted in the General Fund. This includes about \$18.2 million in salaries and payroll costs, driven by anticipated staff vacancies, and \$900,000 in supplies, materials, and purchased services. When combined with the \$52.3 million operating contingency, which is typically reserved for unusual or extraordinary events, the total unspent projected expenses amount to \$71.4 million.
- **Enrollment** – The September 2025 enrollment is 37,363 students compared to 38,606 from last September, a decrease consistent with the district's forecast. Enrollment continues to trend downward, and the district continues to closely monitor these changes for potential impacts on State School Fund (SSF) revenue.

- **Summary and Look Ahead**

A General Fund ending fund balance of \$71.1 million, or 10.30%, of operating revenue is estimated for the 2025-26 fiscal year, which is above policy targets. This fund balance is essential as the district prepares for the upcoming fiscal year and looks ahead to the next biennium. Negotiations with the ASK-ESP association will begin soon, with the current collective bargaining agreement expiring on June 30, 2025. PERS costs are also expected to rise in the 2027-29 biennium. In addition, uncertainties at both the state and federal levels may affect district funding. Given these factors, the district must plan proactively to ensure long-term financial stability. The next State of Oregon economic and revenue forecast, scheduled for release on November 19, will be evaluated for its impact on district funding. Please note that fluctuations are likely to occur between this report and the next quarterly report as updated information becomes available.

**Salem-Keizer Public Schools
General Fund Revenue & Expenditure Projection
Fiscal Year Ending June 30, 2026
Quarter Ended September 30, 2025**

	2025-26
State Formula Revenue	\$ 561,035,054
Exempt Revenue and Fund Transfers	33,261,002
Total Budgeted Revenue	\$ 594,296,056
Budgeted Beginning Fund Balance	96,000,000
Total Budgeted Resources	\$ 690,296,056
Total Budgeted Expenditure	\$ 690,296,056
Total Budgeted Resources	\$ 690,296,056
Less: Budgeted Beginning Fund Balance	(96,000,000)
Add: Actual Ending Fund Balance 2024-25*	95,694,481
Total Operating Revenue - Prior to Year End	\$ 689,990,537
Year End Revenue Increase/(Decrease)	13,714
Total Operating Revenue	\$ 690,004,251
Fund Balance Projection	
Actual Beginning Fund Balance*	\$ 95,694,481
Less: Budgeted Beginning Fund Balance	(96,000,000)
Adjust Increase/(Decrease) - Projected Revenue	13,714
Adjust Decrease/(Increase) - Projected Expenses - includes Contingency	71,354,489
Projected Ending Fund Balance	\$ 71,062,684
Projected Ending Fund Balance as a Percent of Total Operating Revenue	10.30%
<i>Administrative Policy ADM-A001 4.1 (7%-12% Targeted Ending Fund Balance)</i>	

*Please note the 2024-25 Ending Fund Balance is an unaudited number, thus not final.