2026-2027 BUDGET ANALYSIS

Helena School District No. 1 — Elementary & High School Districts

Organization

Board of Trustees

Elementary and High School Trustees		
Name	**Position**	**Term Expires**
Jennifer Walsh (High School Only)	Chairperson	2029
Janet Armstrong	Trustee	2027
Lisa Cordingley	Trustee	2029
Siobhan Hathhorn	Trustee	2028
Jenny Murnane-Butcher	Trustee	2028
Keller Higbee	Trustee	2029
Keith Meyer	Trustee	2027
Kay Satre	Vice Chair	2028

List of Principal Officials

Rex Weltz — Superintendent

Samantha Holman — Business Services Administrator / District Clerk

Katrina Chaney — County Superintendent

Kevin Downs — County Attorney

Helena Public Schools Budget Overview

The tables below summarize the FY 2025-26 and FY 2026-27 adopted budgets by fund for each district and on a combined basis. Totals exclude Debt Service, which is presented separately given its distinct funding mechanism and the scale of the new FY27 bond issuances.

Helena Elementary District No. 1

Fund	FY 2025-26 Budget	FY 2026-27 Budget	Change $	Change %
General	$45,216,851	$45,796,241	$579,390	1.28%
Transportation	$6,495,321	$6,551,820	$56,499	0.87%
Tuition	$2,310,628	$2,373,845	$63,217	2.74%
Retirement	$6,744,825	$7,648,144	$903,319	13.39%
Adult Education	$244,433	$781,116	$536,682	219.56%
Technology	$712,340	$1,186,518	$474,178	66.57%
Flexibility	$7,275	$140,927	$133,653	1837.20%
Building Reserve	$6,556,861	$4,086,155	($2,470,706)	(37.68%)
Total All Funds, excl. Debt Service	**$68,288,535**	**$68,564,765**	**$276,230**	**0.40%**
Debt Service	$4,970,700	$7,393,220	$2,422,520	48.74%

Helena High School District No. 1

Fund	FY 2025-26 Budget	FY 2026-27 Budget	Change $	Change %
General	$25,171,977	$25,542,524	$370,547	1.47%
Transportation	$1,527,739	$2,769,656	$1,241,917	81.29%
Tuition	$642,775	$395,709	($247,066)	(38.44%)
Retirement	$3,926,816	$3,688,412	($238,405)	(6.07%)
Adult Education	$336,460	$1,007,134	$670,674	199.33%
Technology	$1,408,271	$1,842,689	$434,418	30.85%
Flexibility	$426,995	$487,917	$60,921	14.27%
Building Reserve	$4,961,551	$6,349,966	$1,388,414	27.98%
Total All Funds, excl. Debt Service	**$38,402,584**	**$42,084,005**	**$3,681,422**	**9.59%**
Debt Service	$200,000	$10,162,938	$9,962,938	4981.47%

Combined

Fund	FY 2025-26 Budget	FY 2026-27 Budget	Change $	Change %
General	$70,388,828	$71,338,765	$949,937	1.35%
Transportation	$8,023,060	$9,321,476	$1,298,416	16.18%
Tuition	$2,953,403	$2,769,554	($183,849)	(6.22%)
Retirement	$10,671,641	$11,336,555	$664,914	6.23%
Adult Education	$580,893	$1,788,249	$1,207,356	207.84%
Technology	$2,120,611	$3,029,206	$908,596	42.85%
Flexibility	$434,270	$628,844	$194,574	44.80%
Building Reserve	$11,518,412	$10,436,121	($1,082,292)	(9.40%)
Total All Funds, excl. Debt Service	**$106,691,119**	**$110,648,771**	**$3,957,652**	**3.71%**
Debt Service	$5,170,700	$17,556,158	$12,385,458	239.53%

Highlights

District-Wide

The most significant district-wide driver in FY 2026-27 is a sharp reduction in General Fund mill levies for both districts, resulting from the Countywide School Equalization Act (HB 156, 2025), which shifts a larger share of school funding to countywide revenue rather than local mill levies. General Fund mills fell from 82.50 to 55.88 in the elementary district and from 43.71 to 27.72 in the high school district, even as General Fund dollar budgets rose modestly (elementary +1.3%, high school +1.5%). As a result, the district is funding a comparable General Fund budget with meaningfully lower local property tax mills.

Salaries across pay groups increased 2.5%. The exceptions were paraprofessionals (4%), custodians ($0.50 per hour), and carpenters (5%). In FY26, the District continued developing its pay plan rules. Through this process, independent and administrator salaries were moved onto a salary matrix. This caused small adjustments to some individual salaries to place them correctly on the matrix. Going forward, it will provide more equitable salary placement.

