



WICHITA
PUBLIC SCHOOLS®

WICHITA PUBLIC SCHOOLS

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2018-2019
BUDGET
AT-A-GLANCE

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This booklet was prepared by the Wichita Public Schools Financial Services Division in cooperation with the Strategic Communications Division for the benefit of our community. It presents an overview of the budget process for the 2018-19 school year with comparisons to budgets in previous years.

If you would like additional copies of this booklet, or if you have questions, you may:

- Visit the district's website at usd259.org/finance
 - Call Addi Lowell, Director of Budgeting, at 973-4575
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MISSION

Wichita Public Schools prepares all students to achieve college, career and life readiness through an innovative and rigorous educational experience.

VISION

Wichita Public Schools will be the district of choice in our region, where all students and staff are empowered to **dream, believe and achieve.**



In order to achieve our mission and vision, Wichita Public Schools is in relentless pursuit of four long-term goals that will change the trajectory for our students.

- 1. Increase the high school graduation rate.
- 2. Increase 3rd grade reading proficiency.
- 3. Increase the percentage of students completing dual credit, concurrent credit, industry certification or other college and career readiness opportunities.
- 4. Ensure that schools are trusted as safe places by students, parents, staff and community.

BUDGET HIGHLIGHTS

KEY ISSUES INFLUENCING BUDGET DEVELOPMENT IN 2018-19

- Since 1992, school districts have not had control over the taxes levied for their General fund. The State sets the General fund tax levy for all Kansas public school districts. That levy peaked at 37 mills in 1995 and is currently set at 20 mills. The first \$20,000 of a personal residence's market value is exempt from the General fund tax levy. Prior to FY'15, the revenue from the General fund levy was remitted directly to the school districts. Legislation now requires that the revenue be sent to the State and returned to districts as general state aid.
- The Kansas legislature dramatically changed the way schools were funded in FY'16 and FY'17. Statutes enacted eliminated the previous school funding formula that included weightings for bilingual students, vocational students, students transported over 2½ miles, low income students and enrollments of more than 1,622. The funding formula was replaced with a block grant formula that set the spending level for FY'16 and FY'17 while a new funding formula was being developed. The block grant eliminated the calculations for enrollment and set the funding for FY'16 and FY'17 at the same amount as the final legal maximum budget for FY'15 after reductions were made to equalization aid. There were some allowances for virtual education and new facilities. Special education funding calculations remained intact. However, the result was flat funding for the years the block grant was in effect.
- The school finance formula that was in place through the end of FY'15 required any year-end unencumbered cash balance in the General fund to become a deduction from the following year's state aid. The block grant legislation allowed unencumbered cash carry-over in the General fund in FY'16 without any reduction in the subsequent year's state aid. On March 2, 2017, the Kansas Supreme Court ruled the block grant financing system unconstitutional. The resulting legislative changes to school funding included reinstating the former requirement that any year-end unencumbered cash balance in the General fund became a deduction from the following year's state aid. This change was applicable to the year-end cash balance of FY'17 and future years.
- On May 30, 2017, the Kansas Legislature passed Senate Bill 19 (SB19) to create a new school finance formula. The new formula structure increased the Base Aid for Student Excellence (BASE) to \$4,006 per full-time equivalent student. It included targeted funding for high need student populations (poverty, non-English speaking, at-risk, etc.). Given time constraints, the Court allowed SB19 to become law effective July 1, 2017 so that districts across Kansas could operate and submit budgets under the new formula for FY'18.
- On October 2, 2017, the Kansas Supreme Court found SB19 to be unconstitutional and gave the Kansas legislature until June 30, 2018 to fix both the funding adequacy and the equity issues that arose in SB19. During the 2018 legislative session, the Kansas legislature added approximately \$522 million to the funding formula phased in over the next five years and fixed the equity violations. On June 25, 2018, the Court found the funding in the formula to still be inadequate, but the allowed the revised formula to go into effect July 1, 2018. The Court indicated if the legislature addresses inflation within the formula in the 2019 legislative session, lawmakers can bring the K-12 public education financing system into constitutional compliance. The Court retained jurisdiction and has set April 15, 2019 as the due date for the legislature to address the remaining constitutional issues.



