Memorandum

To: Board of Directors, Estacada School District
From: Scott B. Pillar, Chief Financial Officer
Date: November 3, 2026
Subject: Monthly Financial Report

Enclosed in your Board packet is the preliminary financial report th rough October 31, 2026. Overall, revenues and expenditures continue to track within expectations. During November, we anticipate a seasonal increase in local revenues as property tax collections begin to arrive. Enrollment at Summit Learning Charter School continues to increase, as illustrated by the purple line on the accompanying enrollment chart, and is approaching our budgeted projections.

Pension Obligation Bonds

Also included in your Board packet is a resolution authorizing Superintendent Carpenter and me to proceed with a potential pension obligation bond issuance, provided market conditions improve sufficiently before the anticipated bond sale in late January.

As a reminder, the resolution provides the administration with the flexibility to act when the total all-in borrowing cost is 5.25% or lower, provided other market conditions and financial considerations support proceeding. The resolution also authorizes us to engage an independent municipal bond advisor through Special Districts of Oregon, along with legal counsel, to provide additional expertise and independent guidance throughout the process.

Long-Term Financial Planning

I have begun developing a comprehensive five-year financial plan for the District. Although the current school funding environment presents significant challenges, establishing reasonable assumptions regarding enrollment, revenues, staffing, and expenditures will provide a stronger foundation for long-term decision-making. Equally important, the plan will be designed to incorporate actual financial results as they become available, allowing us to continually refine our projections and respond proactively to changing conditions.

This effort represents an important step toward moving beyond annual budgeting and establishing a more strategic, sustainable approach to managing the District's financial resources.

Statewide Enrollment and Funding Outlook

I recently returned from the OASB winter meeting in Eugene, where discussions regarding Oregon's educational funding outlook were sobering. Across the state, declining kindergarten enrollment, combined with larger graduating classes, is contributing to sustained enrollment losses. Current demographic projections suggest these trends may continue over the next four to five years.

Estacada has been fortunate to experience enrollment growth while many districts across Oregon are experiencing declines. However, we should not assume that our recent growth trajectory will continue indefinitely.

Of particular concern is the financial pressure facing Oregon's eight largest school districts. Significant enrollment declines are reducing their allocations under the State School Fund formula, creating considerable budgetary challenges. I anticipate these districts will advocate for changes to the funding formula that would moderate the financial impact of declining enrollment to them particularly.

While the outcome of any such effort remains uncertain, changes designed to protect funding for declining-enrollment districts could redistribute limited state resources, potentially reducing allocations to districts such as Estacada. This is a development we will need to monitor closely as future legislative discussions unfold.

Looking Ahead

Despite these statewide challenges, I remain optimistic about Estacada's ability to navigate the coming years successfully. Our enrollment trends have been comparatively favorable, our financial position provides a foundation from which to plan, and we are taking deliberate steps to strengthen our long-term financial forecasting and decision-making.

The development of a five-year financial plan, continued monitoring of enrollment and expenditures, and careful evaluation of opportunities such as pension obligation bonds reflect a broader commitment to responsible financial stewardship. While we cannot control state funding decisions or demographic trends, we can control how thoroughly we prepare, how carefully we allocate our resources, and how effectively we respond to changing circumstances.

Our objective is not simply to manage the financial challenges ahead, but to position Estacada School District to remain financially sustainable while protecting the educational opportunities and services our students and community depend upon.

As always, please contact me with any questions or concerns regarding this report.