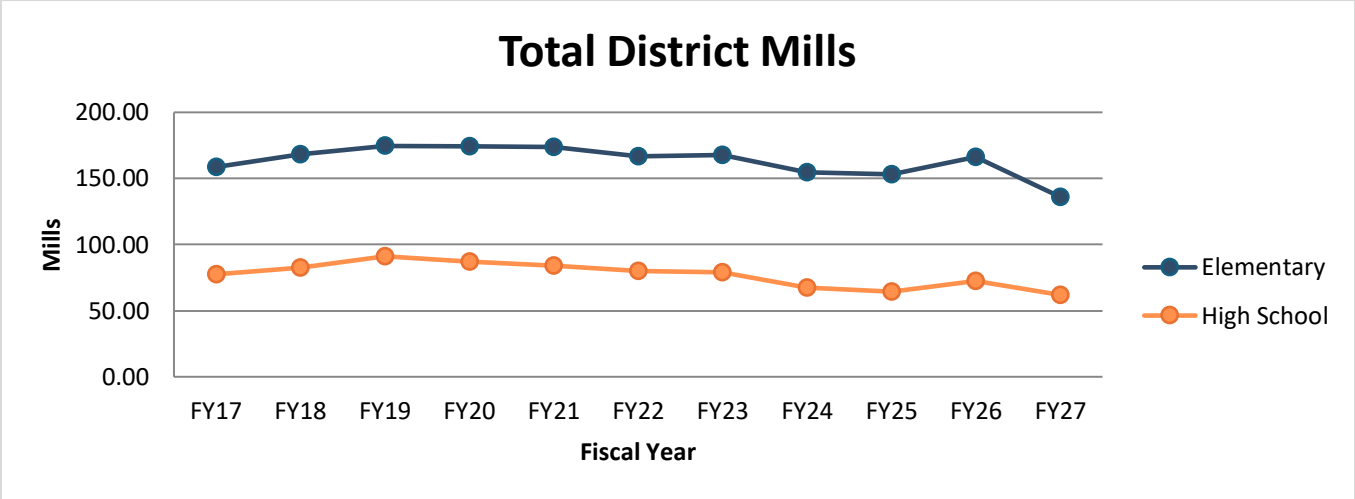
Health insurance premiums are expected to increase 8.5%. Under current agreements, this cost is passed through to employees; however, upcoming changes to the collective bargaining agreements may shift how future premium increases are allocated between

the District and employees, with any such change taking effect in the FY28 budget. For FY27, the Board approved a one-time District contribution to offset a portion of what would otherwise have been a significantly larger premium increase. This contribution is not expected to affect a budgeted fund; at this time, it is expected to be funded through the Interlocal Fund.

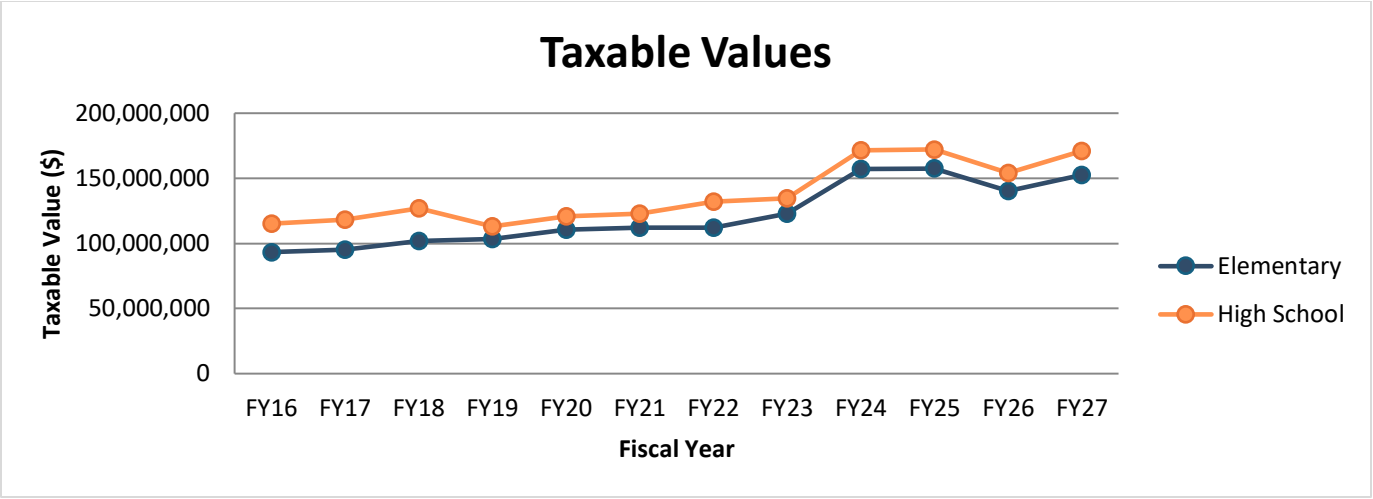
Utility charges such as garbage, sewer, electricity, and water are expected to increase approximately 5%, 4.5%, 6%, and 4%, respectively, whereas gas is expected to decrease nearly 20%.

The District's Property and Liability insurance premium decreased approximately 2% and workers compensation insurance premium decreased about 9.7%.

FY27 is a bargaining year for the District. During the second half of the fiscal year, the District will begin negotiations with its employee bargaining units. The resulting agreements will affect the FY28 budget.



Taxable value grew in both districts — from $140,493,157 to $152,630,627 in the elementary (+8.6%) and from $153,974,584 to $170,745,917 in the high school (+10.9%) — further offsetting local levy impact even where dollar budgets increased.