Pictured: Students with WPS Superintendent Dr. Alicia Thompson

FOCUSED DISTRIBUTION OF NEW FUNDS

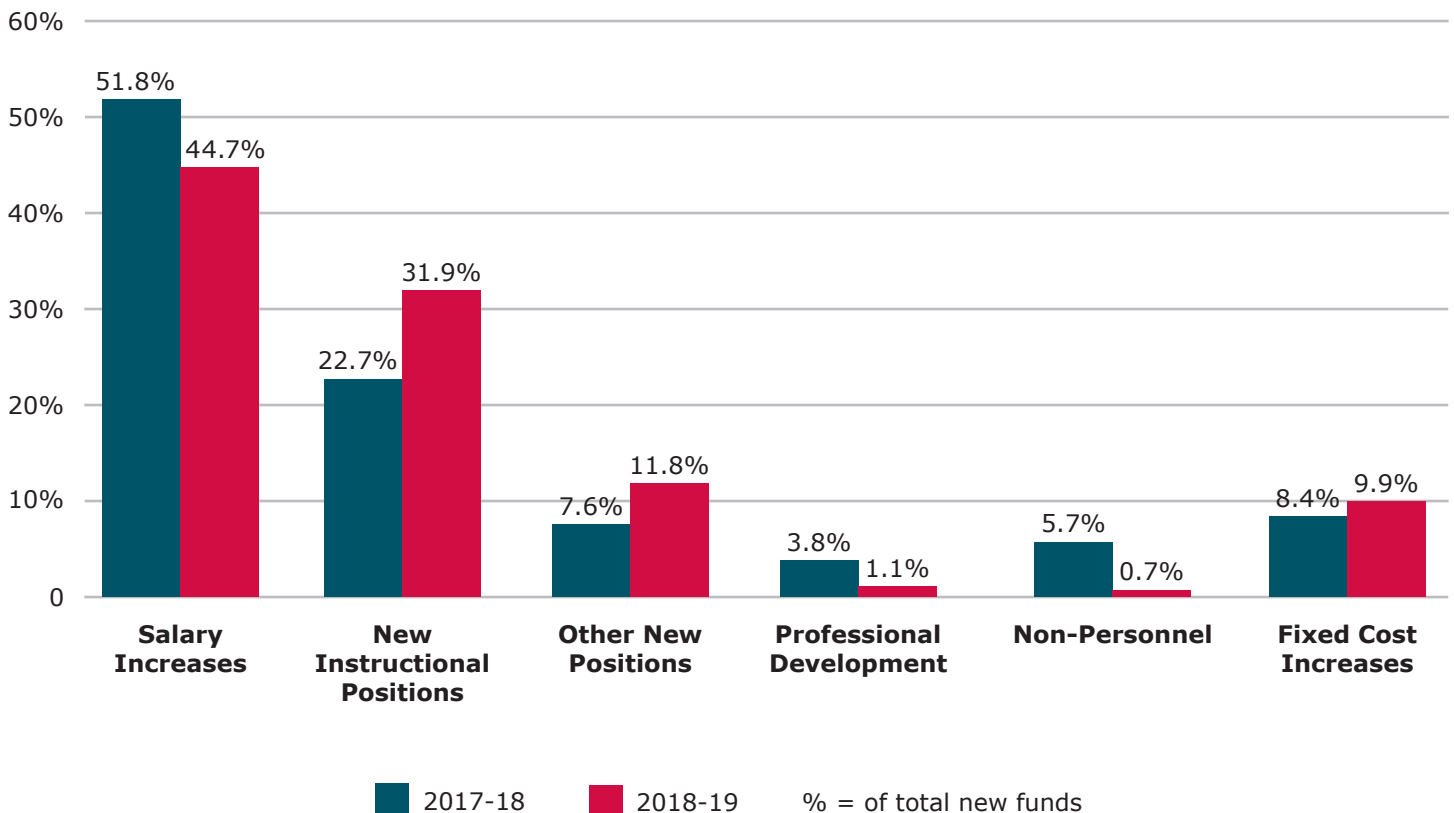
WPS INVESTS IN STAFF

In FY18, Wichita Public Schools budgeted more than 50% of additional funds on salary increases to support the Board's priority of investing in staff for recruitment and retention. In the following year, nearly 45% of additional funds were budgeted for salary increases to continue supporting this initiative.

The Board placed priority on adding positions back into schools, and budgeted 22.7% and 31.9% of additional funds on new instructional positions in FY18 and FY19 respectively.

