

# Missoula County Public Schools

## BOARD OF TRUSTEES

Budget and Levy Committee Meeting

**Thursday, February 26, 2026 - 12:00 PM**

**Administration Building A - Boardroom**

**Note:** If you have questions regarding the agenda, please contact the Business Office (728-2400, ext. 3021, prior to the meeting).

## AGENDA

**1. CALL TO ORDER, WELCOME AND ROLL CALL**

**2. PUBLIC COMMENT/CORRESPONDENCE**

**3. Approve Minutes - Action**

2

Budget & Levy Committee Meeting - January 22, 2026

[1-22-26 Minutes Budget and Levy Committee.pdf](#) 

**4. INTRODUCTION**

**5. TOPIC: FY27 Projections Update**

3 - 17

Denise Williams, Executive Director of Business & Operations, will share the latest projections for the General Fund budget for fiscal year 2027.

[Budget & Levy Committee 2.26.26.pdf](#) 

**6. TOPIC: FY 27 District Budget Projections**

Micah Hill, Superintendent, will outline district considerations for the FY 27 General Fund budget projections.

**7. TOPIC: Next Meeting**

Next Meeting is scheduled for March 26, 2026.

**8. ADJOURN**

Missoula County Public Schools

BOARD OF TRUSTEES

Budget and Levy Committee Meeting

Thursday, January 22, 2026 - 12:00 PM

Administration Building A - Boardroom

1. CALL TO ORDER, WELCOME AND ROLL CALL  
The meeting was called to order at 12:00pm. Introductions of committee members around the room.
2. PUBLIC COMMENT/CORRESPONDENCE – none
3. INTRODUCTION – The budget and levy committee met to learn about the basics of school finance for MCPS and an introduction to the FY27 budget.
4. TOPIC: School Funding and Budget 101  
Denise Williams, Executive Director of Business & Operations, provided an overview of Montana school funding and how school budgets are created.
5. TOPIC: FY27 Projected Budget and Levies  
Denise Williams, Executive Director of Business & Operations, shared early FY27 budget projections and levy estimates. Next meeting, we will have figures to present following the February Student Count for ANB - budgets are based on ANB funding.
6. TOPIC: Budget Related Legislation –  
Denise Williams, Executive Director of Business & Operations, and Micah Hill, Superintendent, discussed changes and the impacts of legislation related to the last Montana Legislative session.
7. ADJOURN – 1:34 pm.



Forward Thinking, High Achieving.

# **FY2027 General Fund Budget & Levy Projections**

Budget & Levy Committee  
February 26, 2026

# Let's Review!

# General Fund – Budget Limit ANB

Use the ANB that generates the greatest maximum general fund budget:

- **Current Year ANB (CY ANB)**
  - ANB for the budget unit for the ensuing school year (FY2027 ANB is based on FY2026 enrollment counts)
- **3-Year Average ANB**
  - Add current year ANB to the current year ANB for the previous two school fiscal years and divide by 3 (FY2027 ANB is the average of FY2027, FY2026 and FY2025)

# General Fund – Budget Limit ANB

| ELEMENTARY | Current Year ANB |       |       | 3-year<br>Avg ANB | Budget<br>ANB |
|------------|------------------|-------|-------|-------------------|---------------|
|            | *EL–6            | 7–8   | Total |                   |               |
| 2023       | 4,282            | 1,226 | 5,508 | <b>5,582</b>      | 5,582         |
| 2024       | 4,265            | 1,202 | 5,467 | <b>5,469</b>      | 5,469         |
| 2025       | 4,219            | 1,146 | 5,365 | <b>5,448</b>      | 5,448         |
| 2026       | 4,328            | 1,158 | 5,486 | <b>5,509</b>      | 5,509         |
| 2027       | 4,265            | 1,171 | 5,436 | <b>5,465</b>      | 5,465         |

