

**HELENA SCHOOL DISTRICT #1**

**2025-2026 BUDGET**

**Organization**

**Board of Trustees**

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| **Elementary and High School Trustees** |
| Name | Position | TermExpires |
| Jennifer McKee | Chairperson  | 2026 |
| Janet Armstrong | Trustee | 2027 |
| Linda Cleatus | Trustee | 2026 |
| Siobhan Hathhorn | Trustee  | 2028 |
| Jenny Murnane-Butcher | Trustee | 2028 |
| Rachel Robison | Trustee | 2027 |
| Kay Satre | Trustee | 2025 |
|  |  |  |
| **High School Trustees** |
| Jennifer Walsh | Vice Chair  | 2026 |

**List of Principal Officials**

 Rex Weltz Superintendent

 T. Janelle Mickelson Business Services Administrator

 Katrina Chaney County Superintendent

 Kevin Downs County Attorney



**HIGLIGHTS**

**District-Wide:**

* Salary Increases/Decreases
* Educators & Professionals:
	+ The teacher salary matrix was adjusted for entry teacher salary to be 66% of the average teacher salary.
	+ A 2% increase was applied to the matrix.
	+ Extra duty rate was increased from $30.56/hour to $33.00/hour.
* Craft Council (plumbers & mechanic): 2% increase.
* Negotiations for custodians, painters, carpenters and secretaries were not settled at the time this report was prepared. A 2% increase was assumed for those employee groups.
* A 2% increase was also assumed for independents and administrators.
* Mid-year lane changes for educators were budgeted at $207,780 in the elementary and $76,400 in the high school.
* Long-term substitutes for employees on leave of absence with pay mid-year was budgeted at $100,250 in the elementary and $76,500 in the high school.
* Leave cash-outs were budgeted at $140,000 in the elementary and $61,000 in the high school.
* Supplemental wage payments were budgeted at $40,000 in the elementary and $25,000 in the high school.
* Termination pay was budgeted at $500,000 in both the elementary and the high school.
* An increase of $37.50 per month was applied to Health Benefits.



* Despite the budgeted 2% increase in administrative salaries, the minor increase in overall salaries reflects the decrease in FTE by .5 and savings for replacement of retired administrators.
* The increase in educator salaries reflects the 2% increase on the matrix and additional hires for elementary music and PE teachers, as well as the elimination of mandatory 6th period assignments (educators can still voluntarily teach a 6th period).
* The decrease in professional salaries reflects the elimination of approximately 3.5 FTE specialist positions and replacement savings for new hires for nurses.
* Paraprofessional positions are difficult to fill. Actual salaries paid are always less than what is budgeted, which explains the large increase in paraprofessional salaries.
* The increases in salaries for the other employee groups reflect the assumed increases listed above.
* Other budgeted increases:
* Utilities:
* 10% increase in natural gas.
* 17% increase in electricity.
* 10.65% increase for garbage, water, and sewer in the elementary and 7.13% increase in the high school.
* Property and liability insurance – 6.4% decrease. Reasons for the decrease included lower attachment rates for reinsurance from a new vendor, improved loss ratio for the District and better property rates.
* Taxable values decreased considerably (approximately 10.77% in the elementary and approximately 10.57% in the high school).

