



The Helena Public Schools educate, engage, and empower each student to maximize his or her individual potential with the knowledge, skills and character essential to being a responsible citizen and life-long learner.

Board of Trustees – Budget and Program Committee

May Butler Center

55 S. Rodney Ave

Friday, March 6, 2020 – 12:00p.m.

AGENDA

- I. CALL TO ORDER / INTRODUCTIONS
- II. GENERAL PUBLIC COMMENT: *This is the time for comment on public matters that are not on the agenda. Public matters do not include any pending legal matters, private personnel issues or private student issues. Please do not attempt to address such issues at this time or you will be ruled out of order. The Board cannot enter into a discussion during General Public Comment.*
- III. REVIEW OF AGENDA
- IV. REVIEW OF MINUTES
02/07/19 Budget and Program Committee Meeting Minutes (See Attached)
- V. ITEMS FOR INFORMATION/DISCUSSION
 - A. Year-to-Date Budget (*J. Mickelson*)
(Attached) Update on our current budget to date (through February)
 - B. Negotiations Update (*T. Ream*)
Brief Update on Negotiations and Next Steps
 - C. Multi-Year Budget Projection Update (*J. Mickelson & T. Ream*)
Update on ongoing efforts and next steps pertaining to multiyear budget projections
- VI. BOARD / SUPERINTENDENT COMMENTS
- VII. ADJOURNMENT

Next Meeting:

April 10, 2020 | MBC Conference Room

Program/Budget Committee

Helena Public Schools

Tentative Monthly Agenda Items 2019/2020

October 4, 2019 Committee Meeting:

- Preliminary program expenditures discussion (focused on HS)
- Review preliminary retirement incentive calculations

November 1, 2019 Committee Meeting:

- Final retirement incentive calculations
- Initiate multi-year budget study
- High School Staffing Matrix (School Level)

December 6, 2019 Committee Meeting

- Salary Schedule Negotiations Update
- High School Staffing Matrix (Department and Class Levels)

January 10, 2020 Committee Meeting

- Multi-Year Budget Projection Update
- High School Master Schedule and Staffing Update

February 7, 2020 Committee Meeting

- Multi-Year Budget Projection Update
- Negotiations Update (*Post January HEA Meeting*)
- Non-General Budget Update

March 6, 2020 Committee Meeting

- Multi-Year Budget Projection Update
- FY21 Budget Update

April 3, 2020

- TBD

May 1, 2020

- TBD

June 5, 2020

- Preliminary FY 21 Budget



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Board of Trustees – Budget and Programs Committee

May Butler Center | 55 S. Rodney Ave

Friday, February 7, 2020 – 12:00pm

MINUTES - DRAFT

ATTENDEES

Committee:

Jeff Hindoien, Committee Chair
John McEwen, Committee Member

Excused:

Sarah Sullivan, Committee Member

Others:

Terry Beaver, Trustee
Siobhan Hathorn, Trustee
Tyler Ream, Superintendent
Josh McKay, Assistant Superintendent
Barb Ridgway, Chief of Staff
Stacy Collette, Human Resources Director
Janelle Mickelson, Business Services Administrator
Jane Shawn, Helena Education Association President

I. CALL TO ORDER

Committee Chair, Jeff Hindoien, called the meeting to order at 12:03pm.

II. GENERAL PUBLIC COMMENT

None was offered.

III. REVIEW OF AGENDA

No changes were requested.

IV. REVIEW OF MINUTES

Minutes were approved with requested changes.

V. ITEMS FOR INFORMATION/DISCUSSION

A. Year-to-Date Budget

Ms. Mickelson voiced concern over the elementary budget, for which the district will have to dip into the Interlocal Fund to pay for some expenditures associated with technology.

Mr. McEwen asked if the budget reflected half of the spending year, and Ms. Mickelson said it did.

Ms. Mickelson clarified the technology fund was not included in the year-to-date budget since it was a separate fund from the general fund. She added that some technology curriculum expenditures typically came from the general fund, but they currently were being paid out of the interlocal fund. Ms. Mickelson listed the technology fund at the high schools at \$600,000. Dr. Ream added that fund would be used for a new phone system, router installation prior to ACT testing, and other anticipated expenditures.

