



SARAH HEAD
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Christy Perry, Superintendent

Date: May 02, 2022
TO: Christy Perry, Superintendent
FROM: Sarah Head, Director of Budget and Financial Services
RE: Financial Update for the Quarter Ended March 31, 2022

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 highlights of the third quarterly report for the 2021-22 fiscal year.

Comparison of December 31, 2021 to March 31, 2022 Report:

As of March 2022, the district is estimating an increase of \$3.0 million to the General Fund projected ending fund balance, net of transportation facility, over the December Financial Update largely due to an increase in State School Fund revenue based on recent data provided by Oregon Department of Education (ODE), offset by projected increase in expenditures. The General Fund projected ending fund balance net of the transportation facility of \$98.1 million is 15.33% of operating revenue.

Current Year (2021-22) Outlook:

- **Revenue** – The district is forecasting an increase of \$10.3 million in General Fund revenue, net of the transportation facility, as compared to the December Financial Update. This is comprised of an increase in \$1.3 million in intermediate sources, majority in county school funds; and \$9.0 million in State School Fund (SSF) revenue based on recent data provided by Oregon Department of Education (ODE). The SSF revenue increase is largely due to a decrease in statewide ADMw while SKPS ADMw increased slightly, which resulted in an increased funding per ADMw.
- **Expenditures** – The district is forecasting an increase in General Fund expenditure of approximately \$7.3 million, net of transportation facility, as compared to the December Financial Update. \$5.7 million of the projected increase is in salaries and associated payroll costs. Although the district is still experiencing staff shortages, staff hiring has increased. In addition, an increase of \$1.6 million in supplies and materials and purchased services expenses is projected.
- **Enrollment** – The March 2022 enrollment includes 39,372 students compared to 39,648 from last March, a decrease of 276 students. The decline in enrollment is due to several factors including a decrease in kindergarten students, increase in homeschool or enrollment in an online charter school or families moving out of the school district. The district will continue to monitor enrollment and its impact on funding.
- **Summary and Look Ahead**
The district is projecting a General Fund ending fund balance of \$98.1 million, or 15.33% of operating revenue, net of transportation facility. The district will continue to monitor enrollment and evaluate program and operational needs, while at the same time monitor ending fund balance to ensure sufficiency and conforms with the Financial Management ADM-A001 policy requirements. Fluctuations will likely occur between this report and next quarterly report.

Salem-Keizer Public Schools
General Fund Revenue & Expenditure Projection
Fiscal Year Ending June 30, 2022
Quarter Ended March 31, 2022

	2021-22
State Formula Revenue	\$ 463,772,408
Exempt Revenue	42,748,000
Fund Transfers	3
Total Revenue	\$ 506,520,411
Beginning Fund Balance	102,400,000
Total Budgeted Resources	\$ 608,920,411
Total Expenditure Budget	\$ 608,920,411
Total Budgeted Resources	\$ 608,920,411
Less: Budgeted Beginning Fund Balance	(102,400,000)
Add: Actual Ending Fund Balance 2020-21	121,196,548
Total Budgeted Operating Revenue - Prior to Year End	\$ 627,716,959
Year End Revenue Increase (Decrease)	12,003,186
Total Operating Revenue	\$ 639,720,145
 <u>Fund Balance Projection</u>	
Actual Beginning Fund Balance	\$ 121,196,548
Less Budgeted Carryforward - Fund Balance	(102,400,000)
Adjust Increase (Decrease) - Projected Revenue	12,003,186
Adjust Decrease (Increase) - Projected Expenses - Includes Contingency	81,332,284
Projected Ending Fund Balance, Including Transportation Facility	\$ 112,132,018
Restricted for Transportation Facility	14,037,114
Projected Ending Fund Balance, Net of Transportation Facility	\$ 98,094,904
Projected Ending Fund Balance as a Percent of Operating Revenue	15.33%
<i>Administrative Policy ADM-A001 4.1 (7%-12% Targeted Ending Fund Balance)</i>	