

Crest Learning Center – Mercer Island, Washington

MERCER ISLAND SCHOOL DISTRICT No. 400
2024-2025 BUDGET

“Students are the Priority”

Approved/Adopted by the Board of Directors June 20th, 2024

2024-2025 Budget

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INTRODUCTION

EXECUTIVE SUMMARY



MERCER ISLAND SCHOOL DISTRICT #400

4160 86th AVE SE • Mercer Island, Washington 98040

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Dear School Board Members,

The Mercer Island School District #400 2024-2025 fiscal year budget is outlined below and summarized throughout this document. The Superintendent and the Executive Director of Finance & Operations assume responsibility for data accuracy and completeness.

The development, review, and consideration of the 2024-2025 General Fund, Capital Fund, Debt Service Fund, Associated Student Body Fund (ASB), and Transportation Vehicle Fund budgets were completed with a review of revenues and expenditures within the context of the District's mission, goals, and financial policies. Starting in early 2024, the administration met with school administrators to discuss enrollment and the staffing needs of each school for the 2024-2025 school year. In addition, multiple meetings were held with "budget managers" throughout the District, to include: school principals and their administrative assistants, department heads, program managers/coordinators so that all parties had ample input on each department/division's budgetary needs.

We are pleased to publish and disseminate budget information to the school board and to our community. We welcome the opportunity to present and discuss operational plans and related financial impacts with all parties. We believe that interaction among interested groups consistently leads to better operations and educational improvements for students in the Mercer Island School District.

Our goal in the presentation of the budget is to provide accurate and concise information to both the School Board and to our community about the District's educational programs and services for the 2024-2025 fiscal year as it translates into a financial plan, the budget.

Goals and Themes

This budget reflects the allocation of revenues and expenditures to support educational programs and services as defined by the District’s mission and through financial and operating policies. The budget is a balance among policy choices and values. It represents a balance between the educational needs of the students and the ability of the state and community to provide the necessary financial support.

Budget Process and Changes

The planning and preparation of the budget started in December 2023 with a budget calendar and input from the School Board. The School Board and district administration provided the student enrollment forecast for 2024-2025 on February 8th, 2024, with an estimate of 3,815 student FTE’s (full time equivalents) for the coming fiscal (school) year. The enrollment forecast provides the assumptions on which building, department, and program budgets are formulated, and staff resources are determined.

The chart below shows a comparison of the proposed expenditures for all funds for the current fiscal year vs. the projected fiscal year.

EXPENDITURE COMPARISON for ALL FUNDS				
Fund	2023-2024 Budget	2024-2025 Budget	Change	Percent Change
General	76,188,123	79,527,631	+3,339,508	+4.38%
Capital	13,238,500	13,498,000	+259,500	+1.96%
Debt Service	9,005,000	10,493,060	+1,488,060	+16.52%
ASB	2,023,118	2,055,868	+32,750	+1.62%
Transportation	1,200,000	600,000	-600,000	-50.0%

Analysis of Proposed Capital, Debt Service, Associated Student Body (ASB), and Transportation Funds budgeted expenditures

Capital – Slight increase due to projects

Debt Service – Increase is due to new established schedule of payments, refunding of bond

ASB – No significant change

Transportation – Possibility of single bus purchase

Analysis of Proposed General Fund Budgeted Expenditures

The education of students is a labor-intensive enterprise, as reflected in the personnel salary and benefit costs of the District. The workforce of the District is determined by staffing policies and guidelines of the School Board based on projected student enrollment, education, and curricular requirements. Personnel costs are based on conditions of employment established by collective bargaining agreements (CBA’s) and district policies. For the 2024-2025 school year, salaries and benefits are budgeted to account for approximately 84.66% of the expenditures in the General Fund (GF), with MSOC’s (Material, Supplies, and Operating Costs) accounting for 15.34%. In comparison, for the 2023-2024 school year, salaries and benefits are budgeted to account for approximately 83% of the expenditures in the General Fund (GF), with MSOC accounting for 17%. For the 2022-2023 school year, salaries and benefits accounted for approximately 81.4% of the expenditures in the General Fund (GF), with MSOC accounting for 18.6%. It must be noted that despite the 2018 “McCleary Decision,” which the Washington State Supreme Court ruled the State had fully funded basic education, the State of Washington STILL provides only a portion of necessary funding for basic education and special education. Revenue estimates for the 2024-2025 school year from the State of Washington are projected to cover ONLY 67.1% of expenditures, with the rest coming from local levies (28.4%) and federal grants and other revenue covering 4.5%. In addition, state funding does not provide for facility construction or major maintenance. Lastly, almost thirty percent of salaries and benefits are provided by local taxpayers through the Educational Programs & Operations Levy (EP&O), federal (grant) funding, and/or through local community fundraising, such as the Mercer Island Schools Foundation.

FOUR-YEAR BUDGET PLAN SUMMARY w/ ESTIMATED ENDING FUND BALANCE				
Fund	2024-2025 Budget*	2025-2026 Budget*	2026-2027 Budget*	2027-2028 Budget*
General	79,527,631	80,831,600	81,999,100	82,184,023
<i>(Est. Ending Fun Balance)</i>	5% - 6%	6% - 8%	8%-9%	9%-10%
Capital	13,498,000	8,260,824	7,847,785	7,245,000
Debt Service	10,493,050	9,080,400	10,182,000	10,555,000
ASB	2,055,868	2,074,000	2,085,000	2,094,000
Transportation	600,000	400,000	400,000	1,400,000

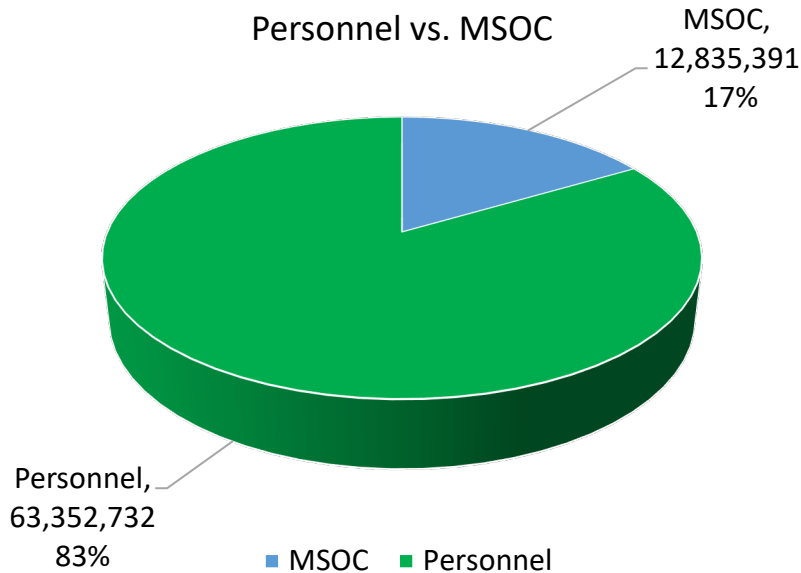
**Per RCW 28A.505.060 the State of Washington requires school districts to provide a four-year budget plan summary (estimate) for all funds.*