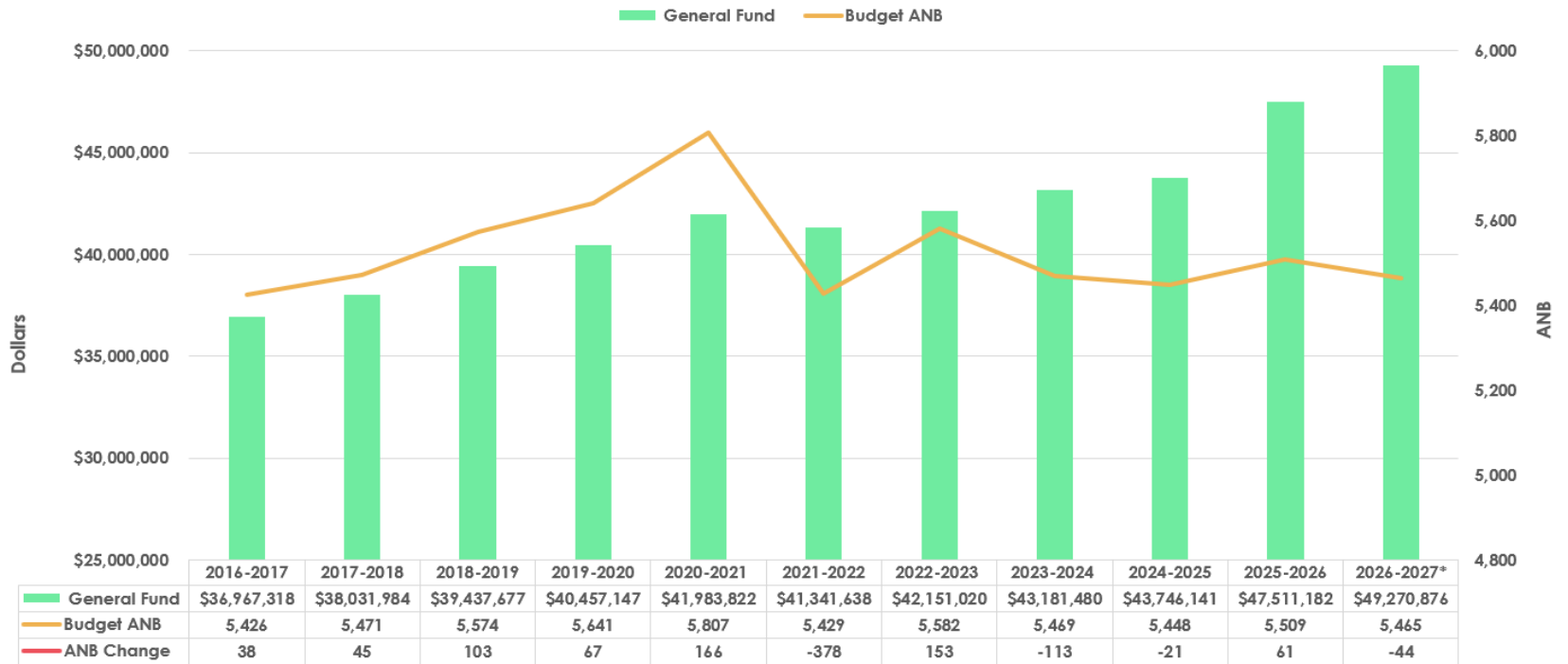
\*Early Literacy (EL) in FY26  
PK-SPED in FY27

# General Fund – Budget Limit ANB

| HIGH SCHOOL | Current<br>Year ANB | 3-year Avg<br>ANB | Budget<br>ANB |
|-------------|---------------------|-------------------|---------------|
| 2023        | <b>3,944</b>        | 3,780             | 3,944         |
| 2024        | <b>4,028</b>        | 3,894             | 4,028         |
| 2025        | <b>4,068</b>        | 4,014             | 4,068         |
| 2026*       | 4,011               | <b>4,095</b>      | 4,095         |
| 2027*       | 3,940               | <b>4,036</b>      | 4,036         |

