



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

And via Microsoft Teams

Tuesday, October 8th, 2024

12:00pm

MINUTES

ATTENDEES

Trustees:

Janet Armstrong, Committee Chair
Linda Cleatus, Committee Member

Others:

Barb Ridgway, Chief of Staff
Jane Shawn, HEA President
Keri Mizell, Human Resources Director
Rex Weltz, Superintendent
Candice Delvaux, Executive Assistant
Gary Myers, Director of Educational Technology
Janelle Mickelson, Business Manager
Lona Carter, Student Health
Karen Ogden, Communications Officer
Josh McKay, Assistant Superintendent
Tim McMahon, Activities Director
JoVonne Wagner, Montana Free Press
Hanna Warhank, Guest of the Public

I. **CALL TO ORDER/INTRODUCTIONS**

The meeting was called to order at 12:04 p.m. by Budget and Finance Committee Chair Janet Armstrong. Following the call to order, members of the Budget and Finance Committee and other attendees introduced themselves.

II. **GENERAL PUBLIC COMMENT**

There was no general public comment.

III. **REVIEW OF AGENDA**

No changes were made to the agenda.

IV. **REVIEW OF MINUTES**

The committee reviewed and accepted the 9.10.24 Budget and Finance Committee Meeting Minutes.

V. **ITEMS FOR INFORMATION/DISCUSSION**

A. Budget to Actual Reports

Mrs. Mickelson, Business Manager, reviewed the budget to actual reports for the elementary general fund and high school general fund with the Budget and Finance Committee. Mrs. Mickelson stated there has been little change since last month but she anticipates higher expenditures in educator salaries due to the decision to bring back staff after realizing previous cuts were excessive. Superintendent Weltz noted that while reductions are made on paper, adjustments are necessary once the system is operational. This reflects a typical business practice of testing and adjusting based on real-world performance. The anticipated increase in expenditures is estimated to be around \$200,000 and despite the adjustments, the district is currently trending well. The Budget and Finance Committee moved on to review the interlocal fund financial activity report.

B. Interlocal Fund Financial Activity

Mrs. Mickelson reviewed the interlocal fund financial activity report with the committee. The report has three different categories with a beginning and end fund balance for: district wide, buildings, and departments. The beginning fund balance district-wide was around \$6,000,000 and Mrs. Mickelson anticipates at the end of the school year that balance will be reduced to around \$4,000,000. That money will be spent on operations throughout the year on items such as: termination pay, technology supplies, curriculum, assessments, property and liability insurance, contract services, CSCT, Driver's Ed, Supplies, and professional development. The committee had a robust discussion about property and liability insurance which

increased by 16% this year. Trustee Armstrong inquired as to whether the devastation (hurricanes) that are happening right now on the East Coast will cause an increase in our rates, which Mrs. Mickelson stated she did not know, but she would find out through our insurance company. The Budget and Finance Committee moved on to review a potential technology levy proposal.

C. Potential Technology Levy Proposal

Superintendent Wertz addressed the committee regarding the recent failed levies, acknowledging the community's concerns about the financial burden. Despite this setback, the need for funding has increased, particularly for technology, which remains a pressing issue in the district. The superintendent proposed reintroducing a 10-year technology levy in May of 2025 that will be less burdensome for taxpayers and Mr. Gary Myers, Director of Educational Technology, presented additional information to the committee regarding the proposed levy. Mr. Myers highlighted the need for increased funding for technology in the district, contrasting current expenditures with the original technology levy passed in 2004. Currently, the district allocates approximately \$1.9 million for technology, while full funding needs are estimated at nearly \$3.5 million. This funding is necessary not for extravagant expenses, but for essential replacements and staffing for repairs. The current levy provides about \$1.1 million, leading to an impact on interlocal funding of approximately \$900,000. If all technology needs were met, this impact would rise to around \$2.4 million. Mr. Myers emphasized the importance of effectively communicating these needs to the community in anticipation of a proposed new levy, ensuring clarity about the district's technology funding situation.

Mr. Myers discussed the technology budget and stated that key areas heavily impacted by funding constraints include licensing services, which are essential and cannot be significantly reduced. Staffing also poses challenges; a position was cut a year and a half ago, and further reductions would hinder the ability to repair devices effectively. Mr. Myers pointed out critical funding gaps in device replacement and infrastructure improvements. Annual spending of around \$800,000 is needed for replacing Chromebooks and teacher laptops, as well as for network upgrades like wiring and switches. Without consistent annual funding, the district risks facing large expenditures every few years—potentially \$5 million for wiring upgrades across elementary schools or \$2-3 million for device replacements. This approach is inefficient and complicates long-term budget planning.

Mr. Myers introduced the concept of the "device cliff," highlighting concerns about the aging technology in the district. During COVID, the district utilized ESSER and emergency connectivity funds to purchase a significant number of Chromebooks and teacher devices, resulting in a temporary surplus. However, as the pandemic recedes, many of these devices are now three to five years old, which is considered a long lifespan for student technology. Mr. Myers noted that devices have faced substantial wear and tear, especially as they were frequently sent home with students. While most students take care of their devices, the impact of frequent use is evident. Teacher laptops, many of which are six to seven years old, are becoming inefficient due to insufficient memory, affecting their usability in the classroom. Mr. Myers expressed concern about the lack of funding for necessary device replacements, emphasizing that this issue is a significant worry for the future of the district's technology infrastructure.

Mr. Myers discussed that the proposed 10-year technology levy for the elementary will be around \$2,711,000 and the existing levy is \$520,500 for an increase of \$2,190,500. In the high school the proposed 10 year technology levy will be \$1,442,000 and the existing levy is at \$559,500 for an increase of \$882,500. The total proposed 10-year levy increase will be around 17.22 mills in the elementary, and 8.38 in the high school. For a \$100,000 house it will be an increase of \$23.25 a year for the elementary, a \$69.74 yearly increase for a \$300,000 house, and a yearly increase of \$139.48 for a \$600,000 house. In the high school for a \$100,000 house, it will be a yearly increase of \$11.31, for a \$300,000 house it will be a yearly increase of \$33.94, and for a \$600,000 house it will be a yearly increase of \$67.88.

Mr. Myers shared election results and informal election feedback from the most recent levy and stated that only 1,200 additional votes would have been needed for the levy to pass. Some of the informal feedback included concerns about the property tax burden, the overall high cost of the previous levy compared to other AA districts, and the nature of the safety and security levy as a permanent request. Additionally, there were sentiments expressed about the expectation for state-level funding for certain needs. Mr. Myers emphasized the importance of giving the community an opportunity to support the district's funding needs while recognizing the challenges ahead in garnering that support.

Trustee Janet Armstrong asked Mr. Myers to paint the picture of what it looks like in our classrooms for our students when we cannot keep up with replacing Chromebooks. Mr. Myers explained that currently, there is approximately one device for every two students in elementary schools. This scarcity necessitates a strict

scheduling system for state-mandated assessments, which disrupts classroom activities and increases planning demands on teachers. Furthermore, accessing the online components of the curriculum and conducting digital assessments has become more complicated, leading to difficulties in lesson delivery.

VI. BOARD COMMENTS

The trustees thanked Mr. Myers for his presentation on the potential technology levy.

VII. ADJOURNMENT

Budget and Finance Committee Chair Janet Armstrong adjourned the meeting at 12:39 p.m.