



*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 Finance Committee

Lincoln Center

1325 Poplar St., Helena, MT, 59601

and via TEAMS

Microsoft Teams meeting

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February 4th, 2022 – 12:00p.m.

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### 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 THE 01.07.22 BUDGET AND FINANCE COMMITTEE MINUTES
- V. ITEMS FOR INFORMATION/DISCUSSION
  - A. 5-year Budget Forecast
  - B. Budget To Actual Reports
- VI. BOARD COMMENTS
- VII. ADJOURNMENT

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### Helena Public Schools Board of Trustees

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## Board of Trustees – Budget and Finance Committee

Friday, January 7th, 2022 – 12:00pm

### MINUTES -DRAFT

#### ATTENDEES

##### Committee Members:

John McEwen, Committee Chair  
Terry Beaver, Committee Member  
Janet Armstrong, Committee Member

##### Others:

Rex Weltz, Superintendent  
Brian Cummings, Assistant Superintendent  
Joslyn Davidson, Curriculum Administrator  
Janelle Mickelson, Business Services  
Administrator & District Clerk  
Josh McKay, Assistant Superintendent  
Barb Ridgway, Chief of Staff  
Stacy Collette, Human Resource  
Administrator  
Gary Myers, Education Technology Director  
Candice Delvaux, Executive Assistant  
Karen Ogden, Communications Officer  
Jane Shawn, HEA President  
Jonna Schwartz, Instructional Coach

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

Committee Chair, John McEwen, called the meeting to order at 12:00 p.m.

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

No comments were offered.

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

No changes were made to the agenda.

**IV. APPROVAL OF MINUTES**

The committee reviewed and approved the 11.05.21 Budget and Finance Committee Meeting Minutes.

**V. ITEMS FOR INFORMATION/DISCUSSION**

**A. ESSER Funds Update**

The committee discussed an update on ESSER funds. They reviewed the Helena Public Schools Coronavirus Relief Funding document which displayed funds and expenditures from the following categories: CARES-State Emergency Relief Fund (ESSER I), CARES-Governor's Coronavirus Relief Fund (CRF), CRRSA-State Emergency Relief Fund II (ESSER II), and ARP-State Emergency Relief Fund II (ESSER III).

Ms. Janelle Mickelson, Business Services Manager and District Clerk, commented that the end date of 12/30/2021 under the category of CARES-Governor's Coronavirus Relief Fund (CRF), should be 12/30/2020. Ms. Mickelson discussed that the District has exhausted all the CARES-State Emergency Relief Fund (ESSER I), and all the CARES- Governor's Coronavirus Relief Fund (CRF). The committee reviewed the document and discussed the various expenditures, and the amount of money that is remaining in CRRSA-State Emergency Relief Fund II (ESSER II), and ARP-State Emergency Relief Fund II (ESSER III).

The committee discussed how District COVID testing is funded. The COVID tests and some PPE are given to the District for free, and the District applies for DPHHS grants to pay for the personnel administrating the tests that are working above and beyond their contract hours. The committee also discussed the Lincoln remodel. The staff did not have room to socially distance at the May Butler Center and some employees needed to alternate working remotely due to the lack of space. Moving into Lincoln Center allowed the staff ample space to socially distance and brought everyone back into the work environment safely. The committee also discussed topics including teacher and nurse salaries and ESSER funds, intervention coaches, CSCT funding, the general fund, and the upcoming cliff.

## **B. Budget To Actual Reports**

The committee moved on to review the Budget to Actual Reports. The committee first reviewed and discussed the financial report for the Elementary General Fund. Ms. Mickelson discussed educator salaries, substitute para salaries, and craft benefits. The committee then reviewed the financial report for the High School General Fund. The committee discussed the ESSER fund, technical salaries, sick leave, retirements, and budget transfers. They also reviewed the percentage budget amount that was left over in the High School General Fund and the Elementary General Fund. There is 7.2% left in the budget for the Elementary General Fund, and 16.8% left in the budget for the High School General Fund.

## **VI. BOARD COMMENT**

In closing, the committee discussed the upcoming general fund levy, and discussed that the call for the election needs to go before the full Board. The committee also discussed that they are waiting on the Deferred Maintenance Report to see what the priorities are for the District. Superintendent Weltz said in closing how much he appreciates the committee.

## **VII. ADJOURNMENT**

Mr. McEwen adjourned the meeting at 12:44 p.m.

