

### CITY OF MERCER ISLAND CITY COUNCIL MEETING AGENDA

Thursday October 26, 2017 5:00 PM

Mayor Bruce Bassett Deputy Mayor Debbie Bertlin Councilmembers Dan Grausz, Salim Nice, Wendy Weiker, David Wisenteiner, and Benson Wong

This meeting will be held in the City Hall Council Chambers at 9611 SE 36th Street, Mercer Island, WA.

Contact: 206.275.7793, council@mercergov.org www.mercergov.org/council In compliance with the Americans with Disabilities Act, those requiring accommodation for Council meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 206.275.7793.

#### SPECIAL JOINT MEETING WITH MISD BOARD

#### **CALL TO ORDER & ROLL CALL**

#### **SPECIAL BUSINESS**

#### **MISD and City Funding Constraints**

- State Education Budget
- MISD Educational Maintenance & Operations Levy
- City's Financial Challenges
- Youth and Family Services ("YFS") School Counselors

#### **Capital Projects**

- Playfields
- SE 42nd Street Safe Routes
- MISD Transportation Facility

#### **Future Projects**

- Mary Wayte Pool (owned and operated by MISD with support from City operating subsidy; capital improvements funded by MISD)
- MIHS Roof
- City Traffic Mitigation Study
- City Master Plan
- Interlocal Agreement for Emergency Reunification Shelter at IMS

#### **ADJOURNMENT**

## *McCleary* Education Funding Plan: Overview of EHB 2242

# **Overview of EHB 2242**

- Education Funding Plan: EHB 2242
  - Salary Allocations
  - Collective Bargaining & Supplemental Contracts
  - Accountability & Transparency
  - Health Benefits
  - Enrichment Levies & LEA
- EHB 2242 Resources

# EHB 2242—McCleary Solution

Purpose of EHB 2242: to "realize the promise" of the reforms embodied in ESHB 2261 (2009) and SHB 2776 (2010)

- Revises and increases State <u>salary allocations</u> for education staff
- Revises <u>State and local education funding</u> contributions
- Increases <u>transparency and accountability</u> of education funding

# Salary Allocations-Overview

- Current Salary Allocation Model (SAM) and "staff mix" are eliminated after SY 2017-18
- Salary allocations for CIS, CAS, CLS based on statewide average salary, adjusted for regionalization and inflation
- Beginning SY 2019-20, CIS salary: Min=\$40K, Max=\$90K; after 5 years mandatory 10% increase
- 10% increase over Max allowed for ESAs or teachers in STEM, TBIP and Special Ed (not provided by State, but allowable use of State allocation)
- Salary allocation and regionalization reviewed and re-based every six years (begins 2023-24)

### **Certificated Staff Salary Allocations**

	2016-17	2017-18	2018-19	2019-20	2020-21
Minimum	\$35,700	\$36,521	None	\$40,000	\$40,000
Average	\$54,943	\$56,201	\$59,334 <b>·</b>	\$64,000	\$64,000
Maximum	\$67,288	\$68,836	None	\$90,000	\$90,000
Specialty	None	None	None	Up to 10% add	Up to 10% add

- 2019-20 and 2020-21 amounts will be annually increased by inflation (IPD, not Seattle CPI)
- 2017-18 Average is currently an estimate
- 10% Specialty "bonus" will not be paid by State, but considered an allowable use of State allocation

## CBAs & Supplemental Contracts-Overview

- Levy funds can only be used for "enrichment" beyond basic education
- CBAs currently in place are not impaired; however agreements executed after bill's effective date must comply with new law
- Supplemental pay may not exceed the employee's basic education hourly rate
- Beginning Sept. 1, 2017, districts must annually report to OSPI on TRI contracts

# Health Benefits-Overview

- New School Employees' Benefits Board established to design insurance benefit plans for school employees
- Existing health care plan provisions remain in effect through Dec. 31, 2019
- Employee costs for full family coverage cannot exceed the cost for employee-only coverage
- Health benefits removed from local bargaining; beginning Jan 1, 2020, no basic or optional health benefits may be provided by school districts that are not provided through SEBB