B. Multi-Year Budget Projection Update

Dr. Ream outlined a three-step process for creating the projection:

- Analyzing the spring counts to make accurate budget authority projections
- Subtracting salaries and benefits only from the anticipated budget authority
- Projecting other expenditures and applying them to the budget

Dr. Ream described next steps as discussing the projections with Helena Education Association (HEA) and then presenting the projections to the schools. He anticipated this process would become the standard for presenting budget data in future years.

Ms. Mickelson said she has requested the technology budget earlier this year than in the past. She added technology staff was moved to the technology fund from the general fund, which totaled about \$300,000, but that was a one-time fix.

Mr. Hindoien asked for a timeline on the three-step budget process. Ms. Mickelson projected completion in the next few weeks.

C. Negotiations Update

Dr. Ream listed next step deliverables of finishing projections and estimating expenditures to establish a clear picture of the budget. The district will complete that picture prior to meeting with HEA on February 26, 2020, for another budget meeting. Ms. Shawn added that an additional representative from Helena High would attend the next summit, along with an additional math educator from Capital High. Mr. Hindoien asked if the same facilitator would return for the February 26 summit. Ms. Collette answered that while having an outside facilitator to guide the group through the process was beneficial, no decision had been made.

Mr. McEwen asked if other retirees had been announced. Ms. Collette answered there were no new teacher retirees.

D. Non-General Budget Update

Dr. Ream said interest had been voiced to see major funding streams other than the general fund, so they were included in the non-general budget update. He detailed for the committee a few specific funds that included salaries.

Mr. McEwen asked if the general operating reserve had income. Dr. Ream answered that the general operating reserve and the interlocal fund were non-reoccurring funds. Ms. Mickelson outlined the difference between the general operating reserve and the interlocal fund. Mr. McEwen asked if there was a target amount for the general operating reserve. Ms. Mickelson answered there was a district policy that specified the amount – 3-6% of the current general fund budget. Mr. McEwen asked if the general operating budget was determined at the administrative level or the board level. Ms. Mickelson answered that it was set at the policy level.

Mr. Beaver asked which funds carried over annually. Ms. Mickelson answered the general operating reserve.

Dr. Ream listed other non-budgeted, all or partly self-funded programs as:

- Self-insured Health Program
- Traffic Education
- Building Fund
- Rental Fund
- Print Shop

Dr. Ream referenced Title I funds used to supplement curriculum, and said the wider you distribute funds, the program becomes less effective. Dr. Ream added the number of students qualifying for Title I funding has dropped this year, and he expects the number to continue to decline. Ms. Shawn asked from which fund came the family-based engagement piece. Mr. McKay answered the piece was required as part of the Title I grant and provided an overview of the requirements. Ms. Shawn asked for confirmation that the district could determine what qualified as Title I and that it didn't have to correlate with OPI's definition. Mr. Hindoen confirmed that the district had authority to determine the qualifications for funding. Mr. McKay added that once Title I funds were received by the federal grant; distribution was determined at the district level.

VI. BOARD COMMENT

No comments were offered.

VII. ADJOURNMENT

Mr. Hindoen adjourned the meeting at 1:13pm. The next Budget and Programs Committee meeting will be March 6, 2020.

Budget/Program Committee

March 6, 2020



V. ITEMS FOR INFORMATION/DISCUSSION

A. Year-to-Date Budget

(Attached) Update on our current budget to date (through February)

B. Negotiations Update

Brief Update on Negotiations and Next Steps

C. Multiyear Budget Projection Update

Update on ongoing efforts and next steps pertaining to multiyear budget projections

Background:

Grounded in historical trends and carefully calculated estimations, budget projections are helpful in aiding our collective understanding of our near-term fiscal future. Projections provide context to understand how the financial decisions of today impact the fiscal state of our district tomorrow. Enclosed is the 03/06/20 draft of our five-year projections beginning with the forthcoming FY 2020-21 and extending through FY 2024-25. Also included is information pertaining to the former FY 2018-19 and the current FY 2019-20. The below Methodology & Assumptions section was added to provide additional information as to how various inputs were calculated.