## METHODOLOGY BEHIND RECAP

### Methodology to calculate ANB:

- For FY 2022-23 through 2026-27, adjusted the District's internal enrollment projections as follows:
  - Added 40 students to ninth grade each year
  - Subtracted 10 students from tenth grade and 40 from eleventh, and twelfth grades each year
- Adjusted internal enrollment projections for FY 2022-23 through 2026-27 as follows:
  - Calculated the average part-time percentage over 6 years (excluding FY 2020-21) and applied that percentage to the calculated head count.
- Calculated the percentage of shrinkage from fall to spring for the high school (2%) and applied that to the spring count and calculated the average adjusted enrollment.
- Converted enrollment counts to ANB.

### Methodology to calculate budget authority limits:

- Obtained an updated general fund model from the OPI.
- Input internal ANB projections for FY 2022-23 through 2026-27 into the model and deleted the OPI growth rate factor on ANB for those years.

### Methodology to calculate expenditure budgets:

- Salaries
  - Teachers:
    - Calculated the salary increases under the following assumptions:
      - Assumed all employees step with the exception of those in "ghost" steps.
      - Anticipated 20% lane movement for FY 2022-23 & FY 2023-24.
      - Anticipate 15% lane movement for FY 2024-2025 through FY 2026-27.
      - Retirements and/or replacements were not considered.
    - Subtracted out salaries paid out of other funds (approximately 9.75% in elementary and 3.84% in the high school).
  - Administrators: Increased salaries 1% for steps each year.
  - Independents, custodians, and secretaries: Increased salaries 2.5% for steps each year.
  - Para Educators:
    - Increased salaries 2.5% for steps each year.
    - Reduced/increased salaries by the estimated amount to be paid out of the tuition fund.
  - OT, Sabbatical, Activity/Athletic/Duty Stipends: Increased by 1% each year.
  - Projected a 4% increase for health benefits
- Projected termination payouts as constant.

- Projected worker's compensation as constant.
- Based on historical data, projected a 4.5% increase in O & M.
- Projected a 6% increase in the liability insurance, which is the average increase over 10 years. Large increases tend to occur every 4-5 years. We experienced a large increase in FY 2020-21 so a large increase is not anticipated in the ensuing year.
- Curriculum and Technology are estimated needs. Obviously the interlocal will need to cover most purchases until the general fund budget is balanced.
- Superintendent contingency is 1% of budget. May not be possible to include in the budget in some years.
- The assistant superintendent contingency is primarily for unforeseen additional staffing needs primarily in special education. It also may not be possible to include in the budget in some years.
- Maintained the current 65/35% split for elementary and high school. Based on current ANB the split is 66/34%.

**BUDGET PROJECTIONS:**

	<b>Actual Exp. 20-21</b>	<b>Actual Budget 21-22</b>	<b>Projected 22-23</b>	<b>Projected 23-24</b>	<b>Projected 24-25</b>	<b>Projected 25-26</b>	<b>Projected 26-27</b>
Elementary	\$38,198,942	\$38,593,891	\$38,644,496	\$39,161,832	\$40,014,493	\$40,824,087	\$41,779,700
High School	\$22,918,119	\$22,924,703	\$22,451,373	\$22,316,900	\$22,399,024	\$22,593,393	\$22,894,046
<b>Total</b>	<b>\$61,117,062</b>	<b>\$61,518,594</b>	<b>\$61,095,869</b>	<b>\$61,478,732</b>	<b>\$62,413,517</b>	<b>\$63,417,480</b>	<b>\$64,673,746</b>