OBJECT	DESCRIPTION	+/- CHANGE	EXPLANATION
2000	Salaries – Certificated	+4.78%	Increase due to bargained salaries and step increases for certificated staff and non-represented staff
3000	Salaries - Classified	+6.47%	Increase due to bargained salaries and step increase for classified staff and non-represented staff
4000	Benefits	+9.32%	Increase due to retirement rate change by the State of Washington; Workers Comp increase 5% and SEBB (\$936 per person)
5000	Supplies & Materials	-23.79%	Decrease due to reduction in supply allocations for schools and departments
7000	Purchased Services	+1.67%	Increase due to insurance rate (+13.8%), utilities increase with reduction in other contracted services
8000	Travel	-53.59%	Decrease due to more online professional development
9000	Capital Purchases	-51.75%	Decrease due to reduction in Capital Outlay purchases planned; single item purchases of \$5,000 or greater



“Herbert the Snail” – The Unofficial Mascot of Mercer Island High School

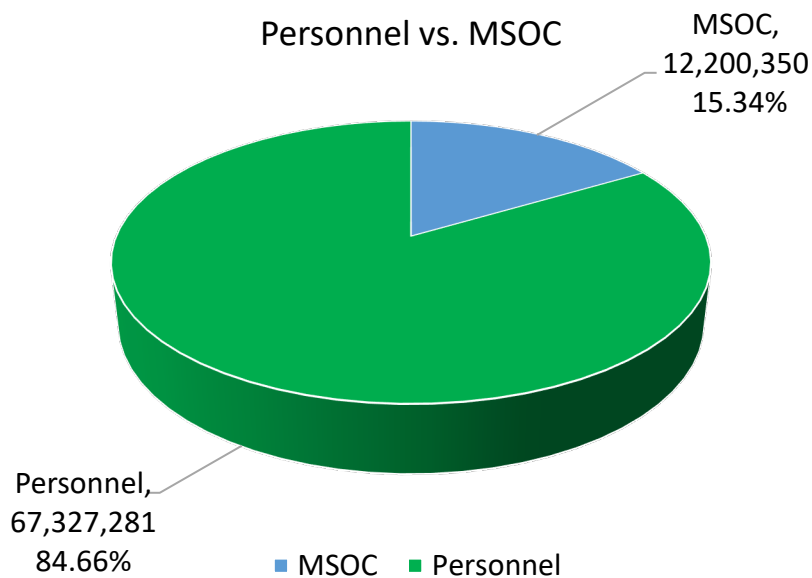
2023-2024 Budgeted Annual Expense \$76,188,123



Personnel Expenses Include: Salaries, L&I, FICA, Retirement, & Benefits – Medical/Dental/Vision

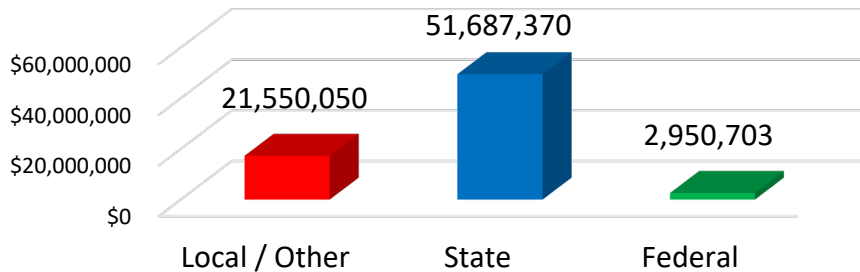
MSOC (Materials, Supplies, & Operating Costs) Expenses Include: School & Office Supplies, Purchased Services/Contracts, such as our Food Service Contract with Chartwells, Utilities, Maintenance & Grounds Supplies, Transportation, Facility Rentals/Leases, Miscellaneous (Financial & Student Software - NWRDC), Insurance, Travel, and Capital Projects and Equipment.

2024-2025 Budgeted Annual Expense \$79,527,631



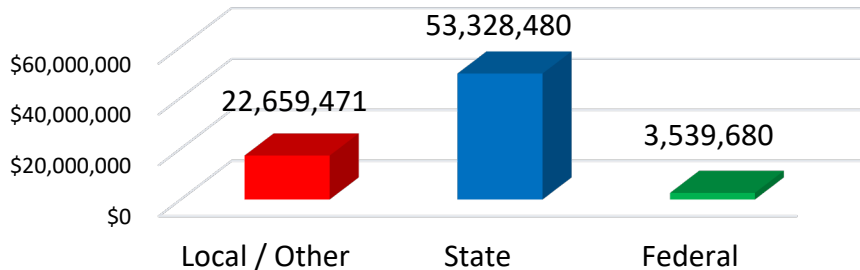
Financial support for district programs and services are substantially derived from local sources of revenue primarily from the Educational Programs and Operation (EP&O) Levy and the Capital & Technology (Cap/Tech) Levy, all paid for by local property taxes. In addition, the Washington State Legislature continues to mandate many programs, services, and reporting not funded by the State, thereby negatively impacting local resources as well; we know these as “unfunded mandates.”

2023-2024 Budgeted Sources of Revenue



Revenue= 28.3% from Local/Other / 67.8% from the State / 3.9% from Federal
Total Revenue = \$76,188,123

2024-2025 Budgeted Sources of Revenue



Revenue= 28.4% from Local/Other / 67.1% from the State / 4.5% from Federal
Total Revenue = \$79,527,631

We greatly appreciate the guidance and support provided by the school board, staff, faculty, and the Mercer Island community for the development, implementation, and evaluation of the educational programs for students in the Mercer Island School District.

Dr. Fred Rundle
 Superintendent

Matt Sullivan
 Executive Director of Finance & Operations



DISTRICT INFORMATION

BOARD OF DIRECTORS – “THE SCHOOL BOARD”

The school board is made up of five volunteers who have been elected to serve four-year terms to guide and direct the District. As elected representatives, the Board is responsible for collecting input from the community. A school board’s main role is to set direction and establish goals for the District. Members of the Board are responsible for governing, while the Superintendent and the administrative staff are responsible for managing. The Superintendent’s role is to implement and administer the direction set by the school board.