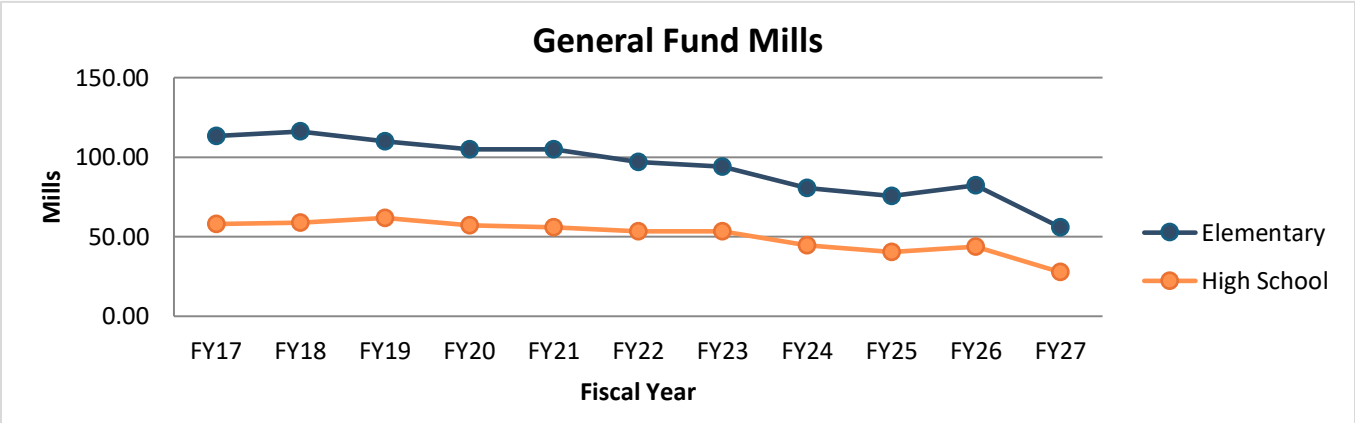


Average Number Belonging (ANB), used to calculate BASE budget limits, declined slightly: the elementary 3-year average ANB fell from 5,510 to 5,345, and the high school average fell from 2,597 to 2,547.

General Fund

The elementary General Fund adopted budget increased 1.3% to $45,796,241, while the high school General Fund increased 1.5% to $25,542,524. As noted above, General Fund mill levies fell substantially in both districts due to the HB156 which shifts the guaranteed tax base aid to the county (elementary 82.50 → 55.88 mills; high school 43.71 → 27.72 mills).

Much of the decrease in general fund mill levies will be offset by an increase in countywide taxes following HB156. Thus, a material decrease in property taxes will likely not be felt. The total impact of this change on property taxes cannot be analyzed at this time.



Reserve position: the high school General Fund reserve reached the 10% statutory maximum in FY27 (10.00% of adopted budget). The elementary General Fund reserve

increased year-over-year but remains below the district's target, at 8.80% against the 10% limit; continued rebuilding is expected in future budget cycles.

Funding sources: Direct State Aid provides $16,876,647.66 of the elementary General Fund and $10,058,303.70 of the high school General Fund; the Over-BASE local levy contributes $8,528,296.45 (elementary) and $4,732,258.97 (high school); and tuition revenue flowing into the General Fund adds $460,298.75 (elementary) and $440,646.91 (high school).

General Fund State Funding	FY 2025-26		FY 2026-27		Increase/Decrease	
	Elementary	High School	Elementary	High School	Elementary	High School
Direct State Aid	16,927,283	9,936,366	16,876,648	10,058,304	(50,635)	121,937
Quality Educator	3,022,277	1,349,018	3,007,634	1,354,312	(14,642)	5,294
At Risk Student	145,812	49,244	148,462	63,556	2,650	14,311
Indian Ed for All	139,789	65,886	139,665	66,553	(124)	667
American Indian Achievement Gap	78,684	28,886	86,528	33,024	7,844	4,138
Data for Achievement	133,838	63,081	133,732	63,726	(106)	645
Sped Allowable Costs	2,052,316	536,818	2,205,239	562,149	152,923	25,331
Guaranteed Tax Base Aid	10,472,938	5,264,288	-	-	(10,472,938)	(5,264,288)
Total	**32,972,936**	**17,293,587**	**22,597,907**	**12,201,624**	**(10,375,029)**	**(5,091,964)**

Transportation

The elementary Transportation Fund increased slightly to $6,551,820 (+0.9%, 36.12 mills), while the high school Transportation Fund increased 81.3% to $2,769,656 (14.91 mills).

The high school increase is driven primarily by a First Student contract rate change that took effect upon delivery of new buses (delivery had been delayed in FY26, holding the district at a prior year's contract rate), and by planned road improvements at Kessler Elementary and Capital High School tied to ongoing building-bond construction.

Both districts continue to benefit from the 2025 legislative change requiring the state to fund 75% of on-schedule transportation reimbursement (previously a 50/50 state-county split), which reduces county funding pressure on this fund.

Tuition

The elementary Tuition Fund budget increased 2.7% to $2,373,845 (District Tax Levy $2,227,099 at 14.59 mills, plus $146,745 of unreserved fund balance reappropriated). The high school Tuition Fund budget decreased 38.4% to $395,709 (District Tax Levy $123,315 at 0.72 mills, plus $272,395 of unreserved fund balance reappropriated).

The decline in the High School Tuition Fund reflects lower-than-anticipated eligible costs realized during FY26, which serve as the basis for setting the FY27 budget.

Retirement

Retirement Fund budgets increased 13.4% in the elementary district (to $7,648,144) and decreased 6.1% in the high school district (to $3,688,412). Both funds are financed almost entirely by the County Retirement Distribution: $7,646,143.66 of the elementary fund and $3,534,657.01 of the high school fund. The remaining budget is funded by fund balance reappropriated.