## Accountability/Transparency-Overview

- State Auditor will continue regular financial audits, with expanded review
- School Boards must adopt policy regarding audit findings
- School districts must develop four-year budget plans

# Levies & LEA–Overview

- State Property Tax increased to \$2.70/\$1,000 assessed valuation (approx. \$0.82)
- Maximum "Enrichment" Levy is *lesser* of \$1.50/\$1,000 AV or \$2,500 per student
- Enrichment Levy plan must be submitted to OSPI and approved before levies can go to ballot
- Local revenues must be deposited in separate "sub-fund" of General Fund
- Local Effort Assistance is funded at maximum \$1,500 per student (max of levy + LEA)

## How will EHB 2242 effect MISD?

## Educational Operations Levies: What has changed?

- Enacted HB 2242 drastically changed the local funding methods uses and structure
- Prior and Current levy formula is percentage of the prior years expenditures, MISD is grandfathered as 37%
- Starting in 2019, the District is allowed to levy the lessor dollar value result of \$1.50/\$1,000 Assessed Value or \$2,500/student
- Previously, levies were flexible in how the funds were used; moving forward, levies are restricted to activities beyond "Basic Education", which the Legislature termed "enrichments", or locally funded activities.
- Basic Ed is loosely defined, with the list of approved locally funded activities that are also loosely defined

## What can be locally funded under 2242?

- Programs, activities and staffing beyond the basic state apportionment that are funded through local efforts which includes the levy, the Foundation, PTAs and other grants, donations and contributions.
- Courses beyond State minimum graduation requirements
- Additional staffing and program components: class size reduction
- Program components funding for components beyond the prototypical school model
- Professional development
- Extracurricular activities
- Extended school day/ year
- Early learning program
- Program administration and extracurricular stipends

See Enacted HB2242, Section 501 for additional detail

### What has MISD accomplished with local funds:

- 7 period day at HS allows students to:
  - Take an elective sequence all four years (CTE, Music, Drama, etc)
  - Take more than the required number of courses in a particular core area (like additional science courses, or two social studies courses senior year)
- Expanded electives at HS and IMS
  - Upper level science courses beyond the traditional one year Biology, Chemistry and Physics sequences including AP Chemistry, Biology, Physics, Environmental Science, BioTechnology, etc.
  - Electives not normally available to high school and middle school students for example live Radio Programming where students are in charge of our radio station.
- FTE to support students in the online learning program at CREST
  - allows students to take courses not offered at HS credit recovery in all subjects, electives such as Latin, Japanese, Stage and Screen
- Smaller class sizes for "focus" sections for struggling students or very specific
  - Two year Algebra sequence
  - Focused ELA courses
  - Percussion ensemble
  - Jazz Band
  - Advanced Drama
- Pay for professional practices outlined in the ARC in the contract
- Ongoing professional development opportunities for staff in a myriad of areas
  - Opportunities for Train the Trainer models where a staff member becomes our internal trainer on a program
- Stipends for staff to offer additional opportunities for students
  - Afterschool clubs and activities at all grade levels including Destination Imagination, student interest clubs such as coding, community service, etc.
  - Athletic opportunities beyond what ASB covers
- Enhanced library collections
- Some curriculum materials
- Classified support in classrooms with overloads, additional Special Education/English Language Learning students, as well as student supervision and safety
- Special Education, 58% of Special Education funding comes from local levy
- Elementary K-5 Music, Art, PE and Spanish

## **Timeline For changes**

Calendar Year	2017		2018		2019		2020	
School Year	2016-2017	2017-2018		2018-2019		2019-2020		2020-2021
M&O Levy	Old Formula (% support educati		r expenditures),	broad use to				
Education Maintenance and Operations Levy – up for vote in 2018					New Formula (l restricted to no		\$1,000 AV or \$2,!	500/pupil),
State Tax Increase			State Education	tax increases b	y \$.82/\$1,000 of	assessed value		
Additional State Funding				Partial Funding model	of new salary	Full Funding of	new salary mode	əl
Local funding for locally funded activities					Locally funded activities, not fo	-	stricted to locally	r funded