New funds directed towards expenditures on staff through raises, new positions, and professional development totaled more than 85% in both years.

Fixed cost increases (including utilities, transportation and insurance) are a necessary annual budget constraint the Board has to take into consideration. Fixed cost increases required 8.4% and 9.9% of new funds in FY18 and FY19 respectively.

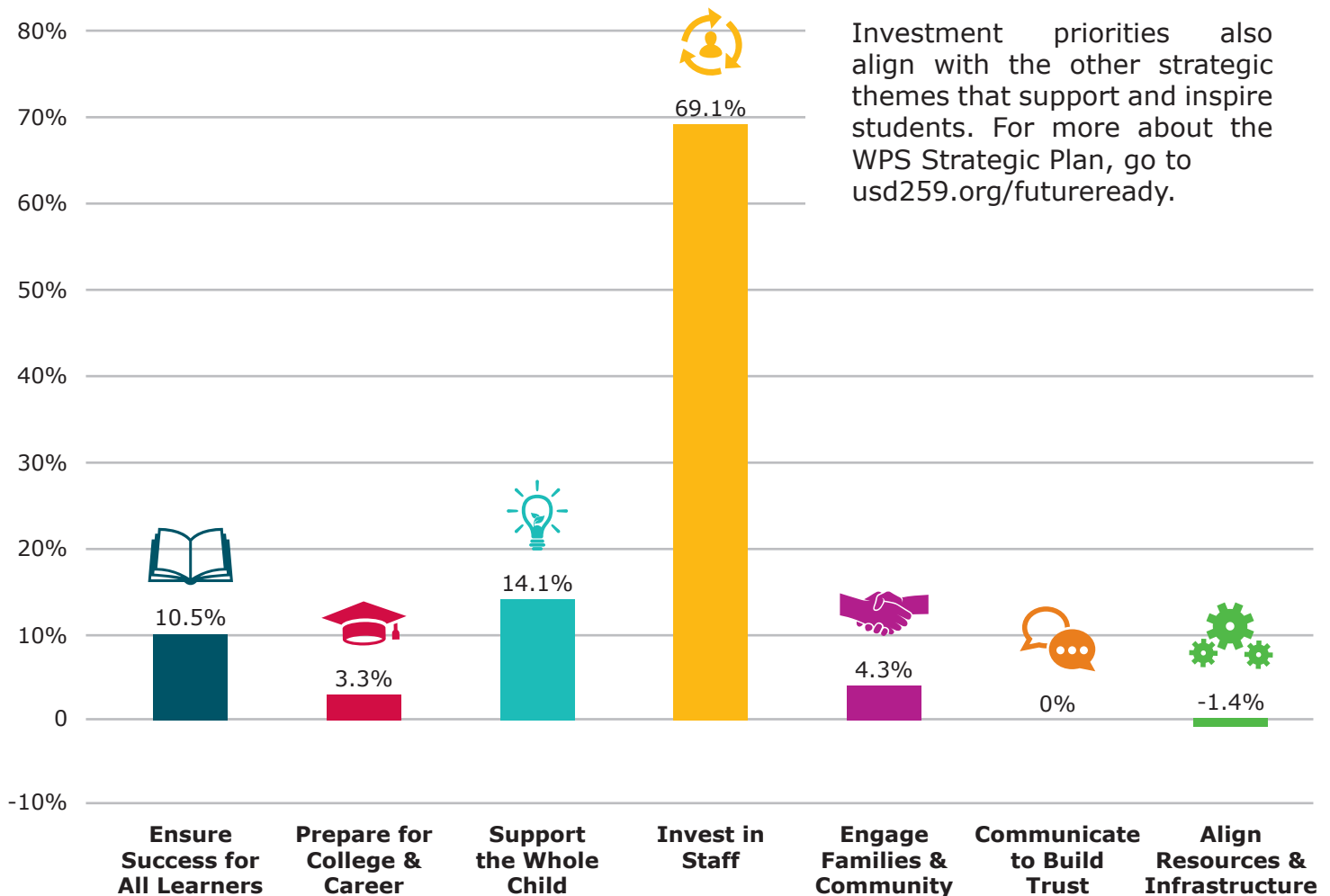


INVESTMENTS IN STRATEGIC PLAN

BOARD PRIORITIES

The WPS Strategic Plan “Every Student Future Ready” is shaped around seven strategic themes. The annual objectives and action items in each theme are established to challenge the district community to stretch farther and think differently about the work we must do in order to empower our students to dream, believe and achieve.