A contingency has been built into the Retirement Fund to help absorb unanticipated salary increases, retirement incentives, and other rising retirement costs, following a year in which the FY26 budget provided only a narrow margin to cover realized expenses.

Adult Education

Adult Education Fund budgets grew significantly in both districts: elementary up 219.6% to $781,116 and high school up 199.3% to $1,007,134. Both funds are now fully levy-funded — District Tax Levy $781,116 at 5.12 mills in the elementary and $1,007,134 at 5.90 mills in the high school, each carrying an operating reserve ($163,174 elementary; $194,140 high school) but no reappropriated fund balance toward the adopted budget.

The increase reflects higher adult education salary costs for the addition of new adult education programming in both districts along with other planned projects. The budgeted increase reflected in the FY27 assumes a phased in approach: Approximately 60% of planned programming and projects is included in this year's budget.

Technology

Technology Fund budgets rose in both districts: elementary up 66.6% to $1,186,518 and high school up 30.8% to $1,842,689. Both districts continue to rely on their perpetual technology levies — $520,500 (3.41 mills) in the elementary and $559,500 (3.28 mills) in the high school, unchanged from FY26 — supplemented by State Technology Aid ($31,024.08 elementary; $17,168.95 high school) and by reappropriated fund balance ($634,993.78 elementary; $1,266,019.68 high school).

The technology department has operated on a constrained budget for several years. Device failure is expected as equipment ages, and funding may not be sufficient to cover replacement needs when it occurs; the estimated cost to replace devices is nearly $500,000 for the elementary district and nearly $350,000 for the high school. Both the elementary and high school technology levy propositions, which would have addressed this shortfall, failed for the third consecutive year.

The majority of technology support staff salaries are currently paid from the Technology Fund. Following the third consecutive failure of the technology levy, the district restructured funding allocations across funds to create additional capacity for upcoming technology needs, this resulted in an increase in fund balance available for the FY27 budget.

Flexibility

The Flexibility Fund, which holds Montana Advanced Opportunity Aid grant revenue, grew to $140,927 in the elementary and $487,917 in the high school for FY27.

Helena Elementary and Helena High School Districts will receive FY27 MTAO grant funds prior to October 1, 2026 in the amounts of $68,001.22 and $202,352.67, respectively.

Grant proceeds are used to reduce program and student costs associated with Advanced Placement (AP) exams, dual credit coursework, and student course and class fees, and to further strengthen career and technical education programming.

Debt Service

Debt Service budgets increased substantially in both districts: elementary up 48.7% to $7,393,220 (41.84 mills, up from 28.29) and high school up 4,981.5% to $10,162,938 (59.51 mills, up from 1.15).

Both increases stem from new bond issues dated December 18, 2025 — a $31,500,000 elementary bond (maturing 2046) and a $130,000,000 high school bond (maturing 2056) — following the successful September 9, 2025 bond election referenced in last year's Facilities Master Plan discussion. The elementary district's FY27 debt service also continues to carry its 2017 and 2019 bond issues ($33,515,000 and $5,440,000 outstanding, respectively). Because the new bonds were only recently issued, FY27 debt service consists substantially of interest ($2,392,569.86 on the new elementary bond; $9,931,438.37 on the new high school bond, largely capitalized/interest-only in this early period) rather than principal repayment, which begins in later years.

he District expects to issue two additional bond series—one for the Elementary District and one for the High School District. Debt service on those series is not expected to begin until FY28.

The 2025 bond proceeds are financing construction of a new Helena High School, the Project for Alternative Learning, and Kessler Elementary School, a new district kitchen, and the renovation of Capital High School.

Building Reserve

The Building Reserve Fund is split into two sections, a voted levy and a permissive levy.

Voted levy: the May 2023 election authorized $30,000,000 (elementary) and $15,000,000 (high school) in building reserve levies over 10 years, at a maximum annual levy of $3,000,000 and $1,500,000 — both fully levied in FY27, consistent with FY26 and prior years.

Permissive levy: sized to match School Major Maintenance Aid (SMMA) state funding — $188,697 (1.24 mills) in the elementary against $484,952.52 of SMMA aid, and $102,313 (0.60 mills) in the high school against $236,342.31 of SMMA aid.

Planned FY27 projects funded by the voted levy include year two of the Ameresco Energy Performance Contract ($2,000,000 from the Elementary Building Reserve Fund), air conditioning installation at Warren Elementary, HVAC upgrades at Broadwater, Four Georgians, Rossiter, and Lincoln Center, lead abatement in plumbing at Warren, and solar array systems at Warren and Four Georgians. Other planned projects include vehicle replacement ($30,000), Phase II of the HMS exterior renovation ($100,000), and CHS theater lighting upgrades ($10,000). Flooring projects include replacing carpet in two HMS music rooms ($30,000), top coating the high school gym floors ($15,000), and top coating the elementary gym floors at Jim Darcy, Central, Bryant, and Four Georgians ($25,000). Parking lot projects include various elementary and middle schools ($75,000) and Lincoln Center ($15,000). Roofing projects include a partial replacement at CRA ($250,000).

Combined, the Building Reserve Fund fell 37.7% to $4,086,155 (20.90 mills total) in the elementary and rose 28.0% to $6,349,966 (9.38 mills total) in the high school. The year-over-year swing reflects available beginning fund balance and planned project timing rather than a change in the underlying voted or permissive levy amounts, which held flat.