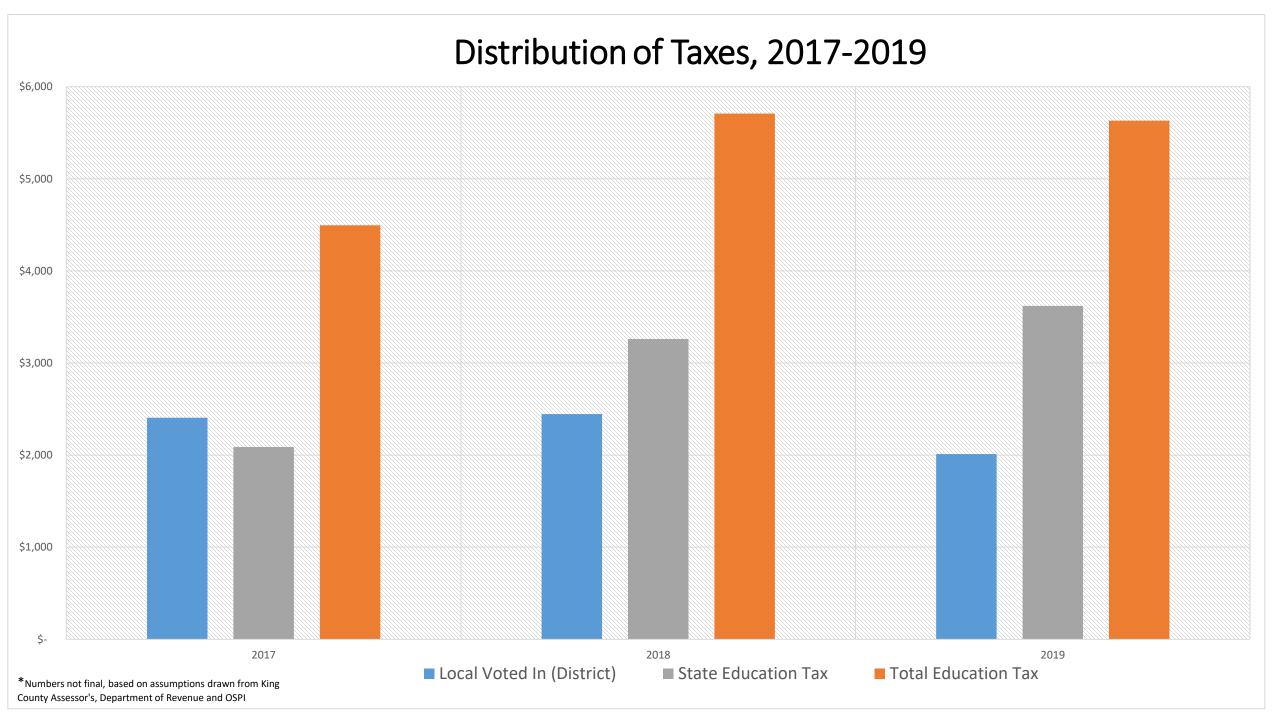
### Projected Property Tax Impacts

		2017	2018				2019	18-	19 Variance
	Rate/\$1k		Rate/\$1k			Rate/\$1k		Rat	:e/\$1k
Local Education Levy	\$ 1	L.22156	\$	1.27380		\$	0.73798	\$	(0.53582)
Bonds	\$ C	0.60616	\$	0.55869		\$	0.51013	\$	(0.04856)
Transportation	\$ C	0.06223	\$	-		\$	-	\$	-
Capital and Tech	\$ C	).51634	\$	0.46949		\$	0.43657	\$	(0.03292)
District Voted Tax	\$ 2	2.40629	\$	2.30198		\$	1.68468	\$	(0.61731)
					E				
State Tax	\$ 2	2.03205	\$	3.00000		\$	3.00000	\$	-
Total Local & State	\$ 4	1.43834	\$	5.30198		\$	4.68468	\$	(0.61731)

