



HEIDI SANN, Chief Financial Officer
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Andrea Castañeda, Superintendent

Date: April 24, 2026
To: Andrea Castañeda, Superintendent
From: Heidi Sann, Chief Financial Officer
Re: Financial Update for the Quarter Ended March 31, 2026

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 2025-26 fiscal year.

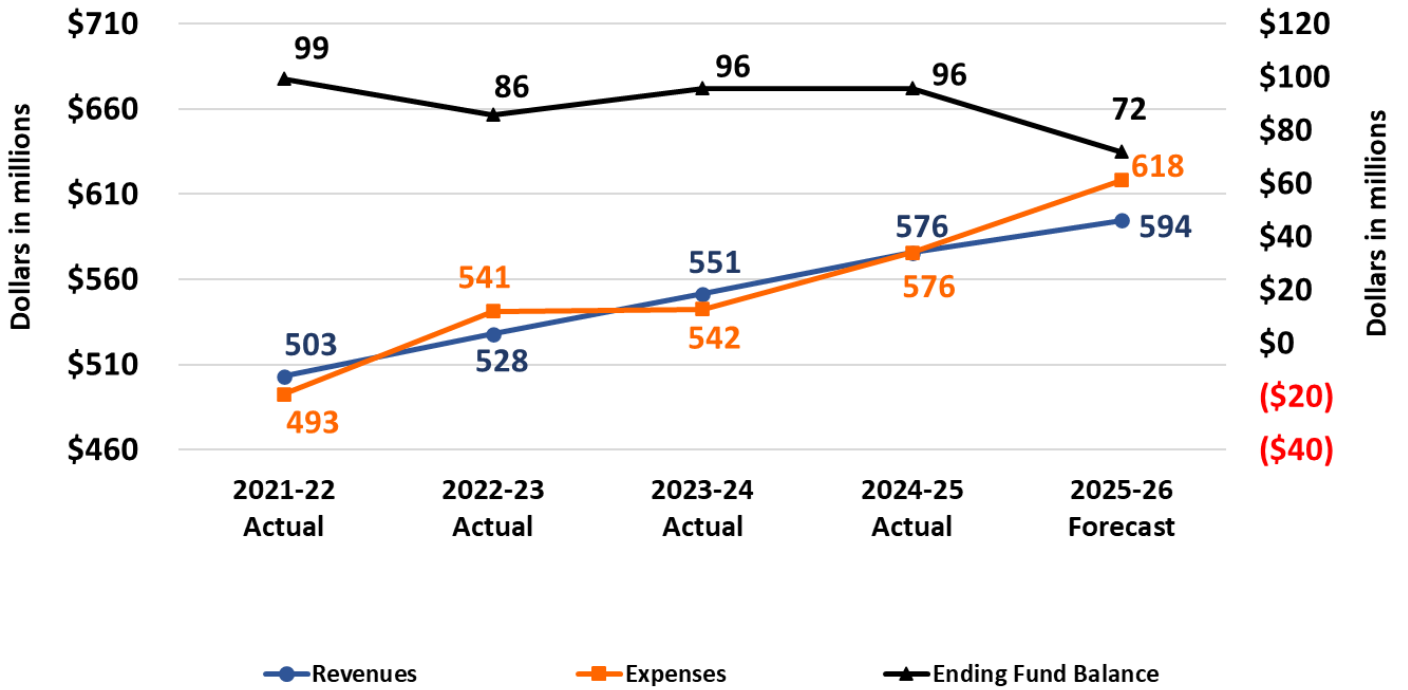
Current Year (2025-26) Outlook:

- **Revenue** – The district anticipates General Fund revenue to increase by approximately \$2.6 million from the quarterly financial update in December. The increase is mainly from State School Fund (SSF) revenue based on recent data provided by Oregon Department of Education (ODE).
- **Expenditures** – The district is forecasting to spend approximately \$19.8 million below the budgeted expenditures in the General Fund, which is \$0.7 million more than the forecasted expenditures from the December quarterly financial update. Forecasted expenditure savings include about \$18.6 million in salaries and payroll costs, driven by staff vacancies and grant support, and approximately \$1.2 million in other categories such as supplies, materials, and purchased services. When combined with the \$52.3 million operating contingency, which is reserved for unusual or extraordinary events, the total unspent projected expenses amount to \$72.1 million.
- **Enrollment** – The March 2026 enrollment is 36,433 students, down by 451 from last quarter (36,884 in December 2025) and down by 1,167 from last March (37,600 in March 2025). This decline aligns with the district’s forecast and continues to be monitored for any impact it may have on funding and other key areas.
- **Summary and Look Ahead**
The General Fund ending fund balance is forecasted at \$71.9 million, or 10.42% of operating revenue for the 2025-26 fiscal year. This is an increase from the previous quarterly financial update and remains within policy targets. Fluctuations are likely to occur between this report and the next quarterly report as updated information becomes available. The 2026-27 proposed budget will be presented to the Budget Committee on May 5, 2026.

Salem-Keizer Public Schools
General Fund Revenue & Expenditure Projection
Fiscal Year Ending June 30, 2026
Quarter Ended March 31, 2026

	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	95,694,483
Total Operating Revenue - Prior to Year End	\$ 689,990,539
Year End Revenue Increase/(Decrease)	145,146
Total Operating Revenue	\$ 690,135,685
<u>Fund Balance Projection</u>	
Actual Beginning Fund Balance	\$ 95,694,483
Less: Budgeted Beginning Fund Balance	(96,000,000)
Adjust Increase/(Decrease) - Projected Revenue	145,146
Adjust Decrease/(Increase) - Projected Expenses - includes Contingency	72,066,474
Projected Ending Fund Balance	\$ 71,906,103
Projected Ending Fund Balance as a Percent of Total Operating Revenue	10.42%
<i>Administrative Policy ADM-A001 4.1 (7%-12% Targeted Ending Fund Balance)</i>	

Salem-Keizer Public Schools
 General Fund with Fund Balance
 Fiscal Year 2025-26
 Quarter Ended March 31, 2026



**Salem-Keizer Public Schools
General Fund Budget to Forecast
Fiscal Year 2025-26
Quarter Ended March 31, 2026**

Forecasted Item	Budget	Q1	Q2	Q3
Beginning fund balance	\$96 M	\$96 M	\$96 M	\$96 M
Revenues	\$594 M	\$594 M	\$592 M	\$594 M
Expenses	\$638 M	\$619 M	\$618 M	\$618 M
Ending fund balance	\$52 M	\$71 M	\$70 M	\$72 M

\$19M increase to forecasted EFB due to \$19M decrease in forecasted expenses

\$1M decrease to forecasted EFB due to \$2M decrease in forecasted revenues and \$1M decrease in forecasted expenses

\$2M increase to forecasted EFB due to \$2M increase in forecasted revenues