	<u>POSITION / TERM</u>
DEBORAH LURIE <i>PRESIDENT</i>	#4 / 2021-2025
DAN GLOWITZ <i>VICE PRESIDENT</i>	#2 / 2021-2025
MAGGIE TAI TUCKER	#3 / 2024-2027
CRISTINA MARTINEZ	#1 / 2024-2027
JODY LEE <i>LEGISLATIVE REPRESENTATIVE</i>	#5 / 2024-2027

DISTRICT ADMINISTRATION

SUPERINTENDENT	DR. FRED RUNDLE (206) 236-3300
EXECUTIVE DIRECTOR OF COMPLIANCE, LEGAL, & HR	ERIN BATTERSBY (206) 475-3023
EXECUTIVE DIRECTOR OF FINANCE & OPERATIONS	MATT SULLIVAN (206) 236-3295
DIRECTOR OF HUMAN RESOURCES	ROSIE BURNS (206) 236-3439
DIRECTOR OF LEARNING SERVICES	JAMIE PRESCOTT (206) 236-3445
DIRECTOR OF LEARNING SERVICES CURRICULUM, INSTRUCTION, & ASSESSMENT	NOVA WILLIAMS (206) 236-4510
DIRECTOR OF SPECIAL SERVICES	MELISSA ROBERTSON (206) 236-3326
ASSISTANT DIRECTOR OF SPECIAL SERVICES	HANNAH BOLIVAR (206) 735-1245
DIRECTOR OF INFORMATION TECHNOLOGY	ANDREEVES RONSER (206) 236-3404
DIRECTOR OF FINANCE	KAY ADAMS (206) 236-3343
DIRECTOR OF MAINTENANCE, OPERATIONS, & TRANSPORTATION	TONY KUHN (206) 236-3322
DIRECTOR OF FOOD SERVICES (CONTRACTED SERVICE)	RACHAEL MATHEWS (206) 236-3306
ASSISTANT DIRECTOR OF TRANSPORTATION	WILLIAM GERDES (206) 236-3337
ASSISTANT DIRECTOR OF FINANCE	JACQUIE GARCIA-FAUVER (206) 236-3308

DISTRICT ADMINISTRATION SCHOOLS & PRINCIPALS

LAKERIDGE ELEMENTARY SCHOOL

“LIONS”

8215 SOUTHEAST 78TH STREET

MERCER ISLAND, WA 98040

(206) 236-3415

HEIDI CHRISTENSEN, PRINCIPAL

ISLAND PARK ELEMENTARY SCHOOL

“EAGLES”

5437 ISLAND CREST WAY

MERCER ISLAND, WA 98040

(206) 236-3410

JOBY MCGOWAN, PRINCIPAL

NORTHWOOD ELEMENTARY SCHOOL

“OWLS”

4030 86TH AVE SE

MERCER ISLAND, WA 98040

(206) 275-5800

JULIE NEWCOMER, PRINCIPAL

WEST MERCER ELEMENTARY SCHOOL

“WOLVES”

4141 81ST AVE SE

MERCER ISLAND, WA 98040

(206) 236-3430

MEGAN ISAKSON, PRINCIPAL

ISLANDER MIDDLE SCHOOL

“GATORS”

7447 84TH AVE SE

MERCER ISLAND, WA 98040

(206) 236-3413

MARY JO BUDZIUS, CO-PRINCIPAL

AARON MILLER, CO-PRINCIPAL

BECKY MULLVAIN, ASSOCIATE PRINCIPAL

MERCER ISLAND HIGH SCHOOL

“ISLANDERS”

