



*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.*

## Budget and Program Committee

May Butler Center | 55 S. Rodney – Helena MT. 59601

Friday, June 7, 2019 – 12:00 p.m.

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### AGENDA

- I. **Call to Order**
- 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.*
- III. **Review of Agenda**
- IV. **Review of Minutes**  
5.10.19 Budget and Program Committee Meeting Minutes (see attached)
- V. **Discussion**
  - A. FY2020 Budget Update and Overview
  - B. Athletics and Activities Budget and Fee Structure (see attached)
- VI. **Superintendent Report**
- VII. **Board Comments**
- VIII. **Adjournment**  
Next Meeting – Friday, August 2, 2019

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#### Helena Public Schools Board of Trustees

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## **Budget and Program Committee**

May Butler Center | 55 S. Rodney – Helena MT. 59601

Friday, May 10, 2019 – 12:00 p.m.

### **MINUTES DRAFT**

<i>Committee</i>	<i>Others</i>
Libby Goldes, Trustee	Janelle Mickelson, Business Services Administrator
Jeff Hindoien, Trustee	Barb Ridgway, Chief of Staff
	Stacy Collette, HR Director
	Terry Beaver, Trustee
	Jilyn Chandler, Assessment and Data Administrator
	Margaret Benchwood, member of public

#### **I. CALL TO ORDER**

Trustee Libby Goldes called the meeting to order at 12:00 p.m.

#### **II. GENERAL PUBLIC COMMENT**

No Comments

#### **III. REVIEW OF AGENDA**

No Changes

#### **IV. REVIEW OF MINUTES**

No Changes

#### **V. DISCUSSION**

##### **1. Multi-Year Feedback to Date**

Ms. Ridgway made the presentation in Dr. Ream’s place. Following the April 2 board meeting, Dr. Ream began meeting with staff at each school, beginning with CRA, and ending May 5 at Four Georgians. The sessions were well attended, and there were a variety of staff members who participated. Frequently asked questions included

“What’s the estimated cost savings that could come from the consolidation of elementary schools – if we closed a campus, what would the savings be?” “Are the current employee non-renewal decisions because of budget reductions?” “Will the three new campuses bring about utility savings?” “Are all current levies being maximized?” “How does our administrative staffing level compare to other districts?”

Ms. Ridgway continued with several suggestions that were offered on more than one occasion, including:

- Early retirement incentive
- Sale or lease of property, specifically Front Street, Central Linc, and May Butler
- There was a lot of discussion around alternative high school scheduling
- Ways of reducing staff through natural attrition
- Program consolidation to reduce duplication of costs, but no specific programs were suggested
- A new salary schedule for future employees to replace the current PCAP schedule. Current employees should be grandfathered on the current schedule.

Ms. Goldes made a recommendation that a Union rep be present during future Budget and Program Committee Meetings. Ms. Collette confirmed that the board has asked them to participate in the past. She added that it was clear particularly last month that their lack of participation has raised some issues, and in upcoming years, they will make it more a part of their relationship. Ms. Goldes concurred that it is important to show that it’s a relationship.

Ms. Ridgway mentioned how pleased she was that the budget presentation meetings were so productive, and Ms. Goldes mentioned that when she met with Dr. Ream and brought up suggestions, he made it clear to her that it appears the district is doing things as economically as possible.

Ms. Mickelson said she sent out budgets to all of the schools to be scrutinized. She has only received a handful back, and one was more expensive than last year. She cannot work further to develop the budget until negotiations have been finalized.

Mr. Hindoin mentioned that though good, the solutions presented were all down range – long term and related to facilities and alternative funding. The reality is for the 2019-2020 budget, we aren’t going to make any dramatic turns of the dial.