**PROJECTED WAGES:**

	<b>% of Salaries</b>	<b>% of Salaries</b>	<b>% of Salaries</b>	<b>% of Salaries</b>	<b>% of Salaries</b>	<b>% of Salaries</b>	<b>% of Salaries</b>
Teachers	\$36,295,024 71%	\$35,245,599 72%	\$40,780,317 73%	\$41,567,102 73%	\$42,348,108 73%	\$42,941,595 73%	\$43,792,338 74%
Custodial	\$3,073,557 6%	\$2,307,405 5%	\$2,947,240 5%	\$3,024,071 5%	\$3,102,912 5%	\$3,183,905 5%	\$3,267,013 6%
Secretarial	\$2,559,996 5%	\$2,364,689 5%	\$2,289,450 4%	\$2,348,541 4%	\$2,409,163 4%	\$2,471,406 4%	\$2,535,258 4%
Para's	\$3,105,328 6%	\$3,188,914 6%	\$3,045,902 5%	\$3,127,912 5%	\$3,212,140 6%	\$3,298,808 6%	\$3,387,811 6%
Administration	\$4,145,914 8%	\$3,814,236 8%	\$4,140,248 7%	\$4,182,672 7%	\$4,225,550 7%	\$4,268,915 7%	\$4,312,743 7%
Independent	\$2,035,224 4%	\$2,338,526 5%	\$2,634,929 5%	\$2,663,343 5%	\$2,692,101 5%	\$2,721,264 5%	\$2,750,777 5%
<b>Total</b>	<b>\$51,215,042</b>	<b>\$49,259,368</b>	<b>\$55,838,084</b>	<b>\$56,913,640</b>	<b>\$57,989,973</b>	<b>\$58,885,892</b>	<b>\$60,045,939</b>

**PROJECTED BUDGET:**

	<b>% of Budget</b>	<b>% of Budget</b>	<b>% of Budget</b>	<b>% of Budget</b>	<b>% of Budget</b>	<b>% of Budget</b>	<b>% of Budget</b>
Teachers	\$22,761,698 60%	\$22,565,926 58%	\$26,511,825 69%	\$27,047,694 69%	\$27,577,931 69%	\$28,084,921 69%	\$28,559,672 70%
Custodial	\$2,170,156 6%	\$1,567,182 4%	\$2,093,075 5%	\$2,147,607 5%	\$2,203,565 6%	\$2,261,048 6%	\$2,320,031 6%
Secretarial	\$1,354,772 4%	\$1,218,857 3%	\$1,179,898 3%	\$1,210,376 3%	\$1,241,643 3%	\$1,273,748 3%	\$1,306,684 3%
Para's	\$2,759,680 7%	\$2,795,385 7%	\$2,691,690 7%	\$2,764,022 7%	\$2,838,307 7%	\$2,914,736 7%	\$2,993,221 7%
Administration	\$2,676,333 7%	\$2,492,042 6%	\$2,741,611 7%	\$2,769,713 7%	\$2,798,116 7%	\$2,826,841 7%	\$2,855,874 7%
Independent	\$1,303,132 3%	\$1,551,914 4%	\$1,679,584 4%	\$1,697,605 4%	\$1,715,841 4%	\$1,734,329 4%	\$1,753,037 4%
Substitutes	\$343,990 1%	\$499,627 1%	\$504,300 1%	\$504,300 1%	\$516,908 1%	\$529,830 1%	\$543,076 1%
Health Insurance	(included in salaries)	(included in salaries)	(included in salaries)	(included in salaries)	(included in salaries)	(included in salaries)	(included in salaries)
Workcomp/Craft Benefits/Other Benefits	\$210,003	\$221,618	\$244,679	\$258,454	\$274,914	\$280,600	\$286,203
Termination pay	\$277,695	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
OT, Sabbatical, Activity/Athletic/Duty Stipends	\$78,073	\$160,613	\$162,219	\$163,841	\$165,480	\$167,135	\$168,806
Cell phone stipend	\$45,387	\$44,843	\$44,843	\$44,843	\$44,843	\$33,636	\$33,636
Travel stipend	\$51,089	\$55,500	\$55,500	\$55,500	\$55,500	\$51,710	\$51,710
Total Salary & Benefits	\$34,032,009 89%	\$33,633,505 87%	\$38,396,924 99%	\$39,163,954 100%	\$39,933,045 100%	\$40,658,535 100%	\$41,371,951 101%
Curriculum & Technology	\$244,726 1%	\$177,262 2%	\$2,108,479 5%	\$2,108,479 5%	\$2,108,479 5%	\$2,108,479 5%	\$2,108,479 5%
O&M	\$1,361,641 4%	\$1,579,875 4%	\$1,650,969 4%	\$1,725,263 4%	\$1,802,899 5%	\$1,884,030 5%	\$1,968,811 5%
Property & Liability Insurance	\$461,033 1%	\$520,973 1%	\$588,700 2%	\$665,231 2%	\$751,711 2%	\$849,433 2%	\$959,860 2%
Superintendent Contingency	\$0 0%	\$271,386 1%	\$386,445 1%	\$391,618 1%	\$400,145 1%	\$408,241 1%	\$417,797 1%
Assistant Superintendent Contingency	\$0 0%	\$192,969 1%	\$196,829 1%	\$200,765 1%	\$204,781 1%	\$208,876 1%	\$213,054 1%
All Other	\$2,099,533 5%	\$1,677,921 4%	-\$4,683,850 -12%	-\$5,093,479 -13%	-\$5,186,567 -13%	-\$5,293,508 -13%	-\$5,260,251 -13%
Remaining Budget Transferred to Interlocal Fund							
Building Budgets	\$252,268						
District	\$540,000						