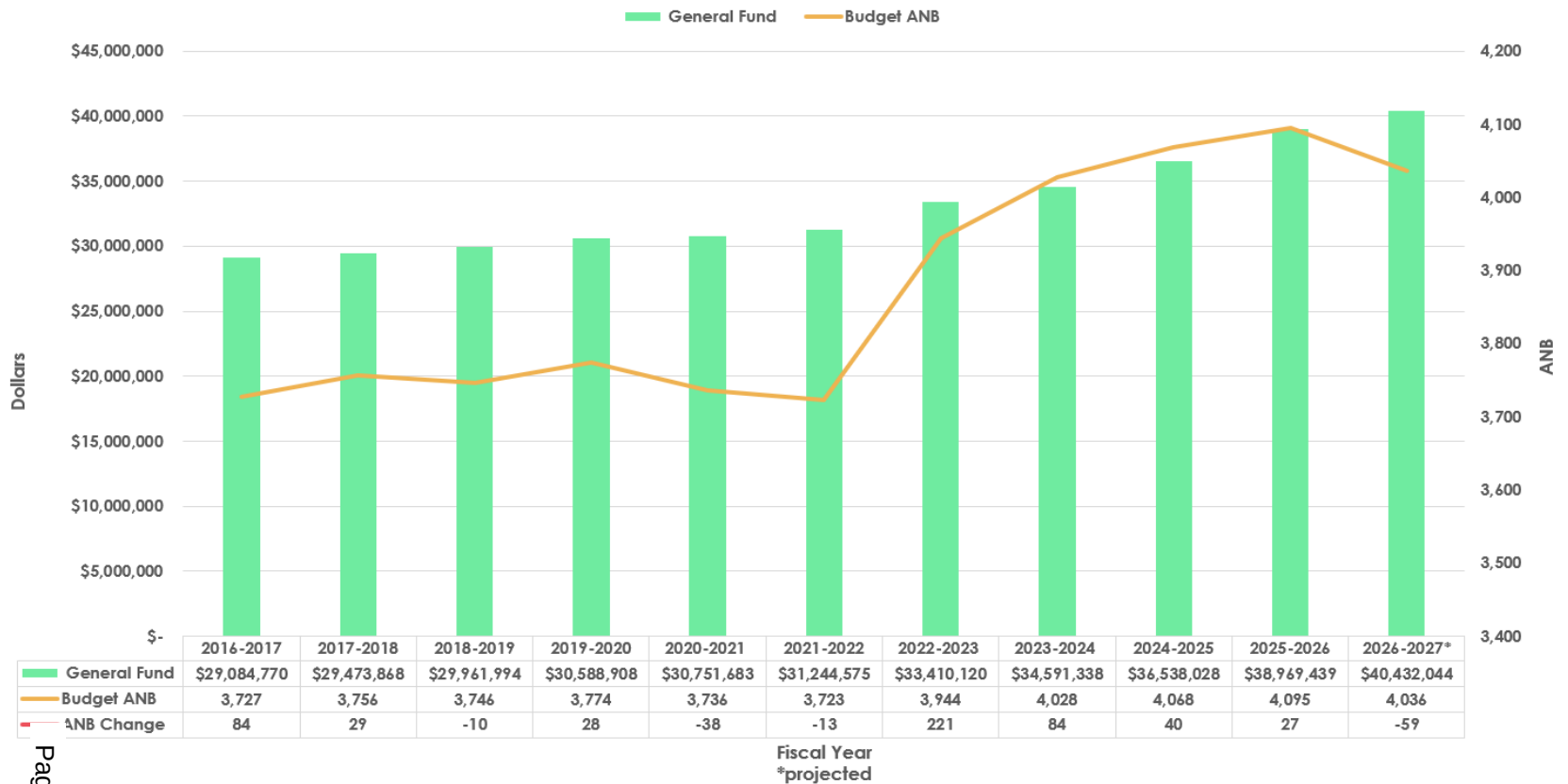
\*Connect Academy charter  
school in FY26