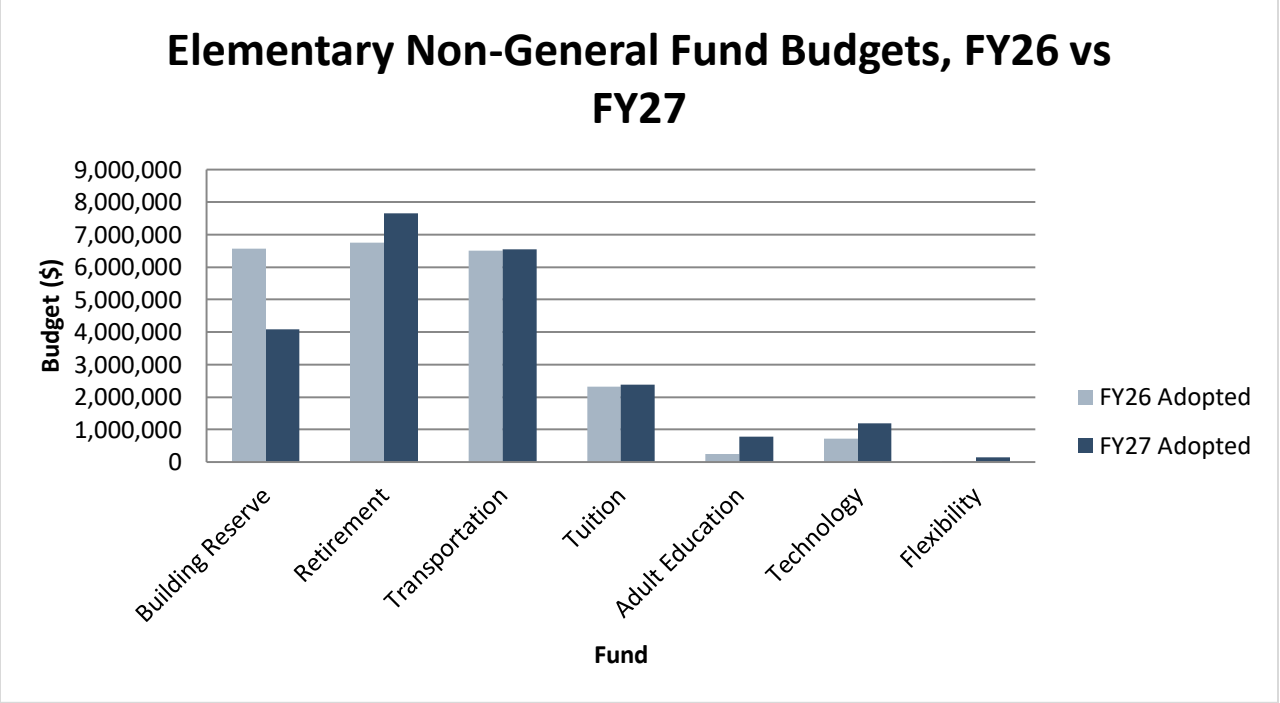
Fund Summary — Elementary District

Taxable Value FY27: $152,630,627 (FY26: $140,493,157) | 3-Yr Avg ANB FY27: 5,345 (FY26: 5,510)

Elementary Fund Summary — Fund Detail, FY 2025-26 vs FY 2026-27

Fund	FY26 Adopted	FY26 Mills	FY27 Adopted	FY27 Mills	% Chg ($)
General	45,216,851	82.50	45,796,241	55.88	1.28%
Transportation	6,495,321	38.99	6,551,820	36.12	0.87%

Tuition	2,310,628	16.38	2,373,845	14.59	2.74%
Retirement	6,744,825	—	7,648,144	—	13.39%
Adult Education	244,433	1.68	781,116	5.12	219.56%
Technology	712,340	3.70	1,186,518	3.41	66.57%
Flexibility	7,275	0.00	140,927	0.00	1837.20%
Building Reserve — Voted	3,000,000	21.35	3,000,000	19.66	0.00%
Building Reserve — Permissive	223,207	1.59	188,697	1.24	-15.46%
Building Reserve — Total	**6,556,861**	**22.94**	**4,086,155**	**20.90**	**-37.68%**
Total All Funds (Excl. Debt Service)	**68,288,535**	**166.19**	**68,564,765**	**136.02**	**0.40%**
Debt Service	4,970,700	28.29	7,393,220	41.84	48.74%