9100 SE 42ND STREET

MERCER ISLAND, WA 98040

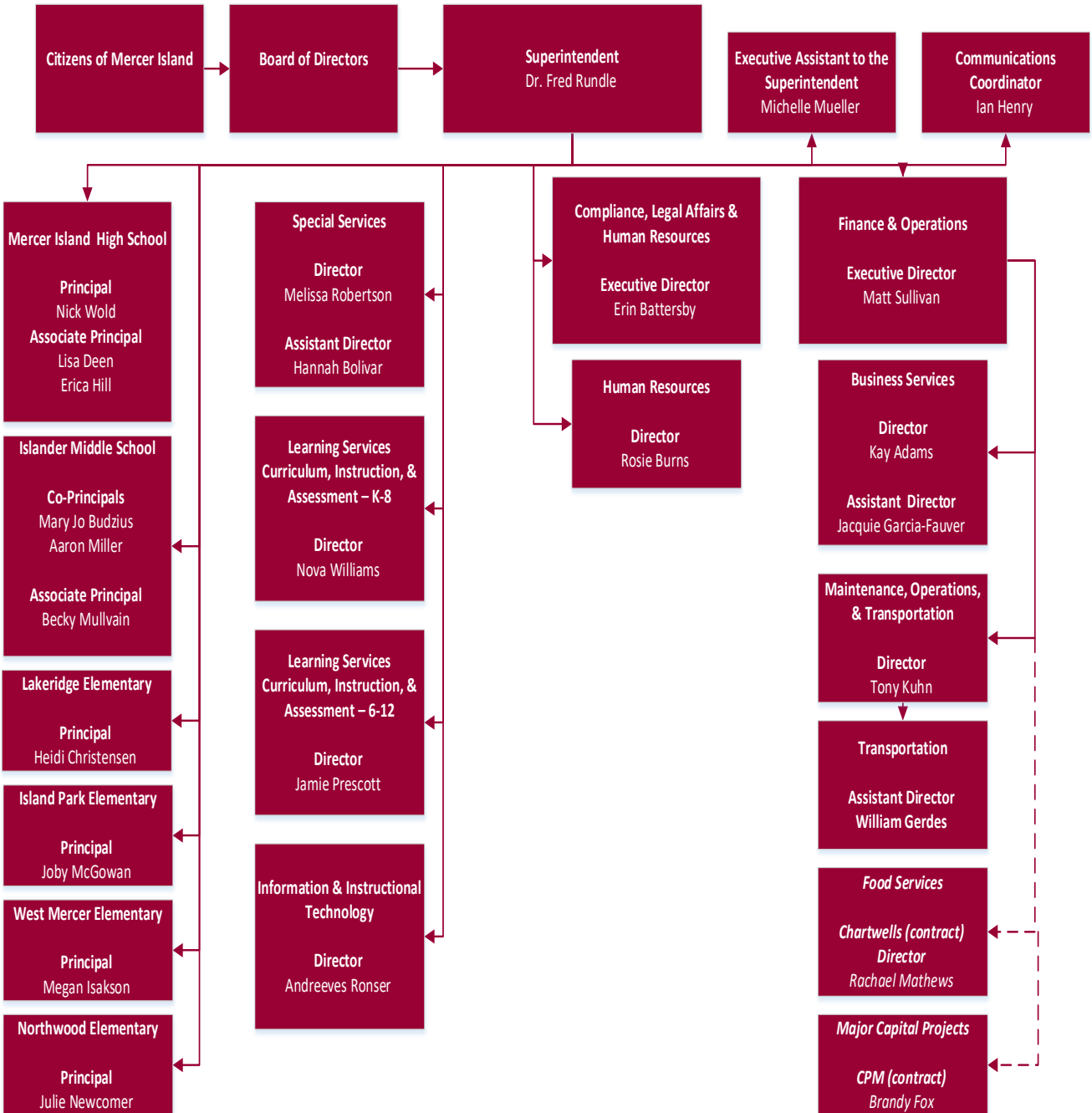
(206) 236-3350

NICK WOLD, PRINCIPAL

ERICA HILL, ASSOCIATE PRINCIPAL

LISA DEEN, ASSOCIATE PRINCIPAL

MERCER ISLAND SCHOOL DISTRICT 2024-2025 ORGANIZATION CHART



MERCER ISLAND SCHOOL DISTRICT - STUDENT FEE SCHEDULE 2024-2025

Student Fee Schedule		2022-2023	2023-2024	2024-2025	ASB & Other	2022-2023	2023-2024	2024-2025			
Elementary	Outdoor Education 5th Grade	\$200-\$500	\$200-\$500	\$200-\$500	Elementary	Field Trips	\$5-\$50	\$5-\$50	\$5-\$50		
	Steel Drum	\$75-\$100	\$75-\$100	\$75-\$100		ASB	Yearbook	\$45.00	\$45.00	\$46.00	
	Recorders	\$15.00	\$15.00	\$15.00			DVD - Performances	\$4-\$10	\$4-\$10	\$4-\$10	
	3rd Grade Camp	\$100-\$200	\$100-\$200	\$100-\$200			IMS ASB	AM Jazz	N/A	\$300-\$400	\$300-\$500
	Field Trips			\$5-\$50		ASB Card		\$55.00	\$55.00	\$60.00	
IMS	Aerospace	\$10.00	\$10.00	\$10-\$15	ASB Replacement Card	\$5.00		\$5.00	\$5.00		
	Art/Ceramics/Photography/Glass	\$5-\$40	\$5-\$40	\$5-\$40	Golf	\$100.00		\$100.00	\$100.00		
	Band Fair Share Fee	\$15.00	\$15.00	\$15-\$50	Band Fair Share	\$15.00		\$40.00	\$50.00		
	Choir/Orchestra Uniforms	\$18.00	\$18.00	\$18.00	Yearbook	\$45.00	\$45.00	\$50.00			
	CTE Projects/Workbooks	\$5-\$45	\$5-\$45	\$5-\$45	MIHS ASB	AM Jazz	\$250.00	\$300-\$400	\$300-\$500		
	Fieldtrips/Retreats/Competition	\$5-\$700	\$5-\$700	\$5-\$5000		ASB Card	\$70.00	\$70.00	\$75-\$100		
	Instrument Rental	\$50.00	\$50.00	\$100-\$150		ASB Card Replacement	\$15.00	\$15.00	\$20.00		
	Music Experience Fee (Festivals)			\$10--\$25		Club Dues	\$10-\$50	\$10-\$100	\$10-\$100		
	PE Uniform	\$25.00	\$25.00	\$25.00		Fieldtrips/Retreats/Competition			\$5-\$5000		
	Workbooks	\$5-\$40	\$5-\$40	\$5-\$40		Music Robe Cleaning	\$35.00	\$35.00	\$45.00		
	World Language Workbooks	\$20.00	\$20.00	\$20.00		Retreats-Leadership	\$50-\$200	\$50-\$200	\$50-\$200		
	MIHS	Art /Ceramics /Photography/Glass	\$5-\$45	\$5-\$45		\$5-\$65	Sports	Yearbook	\$65.00	\$65.00	\$65.00
		Band Fair Share Fee	\$125.00	\$125.00		\$125-\$175		Band Fair Share	\$125.00	\$125.00	\$125.00
Choir/Orchestra Uniforms		\$40-\$150	\$40-\$150	\$40-\$175		Districtwide	IMS Sports Fee	\$60.00	\$60 - \$100	\$60 - \$100	
Fieldtrips/Retreats/Competition		\$5-\$700	\$5-\$700	\$5-\$5000	MIHS Sports Fee		\$250.00	\$250 - \$350	\$250 - \$350		
Graduation Tickets		\$20-\$30	\$20-\$30	\$25-\$40	Camp	\$100-\$475	\$100-\$475	\$100-\$475			
PSAT/NMSQT		\$30-\$60	\$30-\$60	\$20-\$40	Bus	\$3.50 per mile	\$3.50 per mile	\$4.50 per mile			
AP Exams (non-refundable \$24-\$50)		\$90-\$180	\$90-\$180	\$140-\$185	Bus Driver	\$38-\$57/hr.	\$38-\$57/hr.	\$45-\$90/hr.			
Late AP Exam (additional charge)		\$60.00	\$60.00	\$60.00	Destination Imagination	\$200+extra	\$400+extra	\$400+extra			
Late AP Registration Fee (additional charge)				\$45.00	Device Damage/Replacement	\$129-\$350	\$129-\$350	\$129-\$850			
Instrument Rental		\$150.00	\$150.00	\$150-\$200	Device Fees	\$20-\$40	\$20-\$40	\$20-\$40			
Letter of Recommendation (transcript)		\$25.00	\$25.00	\$25-\$30	Device Insurance	\$25.00	\$25.00	\$25.00			
Library/Textbook-Lost/Damaged			replacement cost		Loaner Technology Equipment	\$20-\$80	\$20-\$80	\$20-\$80			
PE Lost Lock		\$15.00	\$15.00	\$15.00	Musicals/Plays	\$5 - \$20	\$5 - \$20	\$5 - \$30			
Science Breakage Fee		\$1-\$65	\$1-\$65	\$1-\$65	Preschool Program Annual	\$2100-\$4000	\$2100-\$4000	\$3500-\$4000			
Steel Band Mallets		\$50.00	\$50.00	\$50.00	Pre-School Peer Mentors Registration			\$100.00			
Student Parking Fines		\$50-\$100	\$50-\$100	\$50-\$150	Return Check Fee	\$20.00	\$20.00	\$30.00			
Student Parking Fees		\$15-\$150	\$15-\$150	\$15-\$200	Stadium Key	\$5.00	\$5.00	\$5.00			
Transcripts (up to 20)		\$65.00	\$65.00	\$65.00	Summer School	\$300-\$800	\$300-\$800	\$300-\$800			
Parchment Transcript		\$10.00	\$10.00	\$10.00	World Language Proficiency Test	\$40.00	\$75.00	\$75.00			
Additional Transcripts		N/A	\$10.00	\$10.00	Food Service	Elementary					
World Language Projects Supplies	\$5-\$50	\$5-\$50	\$5-\$50	Lunch			Elementary	\$3.95	\$4.20	\$4.30	
World Language Workbooks	\$15-\$30	\$15-\$30	\$15-\$30				IMS	\$4.20	\$4.45	\$4.55	
Workbooks-Optional	\$5-\$120	\$5-\$120	\$5-\$120		MIHS - ala carte	\$.50 - \$5.50	\$.50 - \$5.50	\$.50 - \$6.50			
CTE / CCR	CTE Projects/Workbooks	\$5-\$45	\$5-\$45	\$0	Adults	\$4.95	\$5.20	\$5.30			