**General Fund:**

Elementary budgeted Average Number Belonging (ANB) increased by 131 in the elementary and by 68 in the high school. The primary reason for the increase in enrollment was the opening of three new public charter schools in the elementary (Helena Montessori and Helena Mount Ascension in both the elementary and the middle school) and two new public charter schools in the high school (Helena Mount Ascension and Helena Project for Alternative Learning) . The 3-year average was used to calculate budget limits in both the elementary and the high school. An inflationary increase of 3.0% was provided for the basic and per-ANB entitlements, quality educator payment, Indian Education for All payment, American Indian achievement gap payment, and data for achievement payment. The special education instructional block grant rate increased from $158.83 to $163.60, and the special education related services block grant increased from $52.94 to $54.53. The threshold to determine disproportionate costs was also raised. The 69th legislative session established the Student and Teacher Advancement for Results and Success (STARS) Act. The Act expanded the incentive for increasing beginning teacher salaries by doubling the quality educator payment if a district met the requirements of the Act. Helena Public Schools applied for and was approved by the OPI to receive the expanded quality educator payment. The financial effects of HB 203, which legislature passed in the 2023 session begin in fiscal year 2025-26. HB 203, often referred to as “the open enrollment bill”, allows parents to enroll their students in a school district outside their home district. Districts of choice must accept the out-of-district student unless specific negative impacts on education quality are identified. The district of residence is required to pay tuition for resident students attending schools in other districts (further discussed under the “Tuition” section). Tuition received by the district of attendance must be used to reduce local property taxes. Tuition receipts received in the elementary are anticipated to be approximately $450,217 in the elementary and $486,959 in the high school. Local property taxes in the general fund were reduced by those amounts.

State funding comparisons for Helena Public Schools are as follows:



Approximately $708,114 of technology expenditures were transferred out of the elementary general fund to the interlocal fund and approximately $270,000 in salaries (counselors, administrators, and secretaries) were transferred to CSCT match reimbursements. The building reserve safety and security sub fund continues to fund a portion of counselor salaries ($567,646 in the elementary and $245,026 in the high school. One-to-one paraprofessionals, interpreters and nurses will be paid out of tuition fund ($1,930,608 in the elementary and $434,485 in the high school).

A superintendent contingency of $837,442 was budgeted in the high school general fund. No contingency was budgeted in the elementary general fund.

Operating reserves are at 8.64% in the elementary and 9.78% in the high school.

**Transportation:**

The transportation manager and his supervisor did a deep analysis of the transportation budgets and made cuts that they deemed reasonable and appropriate. First Student (transportation contractor) notified the District that they will not be able to fulfill their commitment to deliver 15 new buses at the start of the 2025-26 school year. The District and First Student have agreed that the District will be invoiced at the 2024-25 rates until the buses are delivered and compliant with contractual and regulatory requirements. Once these requirements are met, the 2025-26 rates will take effect with a 3.5% increase. After factoring budgeted increases, the overall result was a budget reduction of $281,073 in the elementary and $41,704 in the high school. New legislation passed in 2025 legislative session, now requires the state to pay 75% of the on-schedule transportation reimbursement and the county will now only pay 25% of the reimbursement. Previous law required a fifty-fifty split.

**Tuition:**

As discussed earlier, the financial effects of HB 203, passed in the 2023 legislative session began in this fiscal year (2025-26). The elementary district was invoiced $338,118.05 for 216 Helena resident students enrolled in another school district and the high school district was invoiced $169,413.76 for 114 students. The budget also reflects the actual costs associated with providing one-on-one services to special needs students in fiscal year 2025. The elementary district experienced a fairly significant decline ($345,759.18) in actual costs, while the high school district experienced a modest increase ($24,888.21). The decline in the elementary was primarily due to delivery model changes in those services and changes in student needs. Other expenditures included in the tuition fund budgets include charges from county and/or regional detention facilities for resident students detained in the facilities ($8,000) and the District’s match for students receiving instructional services at state residential treatment facilities ($64,253).

**Retirement:**

During the budgeting process for the prior year (fiscal year 2024-25) there was discussion regarding a possible retirement incentive, which was incorporated into the budget. The budget for fiscal year 2025-26 reflects actual anticipated costs without a contingency for a possible retirement incentive, which is the reason for the decrease in the retirement fund budgets.

**Adult Education:**

The elementary adult education budget remained status quo. However, due to the uncertainty of the Federal Adult Education funding, the high school budget was increased to cover the costs associated with that funding.