Methodology & Assumptions:

Below are several points of context related to various methodologies that informed the enclosed multiyear budget projections. This contextual information describes how specific, projected numbers were calculated. Many are based on calculated, near-term averages and/or related information released by the Office of Public Instruction.

Methodology to Calculate the Average Number Belonging (ANB):

- FY2020-21: Utilized our ANB number as calculated by the OPI (based on October and February counts)
- FY 2021-22 through 2023-24:
 - Internal enrollment projections were utilized based on actual student counts and near-term enrollment trends. Other adjustments include adding +60 students to ninth grade each year to account for out of district transfers. Additionally, at the end of each school year we subtracted -15 students from our tenth, eleventh, and twelfth grade enrollment counts as this represents our average mobility rate.
 - The average part-time percentage was calculated based on six-year averages. This percentage was applied to each projected enrollment count.
 - Negative fall to spring mobility rates were calculated for our high schools (-2%) and applied that to estimated spring counts. Based on those numbers, projections were made by averaging estimated fall/spring enrollment counts into one ANB number.
- FY 2024-25: Utilized the State's estimated growth rates for ANB (elementary 1.3314%, high school 1.7225%)

Methodology to Calculate Budget Authority Limits:

- An updated general fund model was obtained from the OPI with FY 2020-21 ANB updated along with special education rates and updated at-risk entitlement numbers.
- Projected ANB numbers for FY 2021-22 through 2023-24 were added to the model. These numbers supplanted former numbers that were informed by the OPI growth rate factor on ANB for those years.
- The incoming quality educator payment was decreased by 7.5 FTE each year for three consecutive years beginning in FY 2021-22 - this is due to the lagging nature of this payment.

Methodology to Calculate Expenditure Budgets:

- Decreased the composite high school salaries total as follows in accordance with expected enrollment declines.
 - In 2020-21 – 7.5 FTE (salary \$48,000 and health benefit 821/mo.) \$433,890
 - In 2021-22 – 15 FTE (salary \$48,000 and health benefit 821/mo.) \$867,780
 - In 2022-23 – 22.5 FTE (salary \$48,000 and health benefit 821/mo.) \$1,301,670
 - Note: This is a cumulative number which represents an estimated decline of 7.5 FTE each year for a composite of 22.5 positions over the next three years.
- Paraeducator salaries were reduced each year by what we are able to levy (lagging one year) in the tuition fund - 1,247,473 in the elementary and \$497,642 in the high schools. This is not due to a reduction of positions but rather, specific employee salaries associated with special education services. In the following year, these salaries are funded by the tuition fund as opposed to the general fund. As these positions are associated with special education services, the amounts are expected to fluctuate.
- Termination (end of contract/career) payouts were projected to be constant in alignment with yearly averages. However, with the FY2019-20 retirement incentive, numbers could be reduced in the coming years.
- Worker's compensation was projected as constant in alignment with yearly averages.
- A 4.5% increase was projected for Operations and Management (O&M). These numbers were based on historical increases in recent years.

Other Assumptions:

- Curriculum and technology projections are based on historical expenditures and planned technology purchases and maintenance (example: Chromebook refresh cycles by year).
- The superintendent contingency fund is set at 1% of total budget. This typically funds emergency, non-budgeted expenditures including unplanned special education increases and overage paraeducators. Annual allocations including per enrollment library allotments are also funded from this account.
- The enclosed projections maintained the current 65/35% split between the elementary and high school budgets for centralized (cross-district) expenditures. Based on the current enrollment, the split is 66% elementary students and 34% high school students.

Proposed Next Steps:

Projections are dynamic and vary with every input. Various scenarios can be forecasted by applying proposed inputs to this foundation. Over the coming weeks and months, we anticipate forecasting a number of different projections based on various discussions and/or inquiries.