MERCER ISLAND SCHOOL DISTRICT – 2024-2025 CALENDAR



Student Calendar 2024-2025

- KEY**
- First Day
 - Conferences
 - No School (All)
 - Last Day
 - Weather Makeup
 - Prof. Development/Responsibilities
 - Half Day Students (see text for impacted students)

August 2024						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- 8/19–20 New Teacher Orientation
- 8/22 MIHS PD Day (Full)
- IMS & Elem AM PD/PM Prep
- 8/23 MIHS Prep Day (Full)
- IMS & Elem AM PD/PM Prep
- 8/26 Instructional Technology Day
- 8/27 Pre-Service Day (AM PD/PM TD)
- 8/28 First Day of School (Grades 1-12)
- Possible First Day of School for Kindergarten*

September 2024						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

- 9/2 Labor Day (No School)
- 9/3 Possible First Day of School for Kindergarten*
- *The first day of Kindergarten in 2024-25 school year will be either Wednesday, August 28 or Tuesday, September 3. We will make this announcement closer to the start of this school year.

October 2024						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- 10/11 No School (All Students)
- K-12 Certificated PD Day (Half)

November 2024						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- 11/1 First Quarter Ends (MIHS)
- 11/11 Veterans Day (No School)
- 11/15 Half Day Elem Only; Grading Day
- 11/25–27 No School (Elem Only)
- Elem Conferences (2.5 Days)
- 11/27 First Trimester Ends (IMS/Elem)
- Student Half Day (IMS/MIHS)
- Regular Start (MIHS)
- Progress Report Prep (IMS)
- 11/28 Thanksgiving Day (No School)
- 11/29 Native American Heritage Day (No School)

December 2024						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- 12/23–1/3 Winter Break (No School)

January 2025						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- 1/3 Last Day of Winter Break
- 1/6 School Resumes
- 1/20 Martin Luther King Jr. Day (No School)
- 1/21–24 Finals Week (MIHS)
- 1/24 Second Quarter Ends (MIHS)
- 1/27 No School (All Students)
- Non-Workday (MIHS Certificated)
- IMS/Elem Certificated PD Day (Full)
- Classified Tech Day (AM)

February 2025						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

- 2/17 Presidents' Day (No School)
- 2/18–21 Mid-Winter Break (No School)

March 2025						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

- 3/13 Second Trimester Ends (IMS/Elem)
- 3/14 No School (All Students)
- MIHS Certificated PD Day (Full)
- Classified Tech Day (AM)
- Non-Workday (Elem/IMS Certificated)
- 3/28 Scheduled Weather Makeup Day
- Third Quarter Ends (MIHS)

April 2025						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

- 4/14–18 Spring Break (No School)

May 2025						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

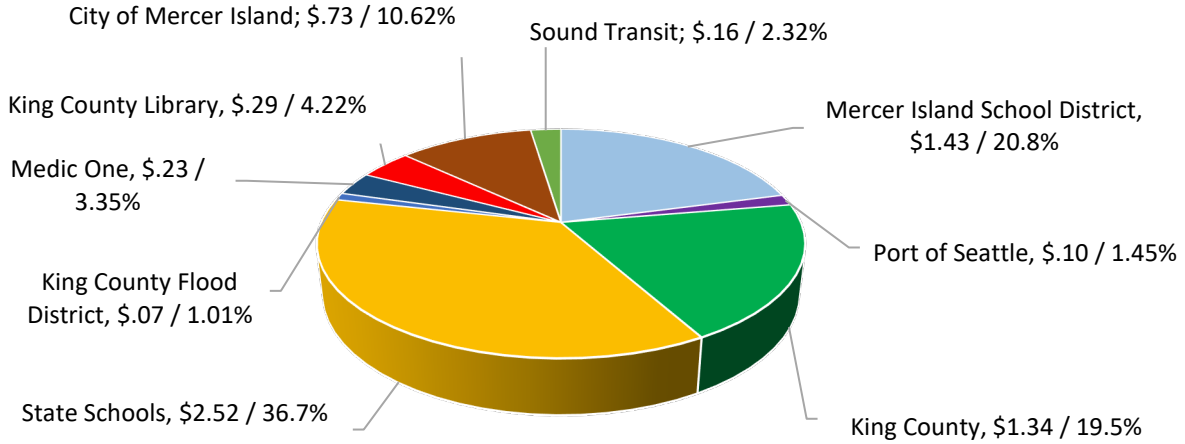
- 5/23 Scheduled Weather Makeup Day
- 5/26 Memorial Day (No School)

June 2025						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

- 6/13 Half Day Elem Only; Grading Day
- 6/18 Last Day of School
- 6/19 Juneteenth (No School)
- 6/28 Custodial Tech Day (AM)
- 8/9 Custodial Tech Day (AM)

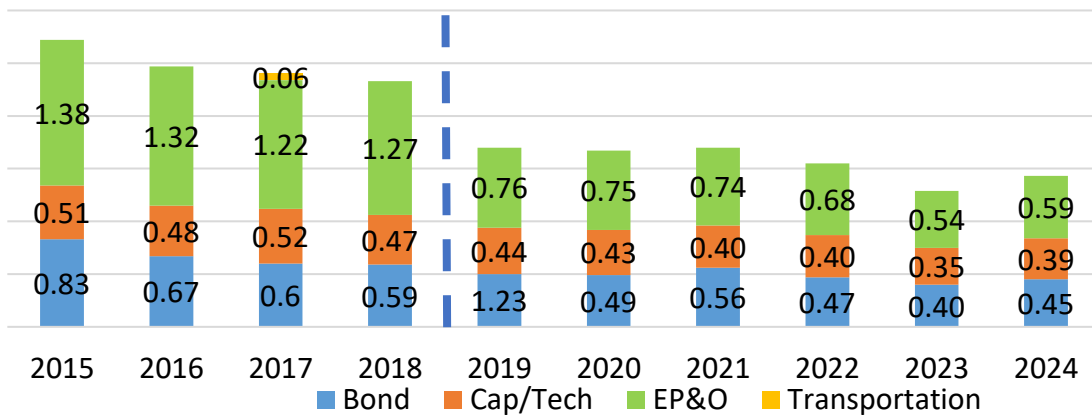
MERCER ISLAND PROPERTY TAX RATES 2024

2024 Property Taxes - Total Rate = \$6.87



Of the \$1.43 **locally** assessed levy for schools, \$.45 goes towards the payment of the bond (Debt Service Fund), \$.59 is for the Educational Programs and Operations (EP&O) Levy and \$.39 is for the Capital and Technology (Cap/Tech) Levy.

