

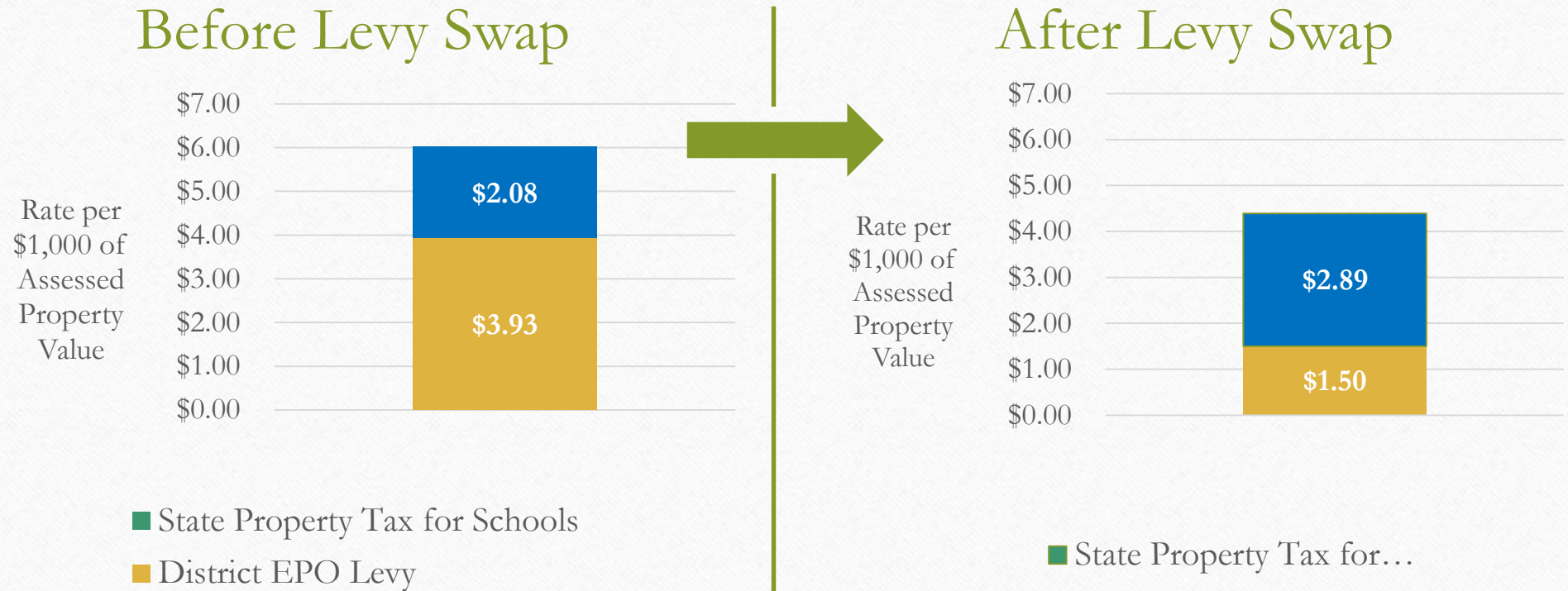
Budget Challenges & Proposed Program Reductions

Mount Vernon School District No. 320

The McCleary Lawsuit

- Filed in 2007 by the Network for Excellence in Washington Schools
- Claimed that the State of Washington was not meeting its constitutional obligation to provide ample funding for public schools, relying instead on local levies to fill the funding gap.
- In 2012, the State Supreme Court agreed with the plaintiffs
- In 2018, the State Supreme Court ruled that the Legislature had complied with their mandate.
- This was accomplished, in part, by **raising state property taxes for schools and imposing a cap of \$1.50 per \$1,000 for Educational Programs and Operations (EPO) levies** – a change that has been called the “levy swap.”

The Legislature's Response and the MVSD EPO Levy



Impact of Legislature's Response on Mount Vernon Schools for 2018-19

Category/Program	Amount Increase/(Decrease)
Basic Education	\$10,417,436
Materials and Supplies	\$143,640
Highly Capable Program	\$44,980
Special Education	\$2,457,962
Transportation	\$285,178
Sub Total Increase in State Funding	\$13,449,196
Educational Programs & Operations Levy Funding	(\$5,170,565)
Net Total Increase in State Funding	\$8,178,631

Increased Operating Costs in 2018-19

Expense	Estimated Cost
Elementary Health Specialists to Replace Technology Paraeducators	\$500,000
Other Teaching Positions (MVHS math, Middle School HiCap, 5 th grade)	\$150,000
Additional Paraeducator Hours for Health Rooms	\$100,000
Additional Special Education Costs	\$577,750
Health and PE Curriculum	\$500,000
Insurance Premiums	\$250,000
Staff Salaries	\$5,617,000
Mandated Employee Benefit Increases	\$510,000
Total Increase in 2018-19 Operating Costs	\$8,752,750

Looking to 2019-20

	IMPACT
Additional loss of EPO levy revenue due to McCleary	(5,170,565)
Cost of SEBB coverage for non-state-funded employees	(1,200,000)
One time planned use of fund balance	\$670,000
Funding From Replacement Technology & Security Levy	\$2,000,000
Total Estimated Budget Deficit	(\$3,700,565)

Planning Process

- Community, classified, and certificated committees formed and met a total of 5 times between November and March.
- Survey developed and completed by 399 parents and other community members and 331 staff.
- Additional focus groups with representatives of our Latinx and high school student communities

Framework for Reduced Educational Program

I. Decision Making Lenses

- 1) Alignment with the *Mount Vernon Commitment, especially:*
 - Student health and safety
 - Equity
 - Direct services to and experiences for students
 - Support for student growth and learning
- 2) Promotion of efficiency
- 3) Support for staff efficacy
- 4) Compliance with regulations and collective bargaining agreements

Framework for Reduced Educational Program

II. Potential Reductions Totaling \$4,089,258

District

Curriculum adoptions & allocations	\$407,810
Contracted consultants and City	\$96,500
Administrators (1.5 FTE)	\$314,000
Department budgets	\$46,000
Total	\$864,310

Special Education

Contracted specialists	\$187,875
Certificated staff (1.8 FTE)	\$232,000
Classified staff (4.8 hrs)	\$29,000
Total	\$448,875

Schools

Administrators (.75 FTE)	\$124,000	Elementary extra curricular stipends	\$10,000
Building budgets	\$123,443	Classified staff (19 hrs)	\$175,000
Playground equipment	\$30,000	Secondary certificated staff (17 FTE)	\$1,292,000
Professional development	\$109,630	Elementary certificated staff (12 FTE)	\$912,000
		Total	\$2,776,073

Next Steps

1. Approve Reduced Educational Program resolution on April 24
2. Identify and notify effected staff
3. Determine the effects of the state budget on our local budget
4. Finalize a budget for School Board approval