**Elementary General Fund and Average Number of Belonging (ANB)  
Historical Overview  
FY2017- FY2027\***



Fiscal Year  
\*projected

# High School General Fund and Average Number of Belonging (ANB) Historical Overview FY2017 - \*FY2027



# General Fund Budget Formula

|                                 |                  |                                                                                                                                                                                                                                                                                      |
|---------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Add'l Special Ed funding*       | over-BASE Budget | Highest Budget Allowed<br>(aka "over-Max")                                                                                                                                                                                                                                           |
| 20% per ANB Entitlement         |                  |                                                                                                                                                                                                                                                                                      |
| 20% Basic Entitlement           |                  |                                                                                                                                                                                                                                                                                      |
| Special Ed funding*             | BASE Budget      | <ul style="list-style-type: none"> <li>Levies already approved by voters</li> <li>Levies that need voter approval                             <ul style="list-style-type: none"> <li>over-BASE operational levy</li> <li>over-Max high cost county levy (new)</li> </ul> </li> </ul> |
| 80% per ANB Entitlement         |                  |                                                                                                                                                                                                                                                                                      |
| 80% Basic Entitlement           |                  |                                                                                                                                                                                                                                                                                      |
| Quality Educator                |                  |                                                                                                                                                                                                                                                                                      |
| At Risk Student                 |                  |                                                                                                                                                                                                                                                                                      |
| Indian Education for All        |                  |                                                                                                                                                                                                                                                                                      |
| American Indian Achievement Gap |                  |                                                                                                                                                                                                                                                                                      |
| State for Achievement           |                  |                                                                                                                                                                                                                                                                                      |

## Qualifications

A county qualifies if their median market value for residential properties is greater than 105% of the median county market value for the state.

A district qualifies for a maximum budget limit increase if they are in one of the qualifying counties and the district also qualifies for the Teacher Incentive Program.

# Missoula Elem FY27 projected

|                                    |                     |
|------------------------------------|---------------------|
| Add'l Special Ed funding*          | over-BASE<br>Budget |
| 20% per ANB Entitlement            |                     |
| 20% Basic Entitlement              |                     |
| Special Ed funding*                | BASE<br>Budget      |
| 80% per ANB Entitlement            |                     |
| 80% Basic Entitlement              |                     |
| Quality Educator                   |                     |
| At Risk Student                    |                     |
| Indian Education for All           |                     |
| American Indian<br>Achievement Gap |                     |
| ata for Achievement                |                     |

|                           |                  |
|---------------------------|------------------|
| BASE Budget               | \$ 38,775,433    |
| Approved over-BASE levies | <u>9,204,511</u> |
| Highest Budget w/o a vote | \$ 47,979,945    |

|                            |                   |
|----------------------------|-------------------|
| Max Operating Budget       | \$ 48,200,818     |
| Highest Budget w/o a vote  | <u>47,979,945</u> |
| Over-BASE operational levy | \$ 220,874        |

|                                |                  |
|--------------------------------|------------------|
| Max Operating Budget           | \$ 48,200,818    |
| Over-Max High Cost County levy | <u>1,070,058</u> |
| Over-Max Budget                | \$ 49,270,876    |

# Missoula High School FY27 projected

|                                    |                     |
|------------------------------------|---------------------|
| Add'l Special Ed funding*          | over-BASE<br>Budget |
| 20% per ANB Entitlement            |                     |
| 20% Basic Entitlement              |                     |
| Special Ed funding*                | BASE<br>Budget      |
| 80% per ANB Entitlement            |                     |
| 80% Basic Entitlement              |                     |
| Quality Educator                   |                     |
| At Risk Student                    |                     |
| Indian Education for All           |                     |
| American Indian<br>Achievement Gap |                     |
| ata for Achievement                |                     |

|                           |                  |
|---------------------------|------------------|
| BASE Budget               | \$ 32,032,390    |
| Approved over-BASE levies | <u>7,265,237</u> |
| Highest Budget w/o a vote | \$ 39,297,627    |

|                            |                   |
|----------------------------|-------------------|
| Max Operating Budget       | \$ 39,553,947     |
| Highest Budget w/o a vote  | <u>39,297,627</u> |
| Over-BASE operational levy | \$ 256,319        |

|                                |                |
|--------------------------------|----------------|
| Max Operating Budget           | \$ 39,553,947  |
| Over-Max High Cost County levy | <u>878,098</u> |
| Over-Max Budget                | \$ 40,432,044  |