Historical & Current Levy Rates



The checked line (above) represents the pre to post McCleary Decision by the Washington State Supreme Court #84362-7. The 2018 "McCleary Decision," which the Washington State Supreme Court ruled that in the body of the state legislature, it had failed to meet its state constitutional duty (in Article IX, Section 1) "to make ample provision for the education of all children residing within its borders." In turn, the state legislature took it upon themselves to "cap" local levies the lesser of \$2.50 per \$1,000 of assessed value, or \$2,500 per full-time equivalent student, hence the significant drop in the EP&O levy rate from 2018 to 2019, with an increase in the State Schools tax to meet the "ample provision" ruling via the State Supreme Court.



BUDGET DEVELOPMENT PROCESS

What is a Budget?

- It's an instrument that sets forth an annual financial plan for the District, which reflects district goals.
- Establishes maximum amounts the District can spend for each fund without a budget adjustment. There are five (5) funds: **General, Associated Student Body (ASB), Capital, Debt Service, and the Transportation Fund(s)**.
- Provides a means of measuring and guiding performance by comparing planned expenditures and staffing levels against actual expenditures.
- **Must be balanced.** (RCW 28A.505.130)
- Covers the fiscal year, from September 1st to August 31st. (RCW 28A.505.030)
- Must be formally approved/adopted by the school board each year, and a copy submitted to the local educational service district (Puget Sound Educational Service District – PSESD #121) by July 10th and the Office of the Superintendent of Public Instruction (OSPI) for review and approval. (RCW. 28A.505.040)

The Accounting System

The accounting system is organized and operated on a “fund” basis of accounting. The only funds school districts may use are those established by law (WAC 392-123-046). The Mercer Island School District uses the following five (5) funds:

- **General Fund** - used for all instructional and regular operations of the District.
- **Capital Projects Fund** - used for the purchase of land, the construction and equipping of new facilities, facility renovations and major maintenance/purchases.
- **Debt Service Fund** - covers principal and interest payments on outstanding construction bonds.
- **Associated Student Body Fund (ASB)** - used for all student activities, such as clubs, student government, and athletic programs. The acronym to remember what the ASB fund can be used for is “CARS,” which equals Cultural, Athletic, Recreational, and Social.
- **Transportation Vehicle Fund** - used exclusively for the purchase and repair of equipment approved for pupil transportation, or in common parlance = “big yellow buses.”

Note: By law, funds in the Debt Service Fund, the Associated Student Body (ASB) Fund and the Transportation Vehicle Fund cannot be transferred to the General Fund nor used for instructional or regular operations of the District.

Budget Assumptions and Priorities

- (OE-7) *Maintain annual budget reserves of at least 8%, with a target of 10%, for the prior fiscal year ended as of August 31st, that are adequate to be consistent with best financial practices for public school districts...*
- (OE-7) Carryover will be budgeted (for capacity) from unexpended 2023-2024 revenues collected for grants (if allowable), donations, and student fees/fines.
- (OE-6) Enrollment will be budgeted at 98% to 99% of the value of the cohort (class) projection, or at 3,815 FTE for 2024-2025.
- (OE-6) An amount of at least \$100.00 per student for MSOC (materials, supplies, and operating costs) will be allocated to the buildings and may be adjusted as enrollment changes or as levy legislation changes.
- (OE-6) Revenue will be specifically allocated for professional learning communities, curriculum materials and professional development for staff.
- (OE-7) When the goal of at least 8% committed (unreserved) fund balance is reached additional revenues will be committed, if available, for the following liabilities: (1) Unemployment Insurance and (2) Benefit Liability (*sick leave/annual leave and retirement cash out*).
- (OE-9) Student fee schedules will be included as part of the budget adoption proposal.
- (OE-6) Special Education staffing will be maintained, enhanced, or reduced based on student need and enrollment at each building/program.
- (OE-6) Grant programs will be budgeted to operate within the allowed awarded grant amount less the deduction for allowed state or federal indirect administrative costs.
- (OE-8) We will prioritize maintenance to protect district assets.

Note: In November of 2022, the District's credit rating via Moody's was downgraded from Aaa to Aa1. Several factors contributed to the downgrade: (1) narrowing reserves (fund balance) relative to peers, (2) the trend of declining enrollment and (3) financial reporting that does not disclose liabilities and contributions, capital asset, and values or depreciation. Moody's has stated in their March 2024 Credit Opinion, that for our district and districts in the region to obtain a Aaa rating they would need at least a 25% fund balance.



BUDGET SUMMARY & RESOLUTION

SUMMARY OF 2024-2025 BUDGETS

FUND	YEAR	BEGINNING BALANCE	REVENUES	EXPENDITURES	OPERATING TRANSFERS (IN / OUT)	ENDING FUND BALANCE
General	23-24	2,625,016	76,188,123	76,188,123	4,000,000	3,299,665
	24-25	3,299,665	79,527,631	79,527,631	5,000,000	3,882,463
Capital	23-24	7,887,547	8,935,223	13,238,500	-4,000,000	6,584,270
	24-25	6,584,270	8,800,015	13,498,000	-5,000,000	3,886,285
Debt Service	23-24	6,073,201	9,055,991	9,005,000	-	6,124,192
	24-25	6,124,192	9,378,050	10,493,060	-	5,009,182
ASB	23-24	531,321	2,003,000	2,023,118	-	511,203
	24-25	511,203	1,762,631	2,055,868	-	217,966
Transportation	23-24	1,250,638	663,000	1,200,000	-	713,638
	24-25	713,638	775,000	600,000	-	888,638

2023-24 Beginning Balance (in bold) is actual / *italicized numbers are estimates*

The “ending balance” is also referred to as the District’s “fund balance,” which consists of several types of accounts; **(1) Restricted, (2) Committed, (3) Assigned, and (4) Unassigned.**

(1) Restricted accounts are for specific purposes imposed externally by creditors, grantors, contributors or imposed by law through constitutional provisions or legislation; **for MISD, this is where our carryover resides.**

(2) Committed accounts can only be used for specific purposes or by formal action (e.g., resolution or board policy). This cannot be changed without a similar action by the Board.

(3) Assigned accounts represent amounts that are constrained by the District’s intent to be used for a specific purpose, but are neither restricted nor committed. Authority for making these assignments rests with administration of the District.

