



DATE: 06 December 2022

Re: Supporting Mercer Island School District's request to maintain cost-of-living adjustments for state basic education compensation allocations.

Dear Representative,

The elected City Council of the City of Mercer Island, on behalf of the students and community we represent, support the request by the Mercer Island School District (MISD) Board to maintain cost-of-living adjustments for state basic education compensation allocations and urge you to vote against any decrease to the regionalization factor, as detailed in the enclosed November 10 letter from MISD.

Mercer Island Schools Cannot Afford to Lose \$9.35 Million Dollars in State Funding for Public Education

The Office of Superintendent of Public Instruction's (OSPI) [proposal](#) to decrease the current cost-of-living adjustments, (a.k.a. the "regionalization factor"), for state basic education compensation allocations from 18% to 12% would result in an anticipated loss of more than \$1 billion dollars over four years for public schools in the greater Puget Sound region. Under the proposed 12% maximum regionalization factor, the Mercer Island School District would have received approximately \$2.1 million dollars less for the 2021-22' fiscal year, and, with an assumed inflation rate of 6%, the loss would total \$9.35 million dollars over the four-year period contemplated by the proposal (2022-26'). The Mercer Island School District is already struggling to pay living wages while managing inflationary pressures and revenue shortfalls caused by enrollment volatility. This is an enormous loss that our school district and our community simply cannot afford.

Higher Cost-of-Living Creates Significant Staffing Challenges for MISD

Mercer Island and the greater-Seattle area is one of the most expensive areas in the state to live. The current regionalization factor of 18% only partially offsets these costs. It is difficult for MISD teachers and employees to afford living within commuting distance of MISD schools and it is a challenge for MISD to recruit and retain teachers due to the high cost of living.



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A common misconception is that Mercer Island is a “wealthy” school district. However, MISD receives just 88% of the state median per student funding, receives minimal federal funding, and is limited by the amount MISD can compensate through local levies. All of this despite having the highest cost-of-living of any school district in the state.

Therefore, in contrast to OSPI’s proposal, if there is any change in the regionalization factor, the data overwhelmingly supports increasing the adjustment rate to fully reflect economic reality. The enacting legislation specifically identifies median home prices as the only metric identified “to aid the legislature in reviewing and rebasing regionalization factors.” [RCW 28A.150.412](#). However, OSPI’s proposal and report from the K–12 Basic Education Compensation Advisory Committee, omits any consideration of median home prices. This deficiency is particularly glaring given the significant increase in assessed property values on Mercer Island. Consequently, in the face of escalating cost-of-living increases, our community is paying more in taxes to support public education in our state but under OPSI’s proposal would receive less funding to support students in our school district.

City of Mercer Island Supports Requests by Mercer Island School District in Upcoming Legislative Session

The legislature has many important issues to consider regarding basic education funding in the upcoming session. The City stands in partnership with Mercer Island School District in opposition to any decrease to the regionalization factor which would harm our students and community and we urge you to vote no on this proposal.

SALIM NICE

Mayor



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