

# BUDGET UPDATE

March 17, 2011



Message from the  
Superintendent  
Dr. Gary Plano

This publication provides an update on the school district budget development process and projections for the 2011-12 school year. Since 2007-08, the Mercer Island School District has cut nearly \$3.1 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, 2010 includes deep cuts to K-12 education, including K-4 staffing, professional development for teachers, and the elimination of funding for our Highly Capable program. In addition, the district will lose \$435,610 in Federal Stimulus Funding.

If this budget is adopted without modification, the MISD will be forced to cut up to \$1.1 million for next year, on top of the \$3.1 million in spending cuts since 2007-08.

### Governor's Proposed Reductions for 2011-12

#### Retroactive 2010-11 School Year Reduction

Retroactive K-4 class size funding..... \$ 322,734

#### Potential 2011-12 Legislative Reductions

K-4 Class size funding ratio ..... \$ 385,726

Highly Capable..... \$ 36,322

Transportation (depreciation) ..... \$ 34,659

ARRA - Stabilization Funds..... 435,610

Inflationary costs (utilities, fuel, etc)..... \$ 200,000

**Total Projected Impact** ..... \$ 1,092,317

#### Budget Cuts 2010-11 \$600 thousand

Loss of I-728 funding (class-size/staff development)

Loss of Learning Improvement Day

Reduction of 4th Grade staffing enhancement

#### Budget Cuts 2009-10 \$1.0 million

Reduction in Teaching Staff (I-728 funding)

Reduction in supplemental contracts

Reduced NERC Budgets

Reduction in Classified Staff

Reduced utility costs

#### Budget Cuts 2008-09 \$1.0 million

Reduction in Administrative Staff

Reduction in Teaching Staff

Reduction in utility budget

Reduction in Classified Staff

Reduction of NERC budgets

#### Budgets Cuts 2007-08 \$500 thousand

Increase athletic fees

Decrease budgets for supplies, material, equipment

Reduced Classified staffing

Decreased supplemental contracts

## Prior Years' MISD Budget Reductions

## Bridge the Gap funding

On April 26, 2011 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 \$850,000 towards this effort, allowing us to maintain nearly 14 teaching positions. This year the Foundation has set a goal of \$1.2 million to assist the district in the hiring of 20 teachers to support the goal of lower class sizes. Our district remains committed to ensuring that all students receive a quality education that prepares them for college and career opportunities after graduation. For more information go to: [www.mercerislandschoolsfoundation.com](http://www.mercerislandschoolsfoundation.com)

continued next side

# Budget Priorities

The Mercer Island community continues to define their top **funding** priorities.

## Top Funding Priorities:

- Retain teachers
- Support lowest class sizes feasible

As we move forward, we will continue to focus on these priorities. In the past four 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.

## How does the passage of the three MISD levies impact 2011-12 budget planning?

We are immensely grateful to Mercer Island residents for approving three replacement levies by almost 70%. The Maintenance/Operations Levy and Technology Levy went into effect in January 2011, renewing current levies that expired after 2010. The Transportation Levy will be collected in 2011.

Passage of these levies maintains approximately 26% 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.

## Timeline for Budget Development of the 2011-12 General Fund

12/15/10	Governor's Budget (State of Washington)
1/11/11	Update superintendent and principals concerning enrollment, staffing, and funding
3/9/11	Meet with Legislators in Olympia
3/10/11	Update the MISD Board concerning the budget process and legislative priorities
4/24/11	Last day of Legislative Regular Session
4/28/11	MISD Board adoption of Expenditure Reduction Plan
5/12/11	Certified employee non-renewal notices (if needed)
6/10/11	Final revenue projection
6/15/11	Classified employee reduction of hours/lay-off notices (if needed)
6/23/11	MISD Board publication of 2011-12 Budget
8/25/11	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)
- *Breakfast of Champions* on April 26
- PTSA meetings: MIHS/Crest | IMS | IP | LR | WM
- Superintendent's Q/A webpage