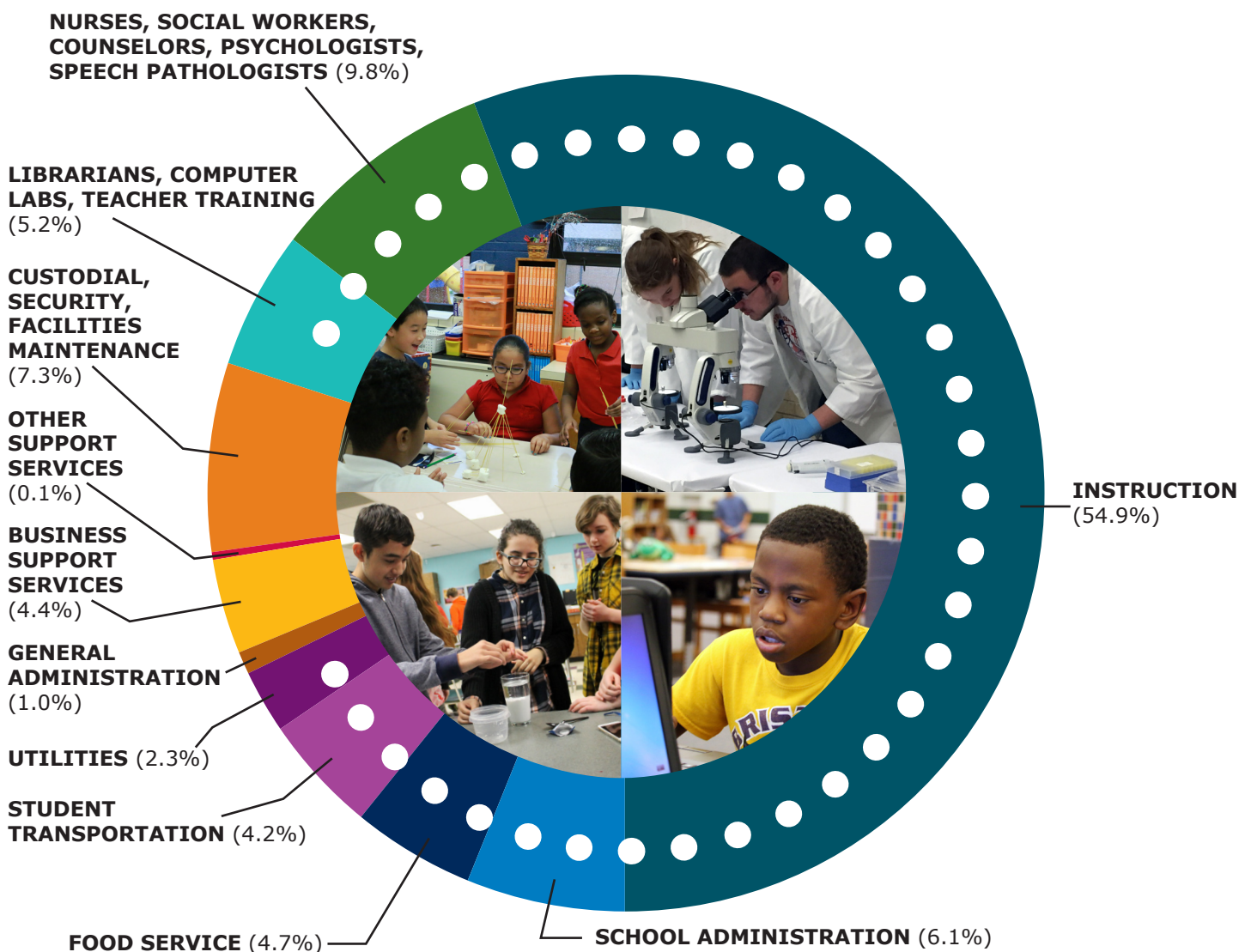
The largest investment of new money falls under the “Invest in Staff” theme. Purpose-driven employees are essential to the success of all Wichita students. Investing in our staff helps us to empower our area’s most effective leaders, teachers and staff to support students through a positive district culture, meaningful professional development and competitive recruitment and retention strategies.