### Assumptions

Median House Value \$	1,087,100	\$ 1,206,681	\$ 1,326,142
Total Assessed Value \$	12,110,086,739	\$ 13,245,292,653	\$ 14,702,274,845
Prop Value Growth%	10%	10%	10%

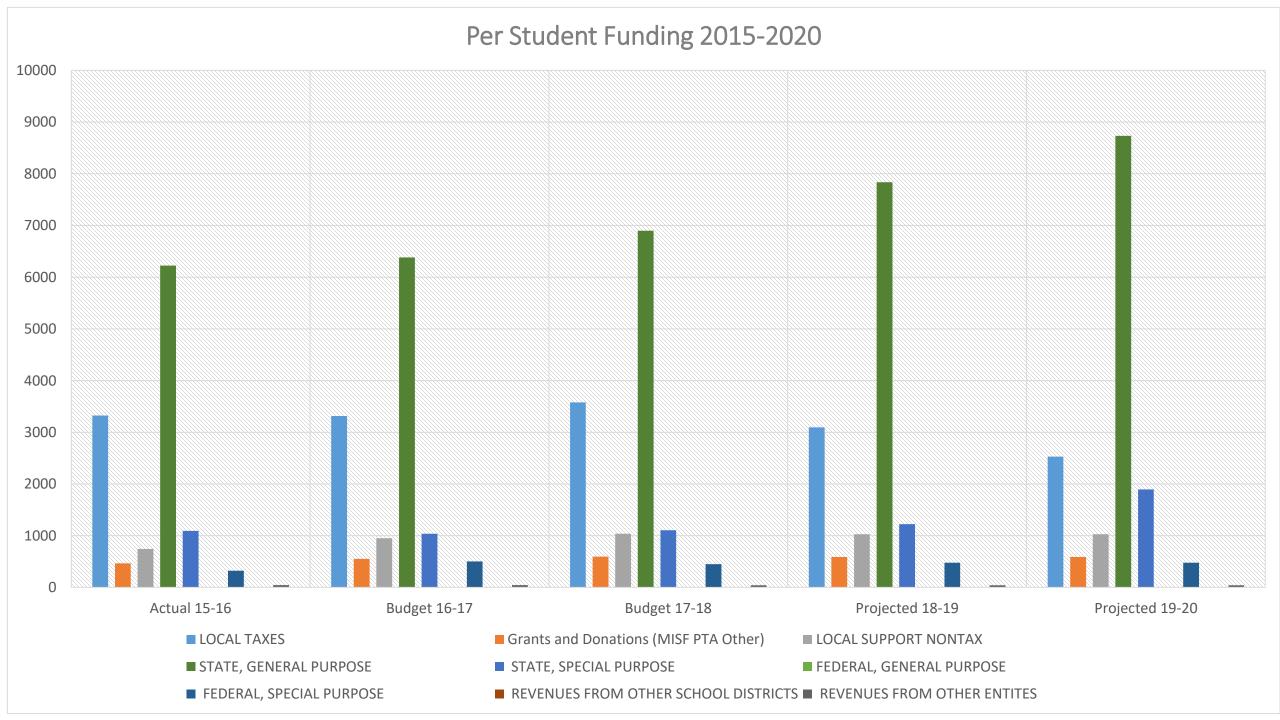
\*Numbers not final, based on assumptions drawn from King County Assessor's, Department of Revenue and OSPI