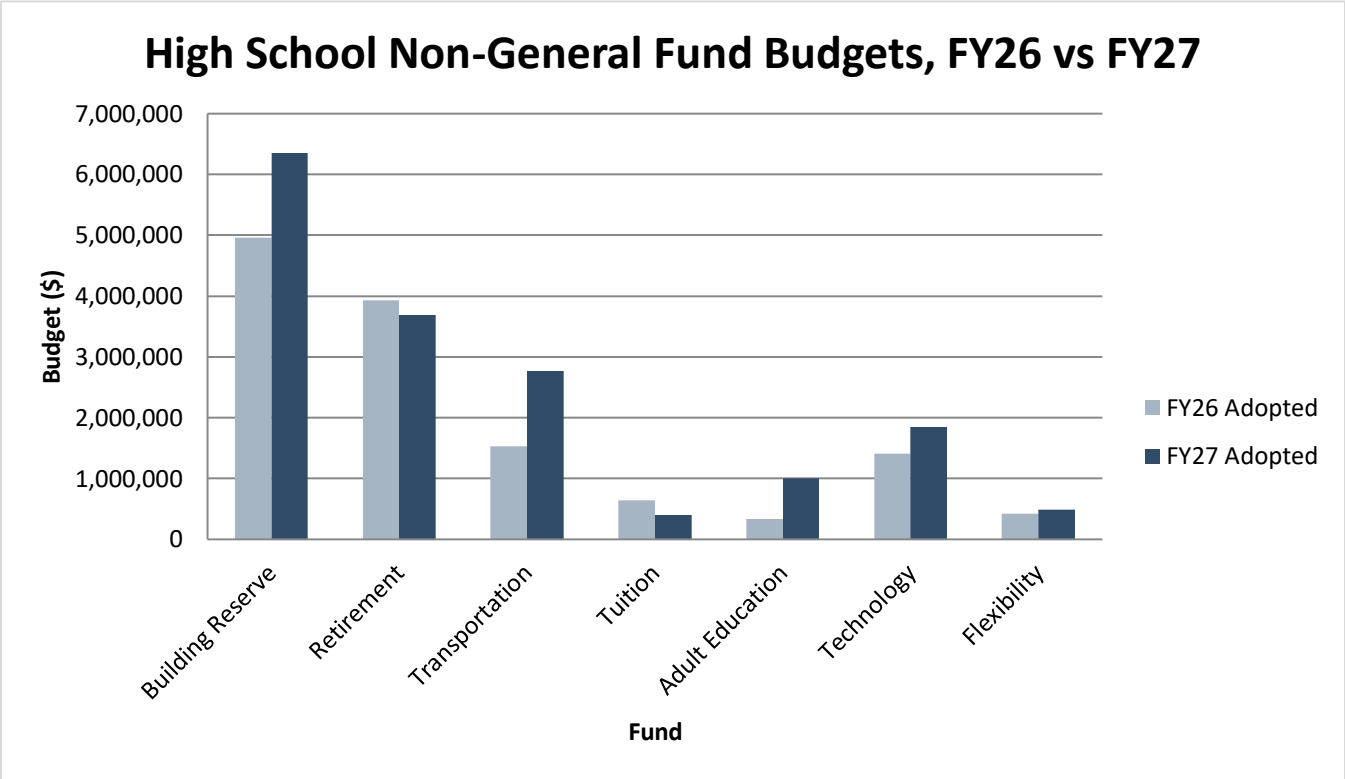


Fund Summary — High School District

Taxable Value FY27: $170,745,917 (FY26: $153,974,584) | 3-Yr Avg ANB FY27: 2,547 (FY26: 2,597)

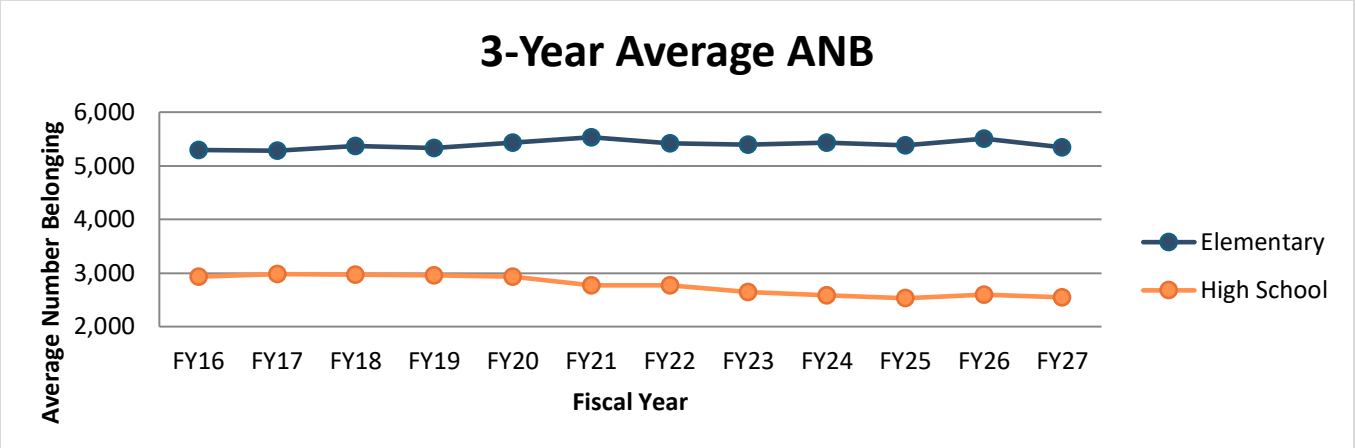
Fund	FY26 Adopted	FY26 Mills	FY27 Adopted	FY27 Mills	% Chg ($)
General	25,171,977	43.71	25,542,524	27.72	1.47%
Transportation	1,527,739	8.47	2,769,656	14.91	81.29%