03/06/20 Multiyear Budget Projections

BUDGET PROJECTIONS:	Actual Exp. 18-19	Actual Budget 19-20
Elementary	\$36,341,708	\$36,707,599
High School	\$22,892,553	\$22,913,064
Total	\$59,234,261	\$59,620,663

PROJECTED WAGE INCREASE:	% of Salaries		% of Salaries	
Teachers	\$36,143,451	73%	\$37,397,431	73%
Custodial	\$2,807,353	6%	\$2,786,833	5%
Secretarial	\$1,925,837	4%	\$2,170,319	4%
Para's	\$3,032,285	6%	\$3,377,630	7%
Administration	\$3,577,582	7%	\$3,471,790	7%
Independent	\$1,994,381	4%	\$1,741,901	3%
Total	\$49,480,888		\$50,945,904	

PROJECTED WAGE INCREASE:	% of Budget		% of Budget	
Elementary				
Teachers	\$22,005,093	61%	\$23,349,007	64%
Custodial	\$1,893,886	5%	\$1,863,201	5%
Secretarial	\$992,118	3%	\$1,143,285	3%
Para's	\$2,604,500	7%	\$2,994,308	8%
Administration	\$2,277,941	6%	\$2,201,553	6%
Independent	\$987,467	3%	\$1,050,623	3%
Substitutes	\$554,769	2%	\$570,982	2%
Health Insurance (54%)	(included in salaries)		(included in salaries)	
Workcomp/Craft Benefits/Other Benefits	\$205,717		\$234,263	
Termination pay	\$346,003			
OT, Sabbatical, Activity/Athletic/Duty Stipends	\$84,698		\$105,140	
Cell phone stipend	\$30,897		\$36,094	
Travel stipend	\$36,434		\$39,013	
Total Salary & Benefits	\$32,019,523	89%	\$33,587,470	92%
Curriculum & Technology	\$1,086,986	3%	\$145,994	0%
O&M	\$1,362,766	4%	\$1,433,517	4%
Property & Liability Insurance	\$298,199	1%	\$338,294	1%
Superintendent Contingency	\$53,678	0%	\$141,811	0%
SPED Increases				
All Other	\$1,154,042	3%	\$1,060,513	3%
Remaining Budget Transferred to Interlocal Fund				
Building Budgets	\$66,513			
District	\$300,000			

PROJECTED WAGE INCREASE:	% of Budget		% of Budget	
High School				
Teachers	\$14,138,359	62%	\$14,048,424	61%
Custodial	\$913,467	4%	\$923,632	4%
Secretarial	\$933,719	4%	\$1,027,034	4%
Para's	\$427,784	2%	\$383,322	2%
Administration	\$1,299,641	6%	\$1,270,237	6%
Independent	\$1,006,914	4%	\$691,277	3%
Substitutes	\$280,178	1%	\$294,430	1%
Health Insurance	(included in salaries)		(included in salaries)	
Workcomp/Craft Benefits/Other Benefits	\$126,280		\$142,716	
Termination pay	\$325,254		\$500,000	
OT, Sabbatical, Activity/Athletic/Duty Stipends	\$656,359		\$699,135	
Cell phone stipend	\$17,763		\$17,376	
Travel stipend	\$22,587		\$20,513	
Total Salary & Benefits	\$20,148,304	91%	\$20,018,095	87%
Curriculum & Technology	\$125,110	1%	\$92,577	0%
O&M	\$893,497	4%	\$913,484	4%
Property & Liability Insurance	\$198,800	1%	\$182,156	1%
Superintendent Contingency	\$66,889	0%	\$575,577	3%
SPED Increases				
All Other	\$1,048,164	5%	\$1,131,174	5%
Remaining Budget Transferred to Interlocal Fund				
Building Budgets	\$61,790			
District	\$350,000			

BUDGET PROJECTIONS:

	Projected 20-21	Projected 21-22
Elementary	\$37,892,745	\$37,665,593
High School	\$22,809,664	\$22,427,042
Total	\$60,702,410	\$60,092,635

PROJECTED WAGE INCREASE:

		% of Salaries		% of Salaries
Teachers	\$36,624,321	72%	\$36,962,486	71%
Custodial	\$3,032,836	6%	\$3,074,875	6%
Secretarial	\$2,428,223	5%	\$2,450,378	5%
Para's	\$3,400,144	7%	\$3,614,485	7%
Administration	\$3,719,298	7%	\$3,761,132	7%
Independent	\$1,878,692	4%	<u>\$1,895,244</u>	4%
Total	\$51,083,514		\$51,758,600	

PROJECTED WAGE INCREASE:

Elementary		% of Budget		% of Budget
Teachers	\$23,003,948	61%	\$23,500,008	62%
Custodial	\$2,233,537	6%	\$2,266,935	6%
Secretarial	\$1,260,104	3%	\$1,271,980	3%
Para's	\$3,178,511	8%	\$3,338,291	9%
Administration	\$2,436,453	6%	\$2,467,018	7%
Independent	\$1,167,873	3%	\$1,177,798	3%
Substitutes	\$571,000	2%	\$571,000	2%
Health Insurance (54%)	(included in salaries)		(included in salaries)	
Workcomp/Craft Benefits/Other Benefits	\$250,462		\$255,344	
Termination pay	\$500,000		\$500,000	
OT, Sabbatical, Activity/Athletic/Duty Stipends	\$106,191		\$107,253	
Cell phone stipend	\$33,000		\$33,000	
Travel stipend	\$40,000		\$40,000	
Total Salary & Benefits	\$34,781,080	92%	\$35,528,627	94%
Curriculum & Technology	\$1,287,003	3%	\$2,108,479	6%
O&M	\$1,498,026	4%	\$1,565,437	4%
Property & Liability Insurance	\$358,592	1%	\$380,107	1%
Superintendent Contingency	\$378,927	1%	\$376,656	1%
SPED Increases	\$408,137	1%	\$416,299	1%
All Other	-\$819,019	-2%	-\$2,710,012	-7%
Remaining Budget Transferred to Interlocal Fund				
Building Budgets				
District				

PROJECTED WAGE INCREASE:

High School		% of Budget		% of Budget
Teachers	\$13,620,373	60%	\$13,462,478	60%
Custodial	\$799,299	4%	\$807,940	4%
Secretarial	\$1,168,119	5%	\$1,178,398	5%
Para's	\$221,633	1%	\$276,194	1%
Administration	\$1,282,845	6%	\$1,294,114	6%
Independent	\$710,819	3%	\$717,446	3%
Substitutes	\$295,000	1%	\$295,000	1%
Health Insurance	(included in salaries)		(included in salaries)	
Workcomp/Craft Benefits/Other Benefits	\$124,466		\$124,471	
Termination pay	\$500,000		\$500,000	
OT, Sabbatical, Activity/Athletic/Duty Stipends	\$700,000		\$707,000	
Cell phone stipend	\$17,000		\$17,000	
Travel stipend	\$22,000		\$22,000	
Total Salary & Benefits	\$19,461,553	85%	\$19,402,041	87%
Curriculum & Technology	\$693,003	3%	\$1,135,335	5%
O&M	\$954,591	4%	\$997,548	4%
Property & Liability Insurance	\$193,085	1%	\$204,670	1%
Superintendent Contingency	\$228,097	1%	\$224,270	1%
SPED Increases	\$138,018	1%	\$140,778	1%
All Other	\$1,141,317	5%	\$322,399	1%

BUDGET PROJECTIONS:

	Projected 22-23	Projected 23-24	Projected 24-25
Elementary	\$38,208,098	\$38,503,756	\$38,901,705
High School	\$22,051,761	\$22,058,249	\$22,190,773
Total	\$60,259,859	\$60,562,005	\$61,092,478

PROJECTED WAGE INCREASE:

		% of Salaries		% of Salaries		% of Salaries
Teachers	\$37,319,318	71%	\$37,953,075	71%	\$38,524,987	72%
Custodial	\$3,093,059	6%	\$3,120,186	6%	\$3,130,215	6%
Secretarial	\$2,473,978	5%	\$2,496,455	5%	\$2,518,380	5%
Para's	\$3,704,311	7%	\$3,791,529	7%	\$3,874,841	7%
Administration	\$3,790,506	7%	\$3,815,018	7%	\$3,839,059	7%
Independent	\$1,908,224	4%	\$1,923,221	4%	\$1,934,790	4%
Total	\$52,289,396		\$53,099,484		\$53,822,271	