RESOURCES INVESTED IN CLASSROOMS AND SCHOOLS

87.2 PERCENT OF OUR OPERATING BUDGET DIRECTLY SUPPORTS STUDENTS*

The dotted line represents the 87.2 percent mentioned above.



**This figure excludes fixed asset and bond debt expenditures.*

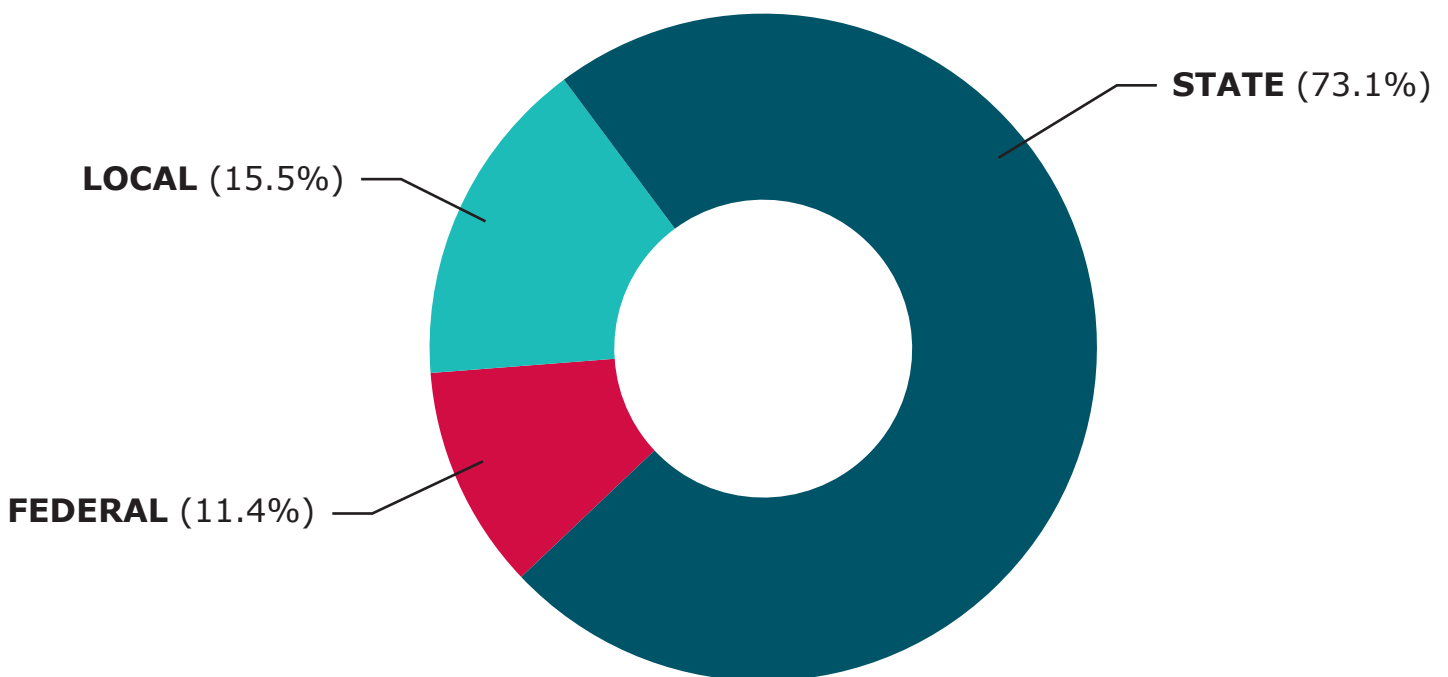
WHERE WE GET OUR MONEY

REVENUE SOURCES

FEDERAL REVENUE is largely made up of federal child nutrition (breakfast and lunch) programs, special education and various federal programs. Federal sources are exempt from the Kansas budget law because their fiscal year and spending guidelines differ from the state's budgeting guidelines. Kansas school budgeting requirements call for these funds to be reported.

LOCAL REVENUE sources include local property taxes, investment income, local grants and contributions. Numerous businesses and foundations provide financial support for district efforts.