# Per Student funding

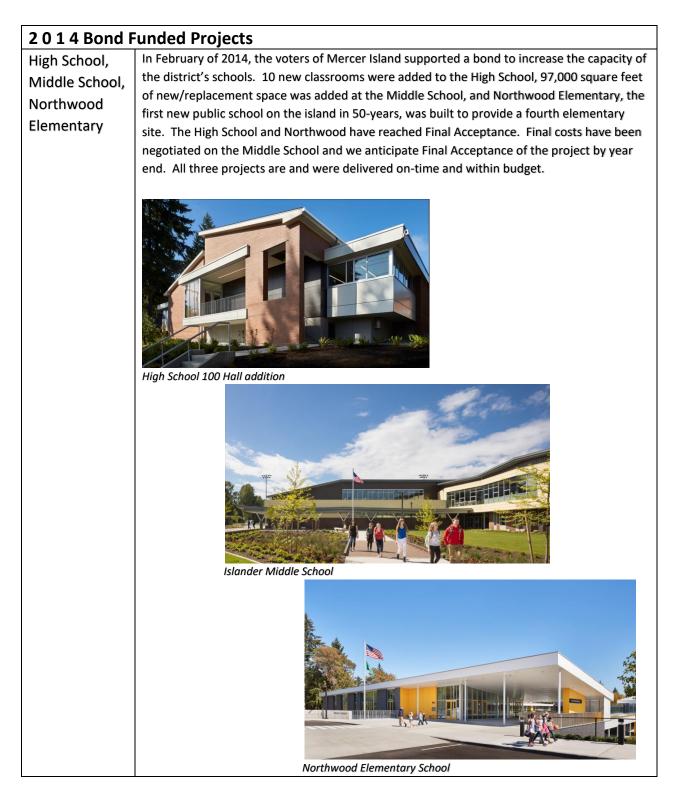
	<u>Actual</u>	15-16	<u>Budg</u>	<u>et 16-17</u>	Budge	et 17-18	<u>Proje</u>	ected 18-19	<u>Proje</u>	<u>cted 19-20</u>
LOCAL TAXES	\$	3,325.14	\$	3,314.04	\$	3,579.11	\$	3,095.10	\$	2,529.32
GRANTS AND DONATIONS (MISF PTA OTHER)	\$	463.67	\$	550.60	\$	593.71	\$	589.67	\$	589.67
LOCAL SUPPORT NONTAX	\$	742.45	\$	952.34	\$	1,036.76	\$	1,029.69	\$	1,029.69
STATE, GENERAL PURPOSE	\$	6,226.10	\$	6,381.44	\$	6,899.77	\$	7,837.68	\$	8,733.67
STATE, SPECIAL PURPOSE	\$	1,093.19	\$	1,038.36	\$	1,105.65	\$	1,222.12	\$	1,894.20
FEDERAL, GENERAL PURPOSE	\$	0.43	\$	0.46	\$	0.46	\$	0.45	\$	0.45
FEDERAL, SPECIAL PURPOSE	\$	321.78	\$	502.26	\$	450.99	\$	477.27	\$	477.27
REVENUES FROM OTHER SCHOOL DISTRICTS	\$	-	\$	-	\$	-	\$	-	\$	-
REVENUES FROM OTHER ENTITES	\$	45.06	\$	44.68	\$	42.50	\$	42.05	\$	42.05
OTHER FINANCING SOURCES	\$	2.93	\$	-	\$	1.14	\$	1.14	\$	1.14
TOTAL REVENUES AND OTHER FINANCING SOURCES	5 \$	12,220.74	\$	12,784.17	\$	13,710.10	\$	14,295.17	\$	15,297.46