**Elementary General Fund**  
**Budget Projections - 3% Inflationary Increase**  
**FY27**

|                                                    |                                                     | NO GF LEVY            | GF MAX               | GF OVER MAX          |                |
|----------------------------------------------------|-----------------------------------------------------|-----------------------|----------------------|----------------------|----------------|
|                                                    | DETAIL                                              | TOTALS                | TOTALS               | TOTALS               |                |
| <b>REVENUE INCREASE</b>                            |                                                     |                       |                      |                      |                |
|                                                    | Highest Budget Without Vote                         | \$ 47,979,945         | \$ 47,979,945        | \$ 47,979,945        |                |
|                                                    | Plus Over Base Operational Levy                     | \$ -                  | \$ 220,874           |                      |                |
|                                                    | Plus Over Max High Cost County Levy                 |                       |                      | \$ 1,070,058         | \$ 1,290,932   |
|                                                    | <b>Proposed Adopted Budget at Maximum</b>           | <b>\$ 47,979,945</b>  | <b>\$ 48,200,818</b> | <b>\$ 49,270,876</b> |                |
|                                                    | LESS Prior Year Adopted Budget                      | \$ 47,511,182         | \$ 47,511,182        | \$ 47,511,182        |                |
|                                                    | <b>Revenue Increase to Support FY27 Obligations</b> | <b>\$ 468,763</b>     | <b>\$ 689,636</b>    | <b>\$ 1,759,694</b>  |                |
| <b>EXPENDITURE INCREASES</b>                       |                                                     |                       |                      |                      |                |
|                                                    | <u>Estimate of Salary &amp; Benefit Increases</u>   |                       |                      |                      |                |
|                                                    | Certified Step Increases                            | \$ (586,315)          |                      |                      |                |
|                                                    | Certified Lane Movement                             | \$ (200,000)          |                      |                      |                |
|                                                    | MMCEO Step/Longevity Increases                      | \$ (338,050)          |                      |                      |                |
|                                                    | All other staff increases                           | \$ (150,660)          |                      |                      |                |
|                                                    | Health insurance increases                          | \$ (110,000)          |                      |                      |                |
|                                                    | Unanticipated staffing costs                        | \$ (150,000)          |                      |                      |                |
|                                                    | Estimate of Additional Pay Increases                |                       | \$ (1,535,025)       | \$ (1,535,025)       | \$ (1,535,025) |
|                                                    | <b>Subtotal</b>                                     | <b>\$ (1,066,262)</b> | <b>\$ (845,389)</b>  | <b>\$ 224,669</b>    |                |
|                                                    | <u>Other Obligations to Build into the Budget:</u>  |                       |                      |                      |                |
|                                                    | Liability insurance (estimated 15% increase)        | \$ (104,917)          |                      |                      |                |
|                                                    | Utilities Increase                                  | \$ (80,000)           |                      |                      |                |
|                                                    | Curriculum budget increase                          | \$ (250,000)          | \$ 250,000           | \$ 250,000           |                |
|                                                    | Technology related increase                         | \$ (150,000)          | \$ 150,000           | \$ 150,000           |                |
|                                                    | Activities/Athletics transportation increase        | \$ (25,000)           | \$ 25,000            | \$ 25,000            |                |
|                                                    |                                                     |                       | \$ 240,083           | \$ 240,083           | \$ (609,917)   |
|                                                    | <b>Balance Before Proposed Additions</b>            | <b>\$ (826,179)</b>   | <b>\$ (605,306)</b>  | <b>\$ (385,248)</b>  |                |
| <b>REDUCTIONS, SAVINGS AND OFFSETS</b>             |                                                     |                       |                      |                      |                |
|                                                    | Estimated Certified & Classified Retiree Savings    | \$ 100,000            | \$ 100,000           | \$ 100,000           | \$ 100,000     |
|                                                    | K-8 Enrollment Based Reductions (-63 ANB X \$6,902) | \$ 434,826            | \$ 434,826           | \$ 434,826           | \$ 434,826     |
|                                                    | <b>Anticipated Budget Balance</b>                   | <b>\$ (291,353)</b>   | <b>\$ (70,480)</b>   | <b>\$ 149,578</b>    |                |
| <b>BUDGETARY ADDITIONS AND REDUCTIONS FOR FY27</b> |                                                     |                       |                      |                      |                |
|                                                    | Additional K-8 Enrollment Based Reductions          | \$ 250,000            | \$ 30,000            |                      |                |
|                                                    | Federal Program Offsets                             |                       |                      | \$ (100,000)         |                |
|                                                    | Grant funded positions to build in to budget        | \$ -                  | \$ -                 | \$ (100,000)         |                |
|                                                    |                                                     | <b>\$ (41,353)</b>    | <b>\$ (40,480)</b>   | <b>\$ (50,422)</b>   |                |