Ms. Goldes mentioned the finance subcommittee met and they will be making a recommendation to the board. Ms. Collette mentioned that it was time to do a rate review. Allegiance has given the committee three options try to maintain stability for

our plan, to make sure it's solvent, and to make sure we can pay [the district] claims for the current year which would take cafeteria plan dollars from \$740 to \$781/month. Ms. Collette anticipates the committee will vote on this recommendation May 30. It will be voted on twice - once for 2019-20 and once for 2020-21. The full board will see that recommendation June 11. Mr. Hindoin mentioned the importance of having the quality of plan we have now and not having to "eat the kind of increases some districts have had to." He asked, "Do we cafeteria the whole plan and employees get to do whatever with it?" Ms. Collette confirmed and said we are one of the better plans at school districts across the state. She added, "Our philosophy is and should be that the health benefit is critical for people to be here and we want to be able to maintain it. "

## **2. Ongoing Budget Considerations**

Ms. Goldes asked for further ongoing budget considerations. Ms. Collette gave an update on negotiations. She said, "We've met with the teachers, and we've met with the para-educators, and we're down to the money." This upcoming week, she's anticipating negotiations on salary and benefits. She mentioned HEA has told her they want her to take care of the health plan and then look at the salary aspect. Initially the increase was 2%, and then they discussed \$1000 being applied to each teacher. HEA knows the district does not have a sustainable model and knows that it's not going to be fixed in one negotiation session. HR has costed out several options on a variety of pieces and projected out as far as [the district] can go on how [the district] can push the matrix. HR will present a counterproposal on Wednesday which tries to slow some of the growth and movement on the matrix. She mentioned what she is confident with is that through the ongoing negotiations, they'll talk about a retirement incentive, and figure out what may be doable with the matrix for salary progression. She added that secretaries begin bargaining next month. Then custodians, and then crafts.

Ms. Goldes mentioned at one point there was a discussion on contracting out the custodial services. She wasn't sure where that might be going. Ms. Collette said she hasn't put together a cost analysis for that. Ms. Mickelson said the board has backed away from the idea with our buildings being open all the time. Ms. Collette mentioned there have been mixed reviews across the state on contracting out the services. Ms. Goldes mentioned that the issue may not be the number of staff but rather the organization. Mr. Hindoin mentioned that he has typically seen A, B, or C schools that have tried the option, but he didn't think there has ever been a good model for that. It was determined that custodians become a part of the community and that wasn't something the board wanted to address.

Mr. Hindoin asked for a response from HEA regarding the structure issue. He asked how deep the recognition goes that there is a problem with the salary matrix. Ms. Collette mentioned there seems to be a recognition of the budget issue, but she thought the relationship between staff expected earnings is where the conflict lies. She

didn't think HEA believes they will be able to pass a contract unless they are sitting at the top of the matrix. Bozeman's matrix was discussed and its relationship to Helena's.

Ms. Bentwood inquired into the status of two issues: 1. This coming year and the projected shortfall, and 2. The ongoing long-term issue. She asked where we were sitting with the immediate issue. Ms. Mickelson said she was looking more at the percentage of budget that goes to salary and benefits and that it's getting into 94, 96% of the budget in the high schools by the third year. She added, "by the third year, we have to have something fixed." She reiterated that she doesn't have any definite numbers until negotiations are finalized.

Ms. Collette mentioned that she anticipates negotiations will be concluded next week. She said the matrix moves at a relatively aggressive pace – higher than inflation – and rightfully so. There are other contributions she hopes will be palatable to them. If not, she's not exactly sure where it will go.

Ms. Goldes inquired into any curriculum adoptions. Ms. Ridgway said there will be a science adoption next year for middle school and potentially high school. She mentioned there will be more technology and some dual credit costs when the district buys materials. Ms. Mickelson mentioned state inflation over the last 10 years was 4.2%, but the increase in state funding was 1.5%.

## **VI. BOARD COMMENT**

Mr. Beaver requested further information on how many schools stay within their printing budget. Ms. Mickelson thought that most of them have been, but perhaps three have not stayed within their budgets. Mr. Beaver mentioned a few paper saving methods he has used over the years like ditto printing and printing on pre-used paper. Ms. Mickelson mentioned some cost saving methods currently being utilized in the business office. They are not sending out checks for direct deposit accounts. Ms. Collette mentioned all the contracts will be digital next year and they are looking at the possibility of using of pay cards instead of paper checks.

Mr. Beaver inquired into whether the district will be able to have the same number of custodians despite the three new and bigger buildings. Ms. Collette answered that their responsibilities will be discussed during negotiations.

Mr. Beaver addressed Health Benefits and asked for clarification on how much the 9% increase costs the district. Ms. Mickelson said it cost \$400,000.