Tuition	642,775	4.17	395,709	0.72	-38.44%
Retirement	3,926,816	—	3,688,412	—	-6.07%
Adult Education	336,460	2.19	1,007,134	5.90	199.33%
Technology	1,408,271	3.63	1,842,689	3.28	30.85%
Flexibility	426,995	0.00	487,917	0.00	14.27%
Building Reserve — Voted	1,500,000	9.74	1,500,000	8.78	0
Building Reserve — Permissive	119,684	0.78	102,313	0.60	-14.51%
Building Reserve — Total	**4,961,551**	**10.52**	**6,349,966**	**9.38**	**27.98%**
Total All Funds (Excl. Debt Service)	**38,402,584**	**72.69**	**42,084,005**	**61.91**	**9.59%**
Debt Service	200,000	1.15	10,162,938	59.51	4981.47%



Appendix – Trend Analysis

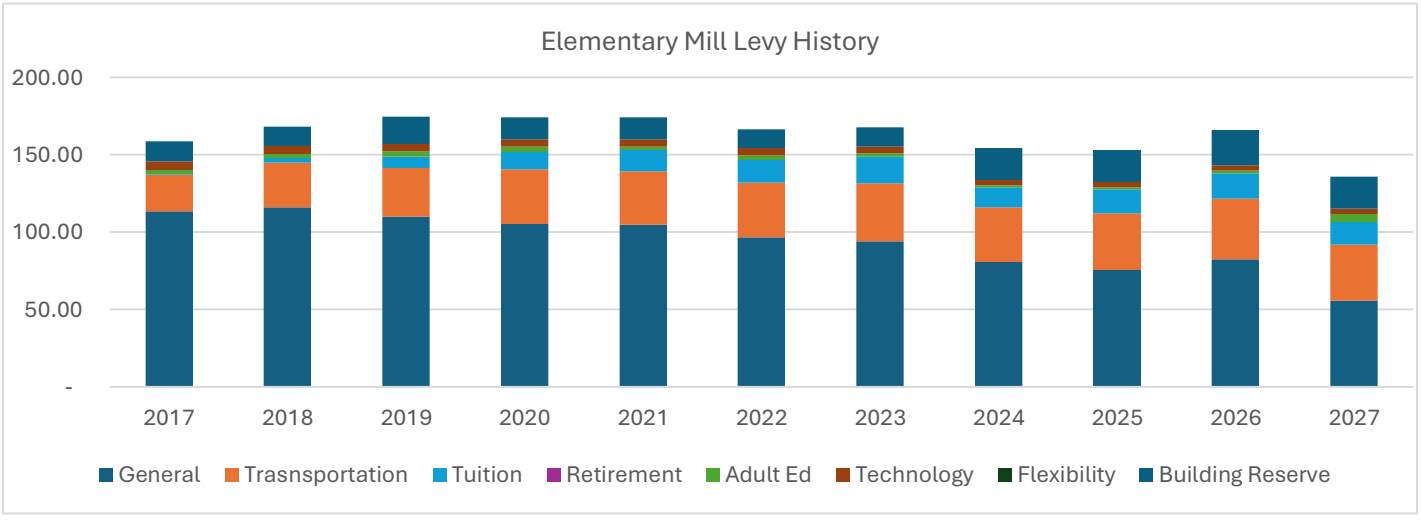
ANB Historical Trend



Levied Mills History

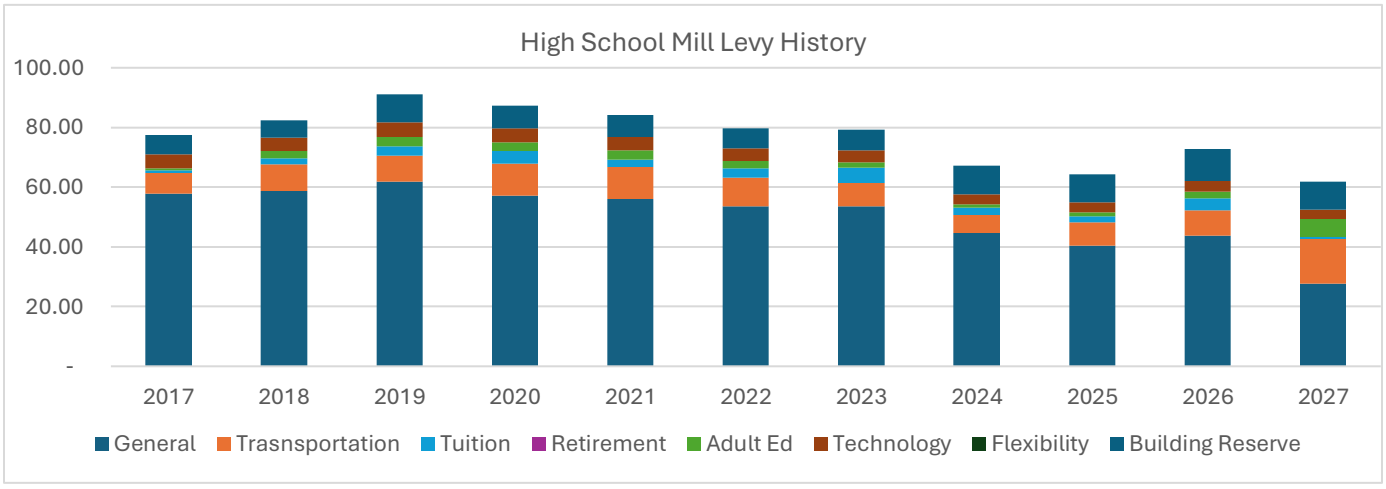
Helena Elementary District No. 1

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
General	113.52	116.11	109.82	105.13	104.92	96.81	94.00	80.75	75.54	82.50	55.88
Trasnsportation	23.47	28.99	31.52	35.25	34.48	35.05	37.59	35.29	36.58	38.99	36.12
Tuition	0.55	2.80	7.27	11.28	13.65	14.96	17.36	12.78	15.43	16.38	14.59
Retirement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adult Ed	2.67	2.80	3.50	3.38	2.20	3.00	1.83	1.39	1.51	1.68	5.12
Technology	5.46	5.12	5.03	4.73	4.65	4.34	4.24	3.31	3.31	3.70	3.41
Flexibility	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building Reserve	13.10	12.29	17.43	14.31	14.11	12.47	12.69	21.03	20.86	22.94	20.90
Total	158.77	168.11	174.57	174.08	174.01	166.63	167.71	154.55	153.23	166.19	136.02



Helena High School District No. 1

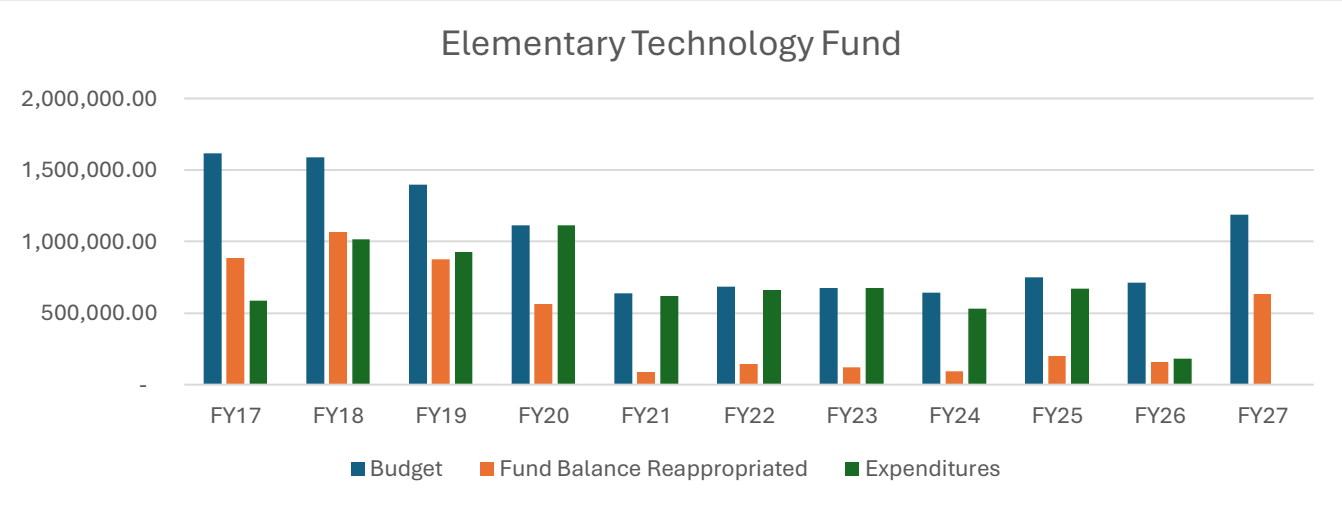
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