**High School General Fund  
Budget Projections - 3% Inflationary Increase  
FY27**

|                                                                   |           | NO GF LEVY<br>TOTALS | GF LEVY<br>TOTALS    | GF OVER MAX<br>TOTALS |
|-------------------------------------------------------------------|-----------|----------------------|----------------------|-----------------------|
| <b>REVENUE INCREASE</b>                                           |           |                      |                      |                       |
| Highest Budget Without Vote                                       | \$        | 39,297,627           | \$ 39,297,627        | \$ 39,297,627         |
| Plus Over Base Operational Levy                                   | \$        | -                    | \$ 256,319           |                       |
| Plus Over Max High Cost County Levy                               |           |                      |                      | \$ 878,098            |
|                                                                   |           |                      |                      | \$1,134,417           |
| <b>Proposed Adopted Budget at Maximum</b>                         | <b>\$</b> | <b>39,297,627</b>    | <b>\$ 39,553,947</b> | <b>\$ 40,432,044</b>  |
| LESS Prior Year Adopted Budget                                    | \$        | 38,969,439           | \$ 38,969,439        | \$ 38,969,439         |
| <b>Revenue Increase to Support F727 Obligations</b>               | <b>\$</b> | <b>328,189</b>       | <b>\$ 584,508</b>    | <b>\$ 1,462,606</b>   |
| <b>EXPENDITURE INCREASES</b>                                      |           |                      |                      |                       |
| <u>Salary &amp; Benefit Obligations to Build into the Budget:</u> |           |                      |                      |                       |
| Certified Step Increases                                          | \$        | (437,703)            |                      |                       |
| Certified Lane Movement                                           | \$        | (200,000)            |                      |                       |
| MMCEO Step/Longevity Increases                                    | \$        | (208,562)            |                      |                       |
| Other staff increases                                             | \$        | (135,661)            |                      |                       |
| Health insurance increases                                        | \$        | (90,000)             |                      |                       |
| Unanticipated staffing costs                                      | \$        | (150,000)            |                      |                       |
| Estimate of Additional Pay Increases                              | \$        | -                    | \$ (1,221,926)       | \$ (1,221,926)        |
| <b>Subtotal</b>                                                   | <b>\$</b> | <b>(893,737)</b>     | <b>\$ (637,418)</b>  | <b>\$ 240,680</b>     |
| <u>Other Obligations to Build into the Budget:</u>                |           |                      |                      |                       |
| Liability insurance (estimated 15% increase)                      | \$        | (85,841)             |                      |                       |
| SRO/CRO/SSO (estimated increase)                                  | \$        | (15,763)             |                      |                       |
| Utilities                                                         | \$        | (65,000)             |                      |                       |
| Curriculum budget increase                                        | \$        | (150,000)            | \$ 150,000           |                       |
| Technology related increase                                       | \$        | (150,000)            | \$ 150,000           |                       |
| Activities/Athletics transportation increase                      | \$        | (100,000)            |                      |                       |
|                                                                   |           | \$ 133,395           | \$ (166,605)         | \$ (566,605)          |
| <b>Balance Before Reductions, Savings &amp; Offsets</b>           | <b>\$</b> | <b>(760,342)</b>     | <b>\$ (804,023)</b>  | <b>\$ (325,925)</b>   |
| <b>REDUCTIONS, SAVINGS AND OFFSETS</b>                            |           |                      |                      |                       |
| Estimated Certified & Classified Retiree Savings                  | \$        | 100,000              | \$ 100,000           | \$ 100,000            |
| 9-12 Enrollment Based Reductions (-71 ANB X \$8,361)              | \$        | 593,640              | \$ 593,640           | \$ 593,640            |
| <b>Anticipated Budget Balance</b>                                 | <b>\$</b> | <b>(66,702)</b>      | <b>\$ (110,383)</b>  | <b>\$ 367,715</b>     |
| <b>BUDGETARY ADDITIONS AND REDUCTIONS FOR FY27</b>                |           |                      |                      |                       |
| Additional 9-12 Enrollment Based Reductions                       |           |                      |                      | \$ (150,000)          |
| Federal Program Offsets                                           |           |                      |                      |                       |
| Grant funded positions to build in to budget                      | \$        | -                    | \$ -                 | \$ (150,000)          |
|                                                                   | <b>\$</b> | <b>(66,702)</b>      | <b>\$ (110,383)</b>  | <b>\$ 67,715</b>      |