Mr. Beaver asked if the stop loss insurance will go out for bid this year, and Ms. Collette answered that it will go out for the next school year. Ms. Collette anticipates a reduction for next year. Ms. Goldes mentioned the thought that the pharmacy savings would be 2%. Ms. Collette clarified that the pharmacy costs went down 11%, but that reduction is primarily

applied to the employee, not the district. That's why the district savings is only 2%. Mr. Beaver asked if we have reached a point where the collective stop loss has occurred. Ms. Collette clarified that we continue to have individuals who are still hitting, and we have a series of high dollar claims ongoing, but we haven't hit our organizational stop loss.

Mr. Beaver inquired into the cost of the science adoption. Ms. Ridgway said she would get him that number.

Ms. Mickelson addressed the year end budgets. If either high school has budget authority left, she will save that money into the inter-local, so they can use that money next year on something substantial.

Mr. Beaver inquired into why we would offer a retirement incentive. Ms. Collette said the theory and application is that you don't see an immediate savings, but you'll save about \$10,000-20,000 per employee, after incentive costs, hiring a replacement teacher, and any termination payout. She said, "It slows the growth of the salary costs if we eliminate the people at the top end of the matrix. Instead of holding on to an \$80,000 employee, we're holding onto a \$45,000 employee." Mr. Hindoin mentioned that it works or doesn't work on a case by case basis. It's the idea that what backfills those positions are less expensive employees. He doesn't think incentives have been done on a large scale in Montana, adding, "we're in uncharted waters." He reiterated that they do work in the clinical abstract. Ms. Ridgway added that there will be even more savings if you adopt a second salary structure for new hires. Ms. Collette said that she calculated the retirements this year based on the salary matrix change, and it would have saved the district \$1.6 million. That doesn't include termination costs, but it's still at least a wash. Mr. Beaver asked for clarification that the 21 teachers who retire next year will receive their termination costs and an incentive even though they would have retired anyway. Mr. Hindoin mentioned there's a right time right place piece to the incentive because you're trying to make a structural shift to how much money you're spending.

Ms. Ridgway returned to the science adoption issue and answered that it will cost \$50,000 at the elementary level and \$250,000 at the high school level. Ms. Mickelson said it was \$600,000 last year. Ms. Goldes asked about the CHS science teacher in a former band room who did labs and they didn't have water. She commented that it was very unsettling.

Ms. Goldes asked if the district will be paid for the 4 year olds who are entering kindergarten. Ms. Mickelson answered that if they get special permission from the board, the district does. Ms. Ridgway added that this is a change from how it used to be. She said there is what appears to be a kindergarten A and a B class. Kindergarten B is basically a preschool. Mr. Hindoin asked if the kindergarten B students were automatically given a non-advancement status after kindergarten year, and Ms. Ridgway confirmed that

happened in most cases. She added that if the district can get those gap kids who aren't in preschool and not in a day care, it's the right thing to do.

Mr. Beaver asked the status of the three early kindergarten applicants. No answer was known.

## **VII. ADJOURNMENT**

There being no further business, the meeting was adjourned at 12:56pm. The next meeting will be June 7, 2019.

Current Activity Fee Comparison AA Districts						
	One Time/Year Activity Fee	Participation Fee 1st activ.	Participation Fee 2nd activ.	Participation Fee 3rd activ.	Cap on Fee Individual	Cap on Fee Family
Belgrade	\$ 25.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ -	\$ -
Butte	\$ -	\$ 50.00	\$ 50.00	\$ -	\$ 100.00	\$ 150.00
Billings	\$ 30.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ -	\$ -
Bozeman	\$ 35.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ -	\$ -
Great Falls	\$ -	\$ 30.00	\$ 20.00	\$ -	\$ -	\$ -
Helena	\$ 30.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ -	\$ -
Kalispell	\$ 25.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ -	\$ 210.00
Missoula	\$ 25.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ -	\$ 240.00

### Use of Money

It appears all of the AA counts on these fees to a varying degree to balance budgets. Most use the fees for cost of operations, offset travel expenses or supplies. Some are able to build up the fees over time for major purchases.

Almost all districts have some form of waiver or scholarship program for students who cannot pay the fee.

### Who Pays

Helena- all sports, Speech/Debate, cheerleaders, and dance pay the fee. Music and drama do not pay the fee.

Missoula- sports, speech/debate and pep band pay the fee but no other musics.