**Technology:**

Both the elementary and high school have a perpetual technology levy, $520,500 for the elementary and $559,500 for the high school. Technology needs and usage markedly changed (increased) over the years. Technology needs in the elementary have outpaced resources, which has depleted the elementary technology fund. Although much less in fiscal year 2024-25, the interlocal fund continues to supplement both the general fund and the elementary technology fund. The technology department has been operating with a bare bones budget for the last few years. Device failure is inevitable and there is concern that funding will not be available for device replacement devices when they fail. The cost to replace devices is nearly $500,000 for elementary and nearly $350,000 for the high school. Unfortunately, both the elementary and high school levy propositions, which would have resolved the financial difficulties, failed for the second consecutive year. The remaining fund balance for budget in the elementary was $160,352 for a total elementary technology budget of $712,340. The high school technology fund tends to do a little better. The remaining fund balance for the budget in the high school was $831,528 for a total budget of $1,408,271. The annual technology aid distribution to schools is based on the ratio that each district’s BASE budget bears to the statewide BASE budget amount for all school districts. The elementary will receive $31,487 in state technology aid and the high school will receive $17,243.

**Flexibility:**

The amount of the elementary budget reflects the unspent cash balance reappropriated to fund the current year budget. In addition to the unspent cash balance reappropriated ($220,389), the high school flexibility budget includes a Montana Advanced Opportunity award of $206,606. The grant money will be used to reduce student costs and program costs associated with AP exams, dual credit, student course & class fees, and to further enhance career and technical education programs.

**Debt Service:**

The budgeted amounts for debt service payments on the 2017 bonds are $2,545,000 for principal payments, $1,561,400 for interest payments. The budgeted amount for debt service payments on the 2019 bond issue are $345,000 for principal, $228,300 for interest payments. Agent fees are estimated to be $1,000. Taxes for Special Improvement Districts (SIDs) are estimated to be approximately $290,000. The total elementary debt service budget is $4,970,700. Although the high school has no outstanding debt, taxes for SIDs are estimated to be approximately $200,000, which represents the total debt service budget for the high school.

**Building Reserve:**

On May 2, 2023, taxpayers generously approved an increase in the building reserve levies for 10 years. The increase in the elementary was 1,750,000 annually for a total levy of $3,000,000 per year and the increase in the high school was $750,000 annually for a total levy of $1,500,000 per year. The remaining fund balance for the budget in the elementary was $2,898,276 and $3,130,716 in the high school. Planned projects in fiscal year 2025-26 to be funded by the voted levy include: flooring projects to include flooring replacement and asbestos mitigation at CR Anderson and Four Georgians Elementary School ($100,000); roofing projects at Warren Elementary and Helena Middle School ($866,411); parking lot projects (installation/replacement, striping, patching sealing) at various schools and Lincoln Center ($750,000); HVAC replacement at Four Georgians Elementary ($1,200,000), air handler maintenance and repair at Helena High ($55,000); interior painting projects ($25,000); masonry repairs at Rossiter, Smith, Warren Elementary, and CR Anderson ($30,000); Electrical upgrades at Smith Elementary ($306,000); playground improvements at various schools ($66,000); water fixture replacement (as needed district-wide, $35,000). Other planned purchases include floor maintenance supplies ($75,000); fire system inspections ($26,000); elevator inspections and repair ($64,000); environmental testing ($17,000); and safety & security system upgrades ($35,000); HVAC system audits and service contracts ($40,000).  The Facilities Master Plan was completed in the Spring of 2024 and led to the decision to run a bond levy election on September 9, 2025. The results of that election will steer future facility projects to be funded by the voted levies. In addition to the voted levies, the district also took advantage of the permissive levy to address safety and security needs in the District ($223,207 in the elementary and $119,684 in the high school). School Major Maintenance Aid is $435,378 for the elementary and $211,151 for the high school. These two revenue sources will fund a portion of counselor’s salaries and the school resource officers. The total building reserve budget is $6,556,861 in the elementary and $4,961,551 in the high school.