PROJECTED WAGE INCREASE:

Elementary		% of Budget		% of Budget		% of Budget
Teachers	\$24,008,936	63%	\$24,501,240	64%	\$25,066,928	64%
Custodial	\$2,278,699	6%	\$2,298,578	6%	\$2,306,110	6%
Secretarial	\$1,284,523	3%	\$1,296,989	3%	\$1,308,858	3%
Para's	\$3,415,790	9%	\$3,490,702	9%	\$3,561,842	9%
Administration	\$2,487,195	7%	\$2,503,286	7%	\$2,519,517	6%
Independent	\$1,185,633	3%	\$1,194,761	3%	\$1,201,464	3%
Substitutes	\$571,000	1%	\$571,000	1%	\$571,000	1%
Health Insurance (54%)	(included in salaries)		(included in salaries)		(included in salaries)	
Workcomp/Craft Benefits/Other Benefits	\$258,955		\$262,780		\$266,445	
Termination pay	\$500,000		\$500,000		\$500,000	
OT, Sabbatical, Activity/Athletic/Duty Stipends	\$108,326		\$109,409		\$110,503	
Cell phone stipend	\$33,000		\$33,000		\$33,000	
Travel stipend	\$40,000		\$40,000		\$40,000	
Total Salary & Benefits	\$36,172,057	95%	\$36,801,743	96%	\$37,485,667	96%
Curriculum & Technology	\$1,186,655	3%	\$1,218,516	3%	\$1,182,942	3%
O&M	\$1,635,881	4%	\$1,709,496	4%	\$1,786,423	5%
Property & Liability Insurance	\$402,914	1%	\$427,088	1%	\$452,714	1%
Superintendent Contingency	\$382,081	1%	\$385,038	1%	\$389,017	1%
SPED Increases	\$424,625	1%	\$433,118	1%	\$441,780	1%
All Other	-\$1,996,115	-5%	-\$2,471,243	-6%	-\$2,836,838	-7%
Remaining Budget Transferred to Interlocal Fund						
Building Budgets						
District						

PROJECTED WAGE INCREASE:

High School		% of Budget		% of Budget		% of Budget
Teachers	\$13,310,382	60%	\$13,451,836	61%	\$13,458,059	61%
Custodial	\$814,360	4%	\$821,608	4%	\$824,105	4%
Secretarial	\$1,189,456	5%	\$1,199,467	5%	\$1,209,523	5%
Para's	\$288,521	1%	\$300,827	1%	\$312,999	1%
Administration	\$1,303,311	6%	\$1,311,732	6%	\$1,319,542	6%
Independent	\$722,590	3%	\$728,460	3%	\$733,325	3%
Substitutes	\$295,000	1%	\$295,000	1%	\$295,000	1%
Health Insurance	(included in salaries)		(included in salaries)		(included in salaries)	
Workcomp/Craft Benefits/Other Benefits	\$124,191		\$125,407		\$125,749	
Termination pay	\$500,000		\$500,000		\$500,000	
OT, Sabbatical, Activity/Athletic/Duty Stipends	\$714,070		\$721,211		\$728,423	
Cell phone stipend	\$17,000		\$17,000		\$17,000	
Travel stipend	\$22,000		\$22,000		\$22,000	
Total Salary & Benefits	\$19,300,881	88%	\$19,494,547	88%	\$19,545,724	88%
Curriculum & Technology	\$638,969	3%	\$656,125	3%	\$636,969	3%
O&M	\$1,042,437	5%	\$1,089,347	5%	\$1,138,368	5%
Property & Liability Insurance	\$216,951	1%	\$229,968	1%	\$243,766	1%
Superintendent Contingency	\$220,518	1%	\$220,582	1%	\$221,908	1%
SPED Increases	\$143,594	1%	\$146,466	1%	\$149,395	1%
All Other	\$488,412	2%	\$221,214	1%	\$254,643	1%