Kalispell- sports, musics, speech/debate and theater pay the fee

Great Falls - sports, Speech and Debate, only music who are attending All-State music pay

Billings - sports & speech/debate pay, music pays \$10.00 festival fee if they go

Butte - all activities that travel pay the fee

Belgrade - sports pay full, music pays a reduced rate of \$35

Bozeman - sports pay, music does not.



# High School Activities Budget Use Summary

**Budget 201** - General Fund support from the school district. Budget used for program travel, coach/sponsor stipends, officials, some admin salary. No Operations from this budget.

**Budget 284** - No General Fund Support. Often called the "pay to play" account. Also receives revenue from gate receipts, tournament reimbursements, advertising sales, facility use fee. This budget is used for paying some admin costs, MHSAs fees, all operations including supplies and all event workers.

Activity	MHSA Regulated	Receives 201 Budget Support	Receives 284 Budget Support	284 Contribute
Student Council	No	Yes	No	No
Drama	No	Yes	No	No
Band	Yes	Yes	Yes	No
Chorus	Yes	Yes	Yes	No
Orchestra	Yes	Yes	Yes	No
Dance	Yes	Yes	Yes	Yes
Cheer	Yes	Yes	Yes	Yes
Tennis	Yes	Yes	Yes	Yes
Track	Yes	Yes	Yes	Yes
Softball	Yes	Yes	Yes	Yes
Wrestling	Yes	Yes	Yes	Yes
Basketball	Yes	Yes	Yes	Yes
Swimming	Yes	Yes	Yes	Yes
Volleyball	Yes	Yes	Yes	Yes
Cross Country	Yes	Yes	Yes	Yes
Soccer	Yes	Yes	Yes	Yes
Football	Yes	Yes	Yes	Yes

**HELENA PUBLIC SCHOOLS**  
**HIGH SCHOOL PARTICIPATION FORM**

Participants Name \_\_\_\_\_

Grade \_\_\_\_\_ Date \_\_\_\_\_ School \_\_\_\_\_

**PLEASE READ:**

**Fees must be paid before the first contest or performance. There will be no refund if the participant quits or is removed because of a violation of rules set forth by the coach or Helena Public Schools.**

As a student of the Helena Public Schools, I will be participating in the following activities: **(Please check all activity/activities you plan to participate in this year. Fees can be collected as each activity begins)**

Band, Orchestra or Chorus (MHSA Event Participants Only - pay activity fee \$30.00)

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Girls Volleyball    | <input type="checkbox"/> Girls Tennis   | <input type="checkbox"/> Boys Tennis   |
| <input type="checkbox"/> Girls Cross Country | <input type="checkbox"/> Girls Swimming | <input type="checkbox"/> Girls Golf    |
| <input type="checkbox"/> Boys Cross Country  | <input type="checkbox"/> Boys Swimming  | <input type="checkbox"/> Boys Golf     |
| <input type="checkbox"/> Girls Soccer        | <input type="checkbox"/> Girls Track    | <input type="checkbox"/> Speech/Debate |
| <input type="checkbox"/> Boys Soccer         | <input type="checkbox"/> Boys Track     | <input type="checkbox"/> Drill Team    |
| <input type="checkbox"/> Girls Basketball    | <input type="checkbox"/> Girls Softball | <input type="checkbox"/> Cheerleaders  |
| <input type="checkbox"/> Boys Basketball     | <input type="checkbox"/> Wrestling      | <input type="checkbox"/> Football      |

I currently qualify for free and reduced lunches at school and request a waiver of all fees

**Fee Schedule:**

**Activity Fee: One-time per year fee for all students who take part in MHSA regulated events**

\$30.00 (Music participants only pay this fee)

**Participant Fee:**

\$50.00 - 1<sup>st</sup> Activity of School Year (include Activity Fee above in total cost)

\$50.00 - 2<sup>nd</sup> Activity of School Year

\$50.00 - 3<sup>rd</sup> Activity of School Year

Amount enclosed \$ \_\_\_\_\_ Check # \_\_\_\_\_ Cash \$ \_\_\_\_\_

Signature \_\_\_\_\_

**Please make Checks payable to Helena High School or Capital High School. Please return the completed form and money to the bookkeeper at Helena High or Capital High**