General	57.86	58.80	61.80	57.24	55.93	53.59	53.48	44.59	40.40	43.71	27.72
Trasnsportation	6.99	8.81	8.69	10.67	10.75	9.56	7.86	6.15	7.82	8.47	14.91
Tuition	0.76	2.00	3.22	4.20	2.52	3.14	5.17	2.33	2.01	4.17	0.72
Retirement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adult Ed	0.69	2.52	3.07	2.96	3.09	2.48	1.72	1.27	1.37	2.19	5.90
Technology	4.73	4.41	4.95	4.64	4.55	4.24	4.15	3.26	3.25	3.63	3.28
Flexibility	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building Reserve	6.34	5.91	9.38	7.52	7.42	6.78	6.81	9.64	9.55	10.52	9.38
Total	77.37	82.45	91.11	87.23	84.26	79.79	79.19	67.24	64.40	72.69	61.91



Technology Fund History

Helena Elementary District

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Budget	1,614,346.00	1,588,741.00	1,397,058.00	1,112,660.00	640,281.00	686,148.00	673,223.00	644,722.00	751,722.00	712,340.00	1,186,517.86
Fund Balance Reappropriated	886,813.00	1,068,241.00	876,558.00	561,414.00	88,554.00	142,196.00	121,864.00	92,953.00	199,861.00	160,352.00	634,993.78
Expenditures	585,986.00	1,014,310.00	926,775.00	1,112,475.00	617,673.00	662,689.00	673,223.00	532,391.00	669,855.00	180,713.52	



Helena Elementary District

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Budget	1,558,418.00	1,684,327.00	1,506,948.00	1,345,923.00	1,165,267.00	1,130,028.00	1,244,833.00	1,082,521.00	928,847.00	1,408,271.00	1,842,688.63
Fund Balance Reappropriated	868,309.00	1,124,827.00	947,448.00	767,116.00	587,081.00	556,828.00	668,008.00	506,189.00	352,227.00	831,528.00	1,266,019.68
Expenditures	461,703.00	947,408.00	823,351.00	815,424.00	665,240.00	514,176.00	809,303.00	800,427.00	161,160.00	248,082.15	

