

# BUDGET UPDATE

This publication provides an update on the school district budget development process and projections for the 2010-2011 school year. Since 2007-08, the Mercer Island School District has cut nearly \$3 million from the operating budget. Unfortunately, the preliminary state budget for K-12 education indicates that more cuts will be needed next year.

## State budget challenges affect all schools across the state

Governor Gregoire's preliminary budget released in December, 2009 includes deep cuts to K-12 education, including K-4 staffing, I-728 funds to reduce class size and provide professional development for teachers, and the elimination of one Learning Improvement Day.

If this budget is adopted without modification, the MISD will be forced to cut up to \$1.5 million for next year, on top of the \$3 million in spending cuts since 2007-08. For next year this could mean:

- 8 teachers K-12, professional development and learning support program staff = \$510,000 *and*
- 7 teachers K-4 = \$425,000
- \$80,000 for the LID day
- \$430,000 in Bridge the Gap funding (Schools Foundation)

State funding cuts, along with the rising costs of school operations (utilities, supplies and materi-

als, and contractual obligations) present an on-going challenge faced by all districts in the state. However, school funding is a constitutional duty and our legislators are examining ways to restore funding. A state task force on education reform has suggested improvements by 2020, but has not identified how the improvements will be funded. In the meantime, our district and others remain committed to ensuring that all students receive a quality education that prepares them for college and career opportunities after graduation.

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## District Budget Reductions in the Past Three Years

	2009-10	2008-09	2007-08
<b>Operating Budget Shortfall</b>	-1,359,509	-1,040,941	-425,155
<b>Additional revenue to replace funding reductions</b>			
ARRA – (Replace I-728 funds)	420,984		
Bridge the Gap – (Replace I-728 funds)	430,000		
Increase in fees (athletic/rental)			120,000
Open Enrollment			175,500
<b>Expenditure reductions</b>			
Staffing	239,817	772,116	50,200
- Certificated	2.7 FTE	4.75 FTE	
- Classified	2.4 FTE	1.0 FTE	1.2 FTE
Supplemental Contracts	158,109		74,455
NERC budgets	60,599	248,825	5,000
Utility Costs	50,000	20,000	

## Budget reduction process

Last year the Mercer Island community came together at a special school board meeting on April 19, 2009 and reacted to proposed budget reduction guidelines and priorities.

### Top Funding Priorities:

- Retain teachers
- Support lowest class sizes feasible

As we move forward, we will continue to focus on these priorities. However, in the past three years we have done everything we can to keep the cuts away from the classroom. Ongoing budget cuts from the state and rising costs are making it difficult to continue this approach.

## Bridge the Gap funding

On April 27, 2010 the Mercer Island Schools Foundation is hosting their annual *Breakfast of Champions* event to raise funds to help us “bridge the gap” of the funding shortfall in the district budget. Last year our community generously donated \$430,000 towards this effort, allowing us to restore nearly 6 teaching positions. This support is needed more than ever to keep cuts away from the classroom. For more information go to: [www.mercerislandschoolsfoundation.com](http://www.mercerislandschoolsfoundation.com)

## How does the passage of the three MISD levies (from the February 9 election) impact 2010-11 budget planning?

We are immensely grateful to Mercer Island residents for recently approving three replacement levies by more than 65%. The Maintenance and Operations and Technology levies will go into effect in January 2011, renewing current levies that expire after 2010. The Transportation levy will be collected in 2011.

Passage of these levies maintains approximately 24% of the revenue in the General Fund and ensures stable funding for about one-fourth of the district’s operational costs over the next four years. Presently, the levies do not provide extra resources to offset reductions made in the past three years, or for next year. Bills moving through the state legislature may allow MISD to collect additional revenue already approved by voters.

## Timeline for Budget Development of the 2010-11 General Fund

12/9/09	Governor’s Budget (State of Washington)
12/17/09	Updated MISD Board Budget Process and met with Legislators
2/11/10	Presented Budget Process to MISD Board
2/23/10	Conducted Community Budget Forum
3/12/10	Final Legislative Budget released (State of Washington)
3/25/10	MISD Board update regarding enrollment projections and Final Legislative Budget
3/25/10	MISD Board meeting: Expenditure Reduction Plan
3/20/10 to 4/10/10	Citizen comment on Expenditure Reduction Plan
4/29/10	MISD Board adoption of Expenditure Reduction Plan
5/13/10	Certified employee non-renewal notices (if needed)
5/27/10	Final revenue projection
6/14/10	Classified employee reduction of hours/ lay-off notices (if needed)
6/24/10	MISD Board publication of 2010-2011 Budget
8/26/10	MISD Board Hearing and Budget adoption

## Where to learn more ...

- District website: [www.misd.k12.wa.us](http://www.misd.k12.wa.us)
- School Board meetings (regular updates)
- Community budget survey in March-April
- *Breakfast of Champions* on April 27
- PTSA meetings: MIHS/Crest | IMS | IP | LR | WM
- Superintendent’s Q/A webpage
- Final Expenditure Reduction Plan to be posted after Board adoption: April 29