



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

Friday, February 18th, 2022 – 12:00pm

MINUTES

ATTENDEES

Committee Members:

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

Others:

Rex Weltz, Superintendent
Brian Cummings, Assistant Superintendent
Luke Muszkiewicz, Board Chair
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
Jane Shawn, HEA President
Jonna Schwartz, Instructional Coach
Casey Stangel, Guest of the Public

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 1.07.22 Budget and Finance Committee Meeting Minutes.

V. **ITEMS FOR INFORMATION/DISCUSSION**

A. 5-year Budget Forecast

The committee reviewed the 5-year budget forecast. Superintendent Rex Weltz commented. We know that fiscal cliff is approaching in 2023-2024, so we are making plans on how to soften that landing and find solutions. For good news, our enrollment is a little better than we expected.

The committee discussed the methodology to calculate ANB.

- For FY 2022-23 through 2026-27, the District's internal enrollment projections were adjusted 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

The internal enrollment projections for FY 2022-23 through 2026-27 were adjusted 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.

The committee reviewed the Fall Student Count Summary (not ANB). Josh McKay, Assistant Superintendent, commented regarding how the District projects enrollment for the next 5 years. Mr. McKay commented. Projections are guesses based on patterns that we've had in our enrollment. If you look at the 10/4/21, column those

are the enrollments by each grade level in the fall, and those would be just adding all the school's enrollments together, and then each grade. When you work forward on the projection piece, you'll see that we have to make some assumptions on an incoming class. We have used numbers before like 600 because if you look back in history, you see that it's rare that we have a class that's over 600 in kindergarten. So, you would just roll each grade level into the next year and add them forward going down and to the right. You'll see by the fall of 2030 if we had a whole set of 590 classes in the elementary, our enrollment would be 7642, but we could be higher than that or lower than that. Janelle and I worked together on picking what numbers we think should go in those forward projections, but just know that they can be adjusted when we know each incoming class.

The committee discussed the methodology to calculate budget authority limits. First, an updated general fund model is obtained from the OPI. Then, they 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.

The committee reviewed the 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 2026-27.
 - Anticipate 15% lane movement for FY 2024-2025 through FY 2026-27.
 - 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 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. It 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%

The committee discussed that we will be losing students to the new East Helena High School, and it would be good to think of ways to attract families back to the Helena School District, rather than choosing East Helena. Superintendent Weltz commented. We want to attract families with programs here at the Helena Public Schools that are undeniably the best in the region. Janelle and Josh, thank you for your work around forecasting and budgeting.

B. General Fund Levy Discussion

The committee discussed the general fund levy and reviewed the preliminary general fund budget projections based on fall and spring enrollment counts. Ms. Mickelson commented. We just did our spring count and that's represented in this document. Then I took the fall and the spring and came to the average, and calculated the ANB, plugged it into the model, and at the bottom you can see the projected budget. It shows you what it would be without a vote, what it would be with a vote, and what the highest funded amount is. So, in the elementary, you'll see the highest voted amount is \$284,000 approximately, and in the high school it's approximately \$600,000. If we didn't vote, or our levy didn't pass in the elementary, we would still have a \$600,000 increase in the budget. If it does pass, we have an approximately \$900,000 increase. In the high school, if our levy doesn't pass, we're going to lose \$600,000 in budget authority. If it does pass, we get \$5,000. So, at the March meeting, you will set the ballot language.

The committee discussed that if the levy passes in the elementary, the estimated impact on a \$100,000 home would be \$3.20 a year, and for a \$200,000 home it would cost the homeowner \$6.40 a year. If the levy passes in the high school, the estimated impact on a \$100,000 home would be \$6.25 a year, and for a \$200,000 home it would cost the homeowner \$12.50 a year.

C. 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. There is \$2,468,881 or 6.4% remaining in the Elementary General Fund Budget. The committee then reviewed and discussed the financial report for the High School General Fund. There is \$3,271,633 or 14.3% remaining in the High School General Fund.

VI. BOARD COMMENT

There were no further comments.

VII. ADJOURNMENT

Mr. McEwen adjourned the meeting at 12:58 p.m.