



March 16, 2022 Negotiations Summary

The HEA/HSD bargaining team met on Wednesday, March 16. Joanne Didriksen was absent, Wynn Randall joined virtually, and Jennifer McKee is no longer a part of the team. All other members were in attendance in person at the Lincoln Center.

This session began with a presentation by Janelle Mickelson showing the methodology used to calculate the budget. Following that, the session moved into the “option” generation phase. This is where team members presented ideas to solve the issue. The team was responsible for contributing ideas that may solve the interests and settle the contract. These ideas are not formal proposals in a traditional sense.

Our next meeting is scheduled for Wednesday, March 23, 4:00 p.m. You can join either in person at the Lincoln Center Board Room or online via TEAMS.

Negotiations

3.16.22

Absent:

Joanne

The story:

Max discussed last meeting, the story, as well as budget numbers, how much is it going to cost, etc.

Who on the school side can give us a rundown of numbers?

Based on projections, belief that the financial status of the elementary is in trouble. We are going in the right direction on the high school side.

Two different budgets/general fund, 85% of general fund should support salaries:

HS- 89-90%

ELE- mid 90's%

Discussed some salaries are paid with ESSR funds.

How is it decided who gets paid out of ESSR funds?

Support academic recovery, para proctors, covid cleaning, nurses, some summer school, interventions, academic assistance programs.

.14 of elementary salaries being paid out of these funds during intervention times

-paying for instructional coaches

All teacher steps and lanes were reviewed for the next 5 years- various staff reviewed.

Review of projections:

Reviewed where total of students is coming from for projections

Decline in high school- starting next year, East Helena will have all grade levels

Subtract 10 students from each grade in the high school- from 10 in 10th, 40 from 11th and 12th

2% shrinkage from fall to spring enrollment numbers

One calculation shows if no levy ever passes

Another calculation shows if every levy passes

Still waiting on teacher movement data to be correct, and increases include: admin- 1%, Paras- 2%, Health benefits- 4%, O and M increase- 4.5%, increases in liability insurance- 6%

Maintained the current 65/35% split for elementary and high school (for superintendent and clerk salaries)

Question on retirements- hard to figure how many will be from elementary vs. high school so difficult to predict- along with sick leave cash out, etc.

Temporary employees paid by ESSR- not included in figures

2.78%- OPI inflationary increase- (general fund increase)

2.57- FY2023

2.7- FY2024

2.78- moving forward

Retirement- county-wide levy, this is part of the district budget, but via county levy

If property taxes go up, does the district receive more funding? No- the county receives it- the general fund is capped- but a portion does go to the district.

There is a state formula that sets a max that the budget can be.

However, there are permissive levies- such as transportation. More money coming in can go to that area, but it must be spent on transportation, as an example.

So, more people in Helena, more property taxes, where does it go? There were increased in tuition funds, transportation, general fund, building reserve levy.

Base- there is max

Is there more money for teacher salaries if taxes go up?

Certain rules for how money can be spent out of each funding source.

General fund max is set by the state- determined by ANB. Increased enrollment can raise the total. Enrollment and inflation. Bozeman has a growing student total- a lot per year. What about in Helena?

Discussion over inflation right now.

O and M- operation and maintenance- based on an average, what to expect from utilities? Are there any changes due to new buildings? Not really for maintenance as they are larger.

Looked at inflation in Missoula- question on inflationary factor from legislature- yet increase in salaries- 2.75% current salary increase

There are increases in various levels of personnel, yet the number of students is decreasing?

-Took a break-

Anything else needed to be added from the last meeting?

Reminder from last meeting- be prepared to discuss options, to the best of your ability.

The only way to get committed is to have consensus. Do not take any options personal.

What is an option- for one year? Not a proposal, but an "option."

1. Go back to the last salary schedule- since the last time, inflation has diluted such numbers. Match inflation on the salary scale- 7.9%- for same purchasing power as last spring. This increase based upon actual salary, not base.
2. Steps/lanes and PCAP- have everyone stay equal because of different scales- 7.9%- based upon actual salary, not base
3. Increase above 7.9%, however, not to put that out there due to budgetary constraints – 11%- 12%- for cost of living adjustment as well as teacher innovation
4. Support 11-12% increase- to value more than last year as well as years before that. Look at other increases for other staff over this time.
5. For some years, with an increase, it has been given to each cell- “chopped up.” Increase the amount found in each cell. There are people currently in “ghost cells.”

Discussion on PCAP (originated in 2004)

For those topped out on PCAP- HSD was near the bottom of pay. Many of these people then went to get more credits/degrees. 2018-2019 was the last time some staff saw an increase (39 current staff members).

PCAP tied into professional growth and experience.

Last year, discussion on transitioning back to steps/lanes. So, there is currently both an old and new salary schedule.

There were rules regarding who could stay on PCAP vs. having to go to new pay scale.

Interest discussion:

If not at the level of 7.9%- for 5 years, 66% of current salary

For 8 years, 51% of current salary

Reminder we are looking at one year.

What increase is sustainable?

What do such increases cost?

What would it take to get to such options? If Missoula is able, how about Helena?
What could be done to get to such options? Look beyond the status quo. What if we did this, what would it look like?

What are the costs associated with such options?

What would 1% amount to? Not sure- need to finalize numbers before sharing that figure.

Keep an eye on other markets- such as "AA peers."

Review comparative data from such districts.

Who is bringing "what" to the next meeting?

- cost to district?
- list of assumptions/variables
- adjustment to all employees (those in ghosts) to 7.9% to the matrix
- figures could be shared out to HEA before the next meeting
- coaches in/outside the general fund- paid by ESSR funds
- one-year cost-out
- AA comparisons
- teacher to student ratio, admin to student ratio
- who is ESSR, who is general fund?

Next meeting is next Wednesday, 3/23.

There will be a cost-out at this meeting, as well as a comparison to other districts. Various figures including student to staff, admin to staff ratios. Such data will be focused on Missoula, Billings, and Bozeman.

A one-year cost-out also has to be figured for future years as well.

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%.

Historical (Calculated for budget)**1st Yr**
CPI-U**2nd Yr**
CPI-U**Legislature Approved****1st Yr****2nd Yr****2007 Bien**

2.100%

2.190%

2.100%

2.190%

2009 Bien

2.760%

2.970%

2.760%

3.000%

2011 Bien

3.220%

4.030%

3.000%

3.000%

2013 Bien

1.900%

1.530%

1.000%

2.430%

same over bien

2015 Bien

0.890%

2.080%

0.890%

2.080%

2017 Bien

2.330%

1.790%

2.330%

1.790%

2019 Bien

1.370%

1.000%

0.500%

1.870%

same over bien

2021 Bien

0.910%

1.830%

0.910%

1.830%

| | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
| Missoula COLA | 2.5% | 2% | 2.25% | 2.75% |
| https://www.bls.gov/data/inflation_calculator.htm | | | | |
| Inflation Year Prior (Jan-Jan) | 2.1% from Jan '17 - Jan '18 | 1.55% from Jan '18 - Jan '19 | 2.5% from Jan '19 - Jan '20 | 1.4% from Jan '20 - Jan '21 |
| Inflationary Factor from Legislature | 1.87% | 0.91% | 1.83% | 1.5% |

*2.57% Inflationary Factor from Legislature for 2022/2023