(4) Unassigned accounts are the residual fund balance designation for the General Fund – Fund Balance; **for MISD, this is where our minimum fund balance resides**

MERCER ISLAND SCHOOL DISTRICT No. 400

2024-2025 BUDGET RESOLUTION No. 730

WHEREAS, WAC 392-123-054 requires that the Board of Directors of every school district meet for the purpose of fixing and adopting the budget of the District for the ensuing fiscal year. Pursuant to RCW 28A.505.040, the District has completed the budget for the 2024-2025 fiscal year. The 2024-2025 budget provides a complete financial plan of the District for the coming fiscal/school year, a summary of the four-year budget plan, and a four-year enrollment projection.

WHEREAS, a public notice was published announcing that on June 20th, 2024, the Board of Directors of Mercer Island School District No. 400, King County, Washington, would meet in a public meeting for the purpose of fixing and adopting the 2024-2025 budget of the District.

WHEREAS, interest earnings from investments in the Capital Projects Fund and the Debt Service Fund not required for immediate Capital Projects Fund and Debt Service Fund eligible necessities of the District may inure to the benefit of the General Fund to be expended for instructional supplies, equipment and/or capital outlay purposes per RCW 28A.320.320.

WHEREAS, on February 8th, 2022, the voters of the Mercer Island School District No. 400 of King County, Washington passed a six (6) year (2023-2028) Capital & Technology (Cap/Tech) Maintenance Levy in the Capital Projects Fund for a total of \$48,554,871 with the 2023 tax year collection in the amount of \$7,755,871, with the 2024 tax year collection in the amount of \$7,885,223, with the 2025 tax year collection in the amount of \$8,018,454, with the 2026 tax year collection in the amount of \$8,155,683, with the 2027 tax year collection in the amount of \$8,297,028, with the 2028 tax year collection in the amount of \$8,442,614, and;

WHEREAS, RCW 28A.320.330 (2) (f) requires a board resolution to transfer monies from the Capital Projects Fund to the General Fund for costs associated with the application and modernization of technology systems for operations, instruction, and personnel and;

WHEREAS, RCW 28A.320.330 (2) (g) requires a board resolution to transfer monies from the Capital Projects Fund to the General Fund for costs associated with major equipment repair, painting of facilities, personnel, and other major preventative maintenance purposes.

WHEREAS, the Accounting Manual for Public School Districts in the State of Washington requires "Committed" fund balance accounts monies to be established by a formal action such as this resolution.

THEREFORE, BE IT RESOLVED the Board of Directors of Mercer Island School District No. 400, King County, Washington, has determined that the final appropriation level of expenditures for each fund in 2024-2025 will be as follows:

	Appropriation Level
General Fund (10)	\$ 79,527,631
Capital Fund (20)	\$ 13,498,000
Debt Service Fund (30)	\$ 10,493,060
Associated Student Body Fund (40)	\$ 2,055,868
Transportation Fund (90)	\$ 600,000


BE IT FURTHER RESOLVED by the Board of Directors that investment earnings in the Capital Projects Fund and the Debt Service Fund related to the capital levy are not required for immediate Capital Projects Fund and Debt Service Fund eligible necessities of the District and may inure to the benefit of the General Fund to be expended for instructional supplies, equipment, and/or capital outlay per RCW 28A.320.320.

BE IT FURTHER RESOLVED by the Board of Directors that monies from the Capital Projects Fund Technology and Capital Maintenance Levy (Cap/Tech Levy) are authorized to be transferred to the General Fund for costs associated with the application and modernization of technology systems for operations and instruction and for costs associated with major equipment repair, capital purchases, painting of facilities, personnel, and other preventative maintenance purposes.

BE IT FURTHER RESOLVED by the Board of Directors that per OE-7, the District maintain annual budget reserves of at least 8%, with a target of 10%, for the prior fiscal year ended as of August 31st, that are adequate to be consistent with best financial practices for public school districts and are hereby assigned as "Committed" to the minimum fund balance.

APPROVED by the Board of Directors of the Mercer Island School District No. 400, King County, Washington, in a meeting thereof held on the 20th day of June 2024. The Board hereby adopts the 2024-2025 Budget, to include: all salaries, benefits, positions, personnel, projects, purchases, student and district fees, the four-year budget plan summary, and the four-year enrollment projection as so finally determined.

ATTEST: 
Secretary - Board of Directors


Director – Board President

Director – Board Vice President


Director


Director


Director



FTE & GENERAL FUND BUDGET SUMMARY

CLASSIFIED FTE by ACTIVITY													
		2019-20	% of Total	2020-21	% of Total	2021-22	% of Total	2022-23	% of Total	2023-24	% of Total	2024-25	% of Total
		Actual		Actual		FTE		Actual		Budgeted FTE		Budgeted FTE	
27	TEACHING												
	Teaching - Paraeducators	46.32		43.38		45.82		39.46		46.12		44.07	
	Subtotal	46.32	30.3%	43.38	29.5%	45.82	30.3%	39.46	27.1%	46.12	29.8%	44.07	28.2%
	TEACHING SUPPORT												
22	Learning Resources - Library Aide	1.36		0.68		1.04		0.98		0.74		0.98	
24	Guidance and Counseling	3.26		3.31		3.43		3.54		4.64		4.46	
25	Pupil Management & Safety - Monitors	11.02		12.73		12.64		11.23		11.42		11.48	
	Subtotal	15.64	10.2%	16.73	11.4%	17.11	11.3%	15.74	10.4%	16.80	10.9%	16.92	10.8%
	OTHER SUPPORT												
26	Health	2.70		3.44		3.81		5.12		4.20		5.44	
28	Activities/ASB	1.70		1.70		1.67		1.65		2.67		2.67	
44	Food Service	0.42		0.42		0.42		0.42		0.42		0.42	
62	Grounds	2.00		1.47		1.17		1.00		2.00		2.00	
63	Custodial	23.63		23.99		23.10		23.73		23.73		23.23	
64	Maintenance	5.25		4.46		5.00		4.00		4.00		4.00	
32	Technology Specialists	6.42		5.79		5.94		6.69		5.70		5.83	
52	Transportation	13.18		9.24		12.19		11.05		11.05		11.05	
53	Maintenance (Transportation)	0.85		0.68		0.85		0.85		0.85		0.85	
91	Tech Theater Specialist	0.75		0.62		0.00		0.00		0.00		0.00	
72	Network	2.28		3.50		2.90		3.77		4.90		6.00	
	Subtotal	59.19	38.7%	55.32	37.6%	57.05	37.7%	58.28	40.1%	59.51	38.5%	61.49	39.3%
23	BUILDING ADMINISTRATION												
	Principal's Office - Office Managers/Aides	11.18		10.49		10.68		10.58		10.60		10.80	
	Subtotal	11.18	7.3%	10.49	7.1%	10.68	7.1%	10.58	7.3%	10.60	6.9%	10.80	6.9%
	CENTRAL ADMINISTRATION												
12	Superintendent's Office	1.25		1.30		1.34		1.74		1.75		1.75	
13	Business Office	6.00		6.00		5.76		5.28		6.00		6.00	
14	Human Resources	3.45		3.68		3.12		3.12		3.12		4.12	
15	Communications	1.00		1.00		1.00		1.00		1.00		1.00	
21	Supervision - Special Ed/Student Services	3.66		3.81		4.08		4.51		3.88		4.32	
51	Transportation	2.82		2.39		2.57		2.51		2.52		2.77	
61	Supervision - Facilities	2.49		2.94		2.72		3.23		3.25		3.25	
	Subtotal	20.66	13.5%	21.12	14.4%	20.59	13.6%	21.39	14.7%	21.52	13.9%	23.21	14.8%
	TOTAL FTE	152.99	100%	147.03	100%	151.25	100%	145.45	100%	154.55	100%	156.49	100%
	<i>Budgeted FTE</i>	158.98		157.34		158.31		143.99		153.55			