**PROJECTED BUDGET:**

	<b>% of Budget</b>	<b>% of Budget</b>	<b>% of Budget</b>	<b>% of Budget</b>	<b>% of Budget</b>	<b>% of Budget</b>	<b>% of Budget</b>
Teachers	\$13,533,326 59%	\$12,679,673 55%	\$14,268,491 64%	\$14,519,407 65%	\$14,770,177 66%	\$14,856,673 66%	\$15,232,666 67%
Custodial	\$903,400 4%	\$740,223 3%	\$854,165 4%	\$876,464 4%	\$899,347 4%	\$922,857 4%	\$946,981 4%
Secretarial	\$1,205,224 5%	\$1,145,832 5%	\$1,109,551 5%	\$1,138,165 5%	\$1,167,519 5%	\$1,197,657 5%	\$1,228,574 5%
Para's	\$345,648 2%	\$393,529 2%	\$354,212 2%	\$363,890 2%	\$373,833 2%	\$384,072 2%	\$394,590 2%
Administration	\$1,469,581 6%	\$1,322,194 6%	\$1,398,637 6%	\$1,412,959 6%	\$1,427,434 6%	\$1,442,074 6%	\$1,456,869 6%
Independent	\$732,092 3%	\$786,612 3%	\$955,345 4%	\$965,739 4%	\$976,260 4%	\$986,935 4%	\$997,740 4%
Substitutes	\$215,264 1%	\$419,837 2%	\$246,000 1%	\$252,150 1%	\$258,454 1%	\$264,915 1%	\$271,538 1%
Health Insurance	(included in salaries)	(included in salaries)	(included in salaries)	(included in salaries)	(included in salaries)	(included in salaries)	(included in salaries)
Workcomp/Craft Benefits/Other Benefits	\$114,081	\$117,835	\$127,807	\$130,226	\$137,168	\$144,027	\$151,228
Termination pay	\$223,792	\$515,499	\$500,000	\$500,000	\$500,000	\$512,500	\$525,313
OT, Sabbatical, Activity/Athletic/Duty Stipends	\$708,086	\$742,681	\$750,107	\$757,609	\$765,185	\$772,836	\$780,565
Cell phone stipend	\$22,731	\$23,033	\$23,033	\$23,033	\$23,033	\$20,000	\$20,000
Travel stipend	\$23,964	\$27,233	\$27,233	\$27,233	\$27,233	\$25,000	\$25,000
Total Salary & Benefits	\$19,497,189 85%	\$18,914,182 83%	\$20,614,582 92%	\$20,966,874 94%	\$21,325,644 95%	\$21,529,546 95%	\$22,031,063 98%
Curriculum & Technology	\$97,872 0%	\$540,372 2%	\$1,135,335 5%	\$1,135,335 5%	\$1,135,335 5%	\$1,135,335 5%	\$1,135,335 5%
O&M	\$821,680 4%	\$908,142 4%	\$949,008 4%	\$991,713 4%	\$1,036,340 5%	\$1,082,976 5%	\$1,131,710 5%
Property & Liability Insurance	\$268,125 1%	\$281,000 1%	\$317,530 1%	\$358,809 2%	\$405,454 2%	\$458,163 2%	\$517,724 2%
Superintendent Contingency	\$0 0%	\$709,276 3%	\$224,514 1%	\$223,169 1%	\$223,990 1%	\$225,934 1%	\$228,940 1%
Assistant Superintendent Contingency	\$0 0%	\$138,000 1%	\$140,760 1%	\$143,575 1%	\$146,447 1%	\$149,376 1%	\$152,363 1%
All Other	\$2,233,253 10%	\$1,433,732 6%	(\$930,356) -4%	(\$1,502,576) -7%	(\$1,874,186) -8%	(\$1,987,936) -9%	(\$2,303,089) -10%
Remaining Budget Transferred to Interlocal Fund							
Building Budgets	\$276,480						
District	\$900,000						