\*Numbers not final, based on assumptions drawn from OSPI

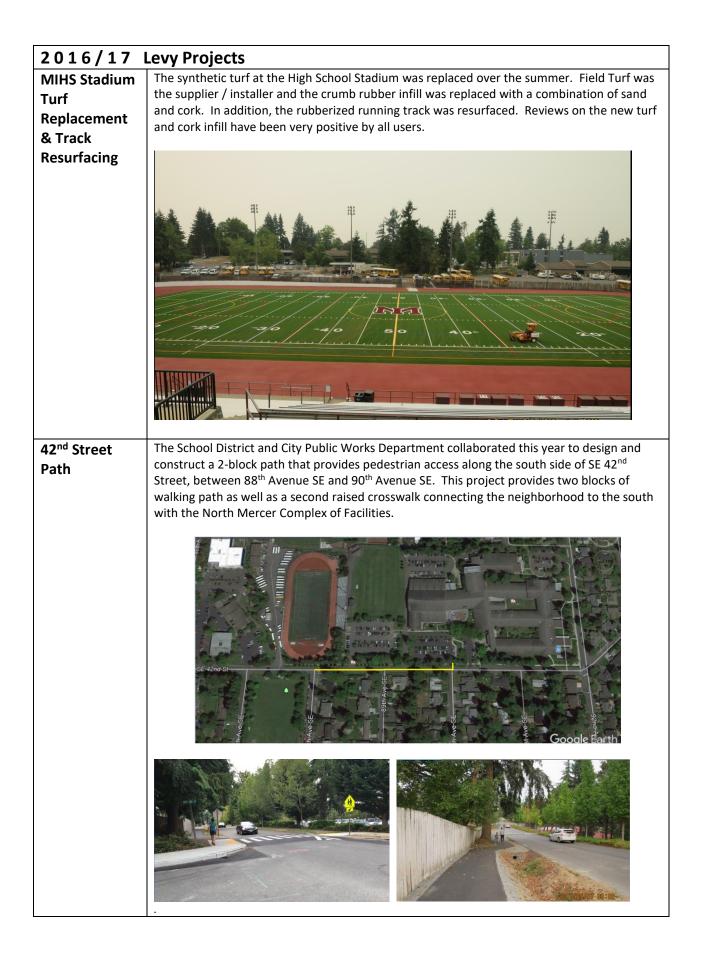


### Mercer Island School District

Capital Projects Update School Board – City Council Link Session October 26, 2017









Bus Lot & Overflow Seating for the Stadium	The entry drive into the bus lot was widened this summer to allow for parking of various vans and small buses. In addition, a fire hydrant was relocated and a path was placed to facilitate placement of overflow bleacher seating for the stadium. The fencing work and bleacher placement is expected to occur in the 2017/18 school year. Although this wasn't a glamorous project, it provides valuable parking space, widens the access for buses, and sets the stage for additional improvements to the Stadium.
Elementary Schools Main Entry Security Upgrades	The main building entries at Lakeridge, Island Park, and West Mercer were all modified to create secure entrances into the buildings. With this addition, all visitors must check in with the main office, obtain a pass from the Lobby Guard system, and be buzzed through locked doors during school hours. Northwood has a similar layout and system for secure entry.
Fire Alarm Replacement	Due to age and parts availability, the complete fire alarm systems at Lakeridge and Island Park Elementary Schools were replaced over the summer. In addition, the older, 100, 200, and 300 buildings of Islander Middle School had their full fire alarm system replaced and tied in with the new building's.
Island Park Portables	The two double portables that had been placed under a variance with the City in 2013 were relocated off the playfield and placed at the rear of the building. Fencing and field restoration were also completed as part of the project.



#### 2017/18 Levy Funded Planning and Anticipated Construction

Unlike the Bond Projects, where dollars are available to the district all at once, the district's Levy dollars for maintenance and capital improvements flow in over the course of 6-years. Consequently, work must be scheduled within the available dollars collected on the current Levy between 2017 and 2022. Work anticipated for this year includes:

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Mary Wayte Pool	The Levy included approximately \$3.5 million in funding for improvements at the Pool. The district is focused on infrastructure improvements that will keep the pool operational. The Greenbush Group, a mechanical engineering firm, has been retained and they have provided initial information on the condition of building systems. As expected in a 40-year old building, most need replacement. Work to be undertaken this year will include electrical and plumbing. Impact on this facility must be carefully planned to ensure the multiple programs and user groups are accommodated to the greatest extent possible which means efforts will be concentrated during breaks in program.
High School Roofing	Staff has been working on survey, options, and costs for the re-roofing of the High School. It is anticipated a contract will be signed in early spring of 2018 and work will occur during the summer months.
Stadium Lighting Replacement	Planning is underway for replacement of the High School Stadium lighting. The district is working with Stantec to develop the scope of work, investigate the pole stability, and the condition of the feed wires.
Facility Scheduling Software Implementation	The district is implementing a new scheduling software for its facilities that will allow more consistent application of fees and greater, simplified public access for rentals.
Future Work	Synthetic turf installation at one of the grass sports fields at the High School Tennis court reconstruction and potential lighting Roofing at the elementary schools Bleacher and dividing curtain replacement at the High School, Various carpet replacement Select boiler replacements, Minor furniture upgrades Play equipment upgrades.

