



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, November 12th, 2024

12:00pm

MINUTES

ATTENDEES

Trustees:

Janet Armstrong, Committee Chair
Linda Cleatus, Committee Member
Rachel Robison, Committee Member

Others:

Barb Ridgway, Chief of Staff
Jane Shawn, HEA President
Keri Mizell, Human Resources Director
Rex Wertz, Superintendent
Candice Delvaux, Executive Assistant
Gary Myers, Director of Educational
Technology
Janelle Mickelson, Business Manager
Lona Carter, Student Health Services &
Special Education Director
Karen Ogden, Communications Officer
Josh McKay, Assistant Superintendent
Tim McMahon, Activities Director
Wilbur Rehmann, Guest of the Public
Courtney McAdams, Guest of the Public

I. CALL TO ORDER/INTRODUCTIONS

The meeting was called to order at 12:03 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

Mr. Wilbur Rehmann gave general public comment on topics including but not limited to expressing concern about recent budget cutbacks, particularly in music and physical education at the elementary school level. Mr. Rehmann inquired about the board's interest in running another levy to address funding issues. Mr. Rehmann, a jazz musician with 25 years of experience, emphasized personal connection to public schools and the importance of maintaining strong music and P.E. programs. There was no further general public comment.

III. REVIEW OF AGENDA

No changes were made to the agenda.

IV. REVIEW OF MINUTES

The committee reviewed and accepted the 10.08.24 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 that we are trending better than we were at this time last year in the elementary general fund. We have roughly 14% remaining and last year we were at around 11%. In the high school general fund, we have almost 18% remaining in our budget and last year at this time we were at around 13%. Ms. Mickelson anticipates lane changes in January will hit the education salaries pretty heavily and we still do not know what retirements look like. Ms. Mickelson explained that the budget is performing better this year due to adjustments made in the 2024 budget. Last year, the budget was extremely tight, and the full amount for retirement incentives could not be included. Additionally, some expenses, such as additional duty stipends and lane changes, could not be incorporated into the 2024 budget initially. This year, those items were successfully included, which is why the budget is trending better. Ms. Mickelson moved on to review the interlocal fund financial activity with the Budget and Finance Committee.

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. Ms. Mickelson stated that around \$400,000 remains in the building budgets, which is typically spent down later in the year, and she expects this amount to decrease. She also noted that departments such as activities and special education currently have a healthy balance of around \$600,000. The Budget and Finance Committee moved on to review a fall enrollment 2024/2025 update provided by Assistant Superintendent Josh McKay.

C. Fall Enrollment 2024/2025 Update

Assistant Superintendent Josh McKay provided the Budget and Finance Committee with a 2024/2025 fall enrollment update. Mr. McKay began by reviewing a PowerPoint presentation with the committee which displayed an age pyramid for Lewis and Clark County with population projections provided by the Department of Commerce Population website comparing data from 2024 to 2050. The data shows an expanding population in the 20-40 age range, while there is a decline in those aged 45-60, with a narrower population distribution among older age groups. The projections for 2050 indicate that the population under 20 will remain narrow, with the majority of the population in the middle age bands. Assistant Superintendent McKay noted that in Lewis and Clark County, the population of 0-18-year-olds remains stable, with growth primarily occurring in older age groups, reflecting a broader trend in Montana.

Next, Assistant Superintendent McKay reviewed population protection trends for five years old through the year 2040. While the state's five-year-old population peaked in 2021 and is expected to decline before rising again, Lewis and Clark County's population trend differs. The county's curve mirrors the state's trend until 2025, after which it remains stable. Based on this data, no significant growth in the five-year-old population is anticipated in the county. Assistant Superintendent McKay moved on to review population projection trends through 2040 for 5- to 18-year-olds. The data

indicates that both the statewide and Lewis and Clark County populations are currently at a relative peak, with Lewis and Clark County possibly having reached its peak in 2024. Both projections expect a decrease in this age group over time, particularly after 2025. Assistant Superintendent McKay discussed a population projection for individuals aged 5 to 100, highlighting that while Montana's overall population is growing, in Lewis and Clark County, the growth is occurring primarily in the population over 18 years old, not in children. This indicates an aging population trend in the county. Mr. McKay reviewed another piece of data that shows that the number of five-year-olds peaked in the county, with next year's projection around 779 to 780. By 2040, the number is expected to be roughly 778, indicating minimal change. The overall trend for five-year-olds in the county is relatively flat, as predicted by the Department of Commerce Population website. Mr. McKay also noted that the district serves around 500 kindergarten students.

Assistant Superintendent McKay moved on to review the fall student enrollment summary with projections. The chart includes students with partial enrollments and is not an ANB count. Assistant Superintendent McKay expressed concern about potential declines in kindergarten enrollment but acknowledged that trends suggest stable numbers moving forward. He also mentioned challenges such as high school migration, with students transferring out of state, to homeschool programs, or to other in-state schools, and highlighted a decrease in overall district enrollment to around 7,569 students, which will require adjustments in district organization and planning. Mr. McKay reviewed the next PowerPoint slide, which presents enrollment projections through the fall of 2032, followed by a slide detailing enrollment number by site, followed by a key planning document used by the district. He concluded his presentation by addressing questions from the Budget and Finance Committee.

D. Preliminary General Fund Projections Based on Fall Count

Ms. Mickelson reviewed preliminary general fund projections based on the fall count and discussed potential operational levy options, noting that the highest voted amount for the elementary level was about \$392,000, which could be pursued if all factors remain unchanged. The high school budget is capped and cannot support an operational levy at this time. Without a levy, the elementary budget would increase by 1.61%, while the high school budget would rise by 1.29%. If a levy were passed for the elementary level, the increase would be 2.54%. Ms. Mickelson clarified that the 3% inflationary factor does not directly correlate to a 3% increase in the overall budget due to the impact of A and B factors. The presentation also included the projected impact of the levy on homes valued at \$100,000, \$300,000, and \$600,000.

Ms. Mickelson noted that while many factors could change before the spring count, if everything remained the same and the legislature did not alter funding formulas, the projected numbers would hold for May. She also mentioned that the elementary K-6 Mount Ascension did not meet the necessary A and B thresholds to receive the basic entitlement, but this was not planned for and is considered a non-issue for now. However, there is potential for it to build up in the future. We did plan on it in the middle school and high school and our numbers came in where they needed to. Ms. Mickelson concluded her presentation by addressing questions from the Budget and Finance Committee.

VI. BOARD COMMENTS

Superintendent Weltz expressed appreciation for Mr. McKay's work on enrollment projections, acknowledging the complexity of the calculations. He highlighted that, assuming all factors remain equal, a potential 2.5% increase in the elementary budget and just over a 1% increase in the high school budget could be expected if a levy is passed. While this represents positive news it is still insufficient to fully cover inflation. Superintendent Weltz also noted concerns about the potential impact of declining enrollment on the budget, even with state funding increases and emphasized the importance of legislative changes to the funding formula. There were no board comments.

VII. ADJOURNMENT

Budget and Finance Committee Chair Janet Armstrong adjourned the meeting at 12:47 p.m.