



Board of Trustees
Budget and Finance Committee

Lincoln Center
And via Microsoft Teams
Tuesday, May 13th, 2025
12:00pm

MINUTES

ATTENDEES

Trustees:

Janet Armstrong, Committee Chair
Rachel Robison, Committee Member
Linda Cleatus, Committee Member
Kay Satre, Trustee

Others:

Barb Ridgway, Chief of Staff
Jane Shawn, HEA President
Keri Mizell, Human Resources Director
Janelle Mickelson, Business Director
Rex Weltz, Superintendent
Todd Verrill, Facilities Director
Candice Delvaux, Executive Assistant
Gary Myers, Director of Educational Technology
Lona Carter, Student Health Services & Special Education Director
Josh McKay, Assistant Superintendent
Tim McMahon, Activities Director
Justine Alberts, Curriculum Director
Kaitlyn Hess, Data & Federal Programs Director
Melissa Romano, Instructional Coach
Hanna Warhank, Guest of the Public
Sonny Tapia, Independent Record Reporter

I. CALL TO ORDER/INTRODUCTIONS

The meeting was called to order at 12:04 p.m. by Trustee 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 3.7.25 Budget and Finance Committee Meeting Minutes.

V. ITEMS FOR INFORMATION/DISCUSSION

A. Budget to Actual Reports

The Budget and Finance Committee reviewed and discussed the Budget to Actual reports. Ms. Mickelson pointed out that last year in the elementary general fund we only had 5% remaining in our budget at this time, and this year we have 8% remaining in the elementary general fund budget. Last year in the high school general fund we had 4% remaining in our budget at this time, and this year we have 9% remaining in the high school general fund budget. Ms. Mickelson discussed the potential to reallocate certain expenditures currently covered by interlocal payments back to the general fund. Ms. Mickelson addressed questions from the Budget and Finance Committee regarding the budget to actual reports.

B. Interlocal Fund Financial Activity

The Budget and Finance Committee reviewed the interlocal fund financial activity report. Ms. Mickelson reported that approximately \$2.3 million has been expended district-wide, and about \$2.5 million in total including buildings and departments, noting that the fiscal year is still in progress. She also mentioned the possibility of an additional increase in property and liability insurance costs. Additionally, Ms.

Mickelson noted that several transportation projects originally budgeted for did not occur, which may result in a transfer of funds back to the interlocal fund from the transportation fund. Ms. Mickelson addressed questions from the Budget and Finance Committee regarding the interlocal fund financial activity report.

C. Legislative Updates

The Budget and Finance Committee discussed the anticipated STARs funding designated for staff salary compensation. They also discussed House Bill 28, a legislative cleanup bill that corrected a prior misinterpretation regarding enrollment calculations for charter schools, resulting in the restoration of previously lost funding. Additionally, the committee reviewed Montana House Bill 515, a comprehensive measure introduced in the 2025 legislative session aimed at improving school infrastructure and advancing educational technology statewide.

The committee discussed the potential failure of the boiler system at Helena High School and the significant challenges involved in replacing or repairing it. Current reserves and building funds are insufficient to cover the full cost of a replacement, which would require pursuing a loan or bond. Short-term fixes, such as temporary heating solutions, are being explored but would be costly and complicated. The committee acknowledged the need for contingency plans, including possible redistricting or split shifts between Helena High and Capital High, to ensure students have a safe and functional learning environment if the boilers fail.

The committee discussed uncertainty surrounding federal education funding, particularly related to Title I. There is concern about potential reductions, possibly up to 20%, due to declining enrollment, a shift from formula to block grants, and changes in how funds are allocated at the state level. The group noted that these cuts have occurred for several consecutive years, and despite receiving less funding, districts are still expected to maintain the same level of services. Additional concerns include delays in funding distribution and the impact of inflation on already strained resources.

Superintendent Weltz and Ms. Mickelson addressed questions from the Budget and Finance Committee regarding the information presented.

D. Teacher Bargaining Update

The Budget and Finance Committee received an update on teacher bargaining with the Helena Education Association, noting continued progress through the consensus

process. Key topics included compensation, health insurance, and workload. A tentative agreement was reached to meet STARs Act requirements by adjusting the salary matrix to reach 66% of average teacher salary this year and 70% next year, alongside proposed annual salary increases. Discussions also included potential language around reduction in force procedures and efforts to proactively address workload and communication issues. Final cost impacts have been accounted for in the existing budget framework. Ms. Keri Mizell, Human Resources Director, addressed questions from the committee regarding the information presented.

E. Levies Update

The Budget and Finance Committee received an update from Superintendent Weltz and Mr. Gary Myers, Director of Educational Technology, regarding the recent technology levies. The failure of both the elementary and high school levies carries significant implications for the district. Although the need for ongoing technology support remains critical, operations will now rely even more heavily on interlocal funds. The district has been spending nearly \$2 million annually on technology, with approximately \$1 million coming from interlocal reserves just to sustain basic operations. This has not, however, included any device replacement cycles or necessary technology infrastructure replacement. As a result of the levy failures, the impact on the interlocal fund for the next school year will be approximately \$2 million. This amount will continue to increase as components age and require additional support or replacement. The levies were intended to fund essential infrastructure, software, licensing, and network systems that underpin daily school functions. Without this dedicated funding, the district may struggle to maintain critical technology services, potentially impacting instruction, assessments, and cybersecurity. Superintendent Weltz and Mr. Myers addressed questions from the committee regarding the information presented.

VI. BOARD/SUPERINTENDENT COMMENTS

There were no board or superintendent comments.

VII. ADJOURNMENT

Budget and Finance Committee Chair Janet Armstrong adjourned the meeting at 12:58 p.m.