CERTIFICATED FTE by ACTIVITY CODE

		2019-20		2020-21		2021-22		2022-23		2023-24		2024-25	
		Actual	% of	Actual	% of	Actual	% of	Actual	% of	Actual	% of	Budget	% of
		FTE	Total	FTE	Total	FTE	Total	FTE	Total	FTE	Total	FTE	Total
TEACHING													
27	Teaching - Teachers	247.88		245.47		233.15		218.88		222.00		218.15	
	Subtotal	247.88	79.7%	245.47	78.2%	233.15	76.6%	218.88	76.5%	222.00	75.6%	218.15	76.6%
TEACHING SUPPORT													
31	Teachers on Special Assignment (TOSA)	14.69		15.86		17.89		15.99		15.20		16.50	
28	Athletic Coordinator	1.00		1.00		0.98		1.00					
22	Learning Resources - Librarians	5.00		4.74		5.53		4.55		3.60		3.27	
24	Guidance and Counseling	8.00		8.08		8.86		9.55		10.00		10.00	
26	Health Services - Nurses, OT, PT, SLP, etc.	17.44		16.29		16.95		17.66		17.59		18.70	
	Subtotal	46.13	13.2%	45.97	14.7%	50.21	16.5%	48.75	17.0%	46.39	18.2%	48.47	17.0%
BUILDING ADMINISTRATION													
23	Principals	13.35		13.12		13.00		10.83		10.00		10.00	
	Subtotal	13.35	4.3%	13.12	4.2%	13.00	4.3%	10.83	3.8%	10.00	3.6%	10.00	3.5%
CENTRAL ADMINISTRATION													
12	Superintendent's Office	1.00		1.00		0.95		1.09		1.00		1.00	
21	Supervision/Special Ed/Student Services	7.61		8.15		7.21		6.59		6.40		7.00	
	Subtotal	8.61	2.8%	9.15	2.9%	8.16	2.7%	7.68	2.7%	7.40	2.6%	8.00	2.8%
	TOTAL FTE	315.97	100.0%	313.71	100.0%	304.52	100.0%	286.14	100.0%	285.79	100.0%	284.62	100.0%
	<i>Budgeted FTE</i>	313.26		317.83		297.58		279.83		277.00			

Revenues to Support Operations

Programs and services included in the General Fund budget are supported by local, state, and federal sources of revenue. A comparison of revenue sources to support operations for the current (2023-2024) and proposed (2024-2025) General Fund budgets are shown below.

REVENUE SOURCE	2023-2024 BUDGET	2024-2025 BUDGET	% CHANGE
Local Taxes	12,000,000	12,000,000	0%
Local Support, Non-Tax / Other	9,550,050	10,659,471	+11.6%
State General Purpose	42,242,172	43,473,191	+2.9%
State Special Purpose (Special Ed)	9,445,198	9,855,289	+2.2%
Federal Special Purpose (Grants)	2,950,703	3,549,680	+20.3%
Total Revenue	76,188,123	79,537,631	+4.39%

Local Revenue - \$22,659,471 or 28.5 % of budgeted revenues - consists of revenues from “Local Taxes” - local property taxes - EP&O Levy and “Local Support, Non-Tax” - donations (Mercer Island Schools Foundation - MISF), student and sports fees, the Cap/Tech Levy, food service meal purchases, summer school, and facility rentals.

Local Taxes – No change

Local Support, Non-Tax – Decrease due to reduction in student enrollment, donations, and events.

State Revenue - \$53,328,480 or 67.0% of budgeted revenues - consists of revenue from apportionment for basic and special education and grants for special education, Highly Capable, and funding for Transportation.

State General Purpose – Due to CPI increase via the State of Washington

State Special Purpose (Special Education/Services) – Due to CPI increase via the State of Washington.

Federal Revenue - \$3,549,680 or 4.5% of budgeted revenues - consists of revenue for grants such as the Learning Assistance Program (LAP), Disadvantaged - Title I, Quality Schools – Title II, Limited English Proficiency – Title III, Individuals with Disabilities Education Act (IDEA), Student Support & Academic Enrichment - Title IV, Safety Net for Special Education, Perkins Grant for Career Technical Education (CTE/CCR), Bilingual, and SBIRT Grant.

Federal Special Purpose – Increase due to grant capacity built into budget from \$1.3 MM to \$1.9MM.



ENROLLMENT

2024-2025 SUMMARY OF PROJECTED ENROLLMENT - FTE

GRADE	Island Park	Lakeridge	Northwood	West Mercer	IMS	MIHS	ALE	Running Start	TOTAL
K	45	40	45	60					190
1	48	43	53	62					206
2	61	61	80	67					269
3	68	85	60	75					288
4	70	90	58	66					284
5	55	77	61	73					266
6					296				296
7					328				328
8					310				310
9						330	1		331
10						335	3		338
11						353	4	10	357
12						336	16*	30	352
TOTAL	347	396	357	403	934	1354	24	40	3,815

*INCLUDES SEVEN (7) TRANSITIONAL STUDENTS

HISTORICAL & PROJECTED STUDENT ENROLLMENT – AVERAGE FTE

YEAR	YEAR-END AVERAGE	INCREASE/DECREASE
2012-2013	4,116.42	--
2013-2014	4,111.26	-5.16
2014-2015	4,197.06	+85.8
2015-2016	4,204.25	+7.19
2016-2017	4,347.70	+143.45
2017-2018	4,398.65	+50.95
2018-2019	4,372.85	-25.8
2019-2020	4,315.35	-57.5
2020-2021	4,019.19	-296.16
2021-2022	3,950.76	-68.43
2022-2023	3,931.48	-19.28
2023-2024	3,881.41	-50.07
2024-2025*	3,815.00	-66.41
2025-2026*	3,754.03	-60.97
2026-2027*	3,722.04	-31.99
2027-2028*	3,702.00	-20.04

*Projection as required per RCW 28A.505.06 – based on current demographic studies



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