# Impact of Tax Increase

## Changes to TY 2025 and 2026 Tax Rates SB231 and HB542

| Property Type       | Tax Year 2024<br>(School FY 2024-25) | Tax Year 2025<br>(School FY2025-26)                                              | Tax Year 2026<br>(School FY2026-27)                                                                                                                    |
|---------------------|--------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ag Land             | 2.16%                                | 2.05%                                                                            | 2.05%                                                                                                                                                  |
| Commercial Property | 1.89%                                | First \$400K: 1.40%<br>> \$400K: 1.89%                                           | <= 6x median value*: 1.50%<br>> 6x median value*: 1.90%                                                                                                |
| Residential         | 1.35%                                | First \$400,000: 0.76%<br>\$400,000 - \$1,500,000: 1.10%<br>> \$1,500,000: 2.20% | Up to Median** Value: 0.76%<br>Median Value** – 2x Median Value**: 0.90%<br>2x Median Value** – 4x Median Value**: 1.10%<br>> 4x Median Value**: 1.90% |

\* Est. Commercial Median Value: \$ 325,000

\*\* Est. Residential Median Value: \$ 395,400

# Impact of Tax Increase

## Implications of HB231 & SB452

New Progressive System that Reduces Tax Rate on Most Residential Property

### Implications for Residential Homeowners:

- FY26: Higher residential market values probably more than offset by lower tax rates
- FY27: Non-reappraisal year, but:
  - Owner-occupied & long term rentals: tax rates decrease even further
  - Short term rentals: tax rates increase (not shown in table)
- Homeowners pay less for fixed mill levies (i.e., statewide 95 mills)

### Implications for Public School Districts:

- Taxable value decreases despite increases in market values
- Increased mills as a result of lower taxable values
- School tax burden shifts away from residential and onto other property types

# Impact of Tax Increase (annual)

| <b>ELEMENTARY<br/>Levy Amount</b> | <b>Mills</b> | <b>\$100,000<br/>House</b> | <b>\$300,000<br/>House</b> | <b>\$600,000<br/>House</b> |
|-----------------------------------|--------------|----------------------------|----------------------------|----------------------------|
| Operational levy   \$ 220,874     |              |                            |                            |                            |
| Over-MAX <u>\$1,070,058</u>       |              |                            |                            |                            |
| Total for ballot   \$1,290,932    | 7.77         | \$ 5.91                    | \$ 17.72                   | \$ 37.85                   |

| <b>HIGH SCHOOL<br/>Levy Amount</b> | <b>Mills</b> | <b>\$100,000<br/>House</b> | <b>\$300,000<br/>House</b> | <b>\$600,000<br/>House</b> |
|------------------------------------|--------------|----------------------------|----------------------------|----------------------------|
| Operational levy   \$ 256,319      |              |                            |                            |                            |
| Over-MAX <u>\$ 878,098</u>         |              |                            |                            |                            |
| Total for ballot   \$1,134,417     | 3.65         | \$ 2.77                    | \$ 8.32                    | \$ 17.78                   |