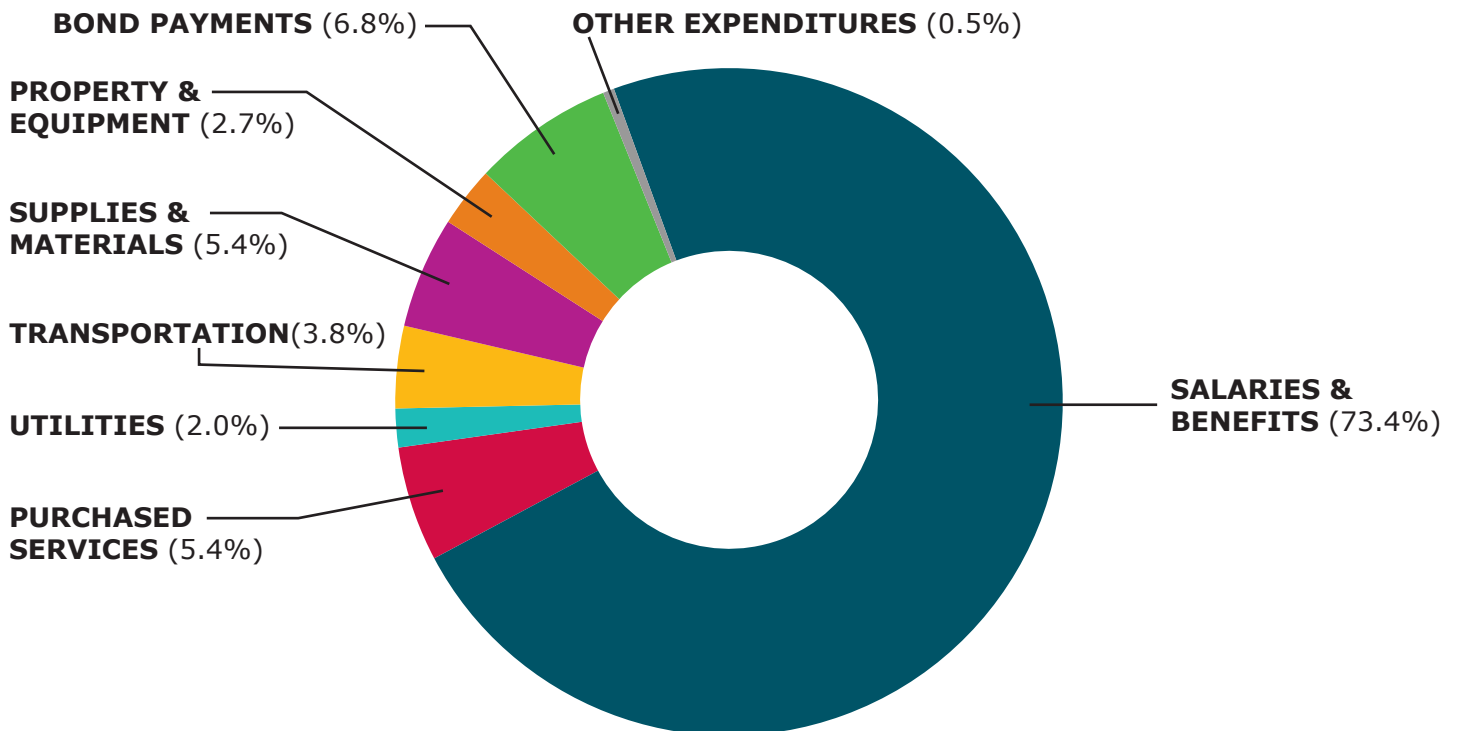
STATE REVENUE is generated primarily by sales and income taxes. These revenues are distributed to school districts based on formulas approved by the Kansas Legislature. General fund revenue is calculated based on a per-pupil funding amount (\$4165), with additional weighting for vocational, bilingual, at-risk and low-income students, and those transported over 2.5 miles. State funding for the KPERS retirement plan is also included under state revenue sources.



EXPENDITURES BY CATEGORY

\$739 MILLION TOTAL BUDGETED FUNDS

By far, the most significant investment in the Wichita Public Schools' annual budget is on salaries and benefits for district staff, which accounts for more than 73 percent of all expenses. Some staff, such as special education teachers and para-educators, are paid with restricted funds, while regular education classroom teachers are paid out of the unrestricted General fund.



SALARIES & BENEFITS Health/life/disability insurance, workers' compensation and retirement

PURCHASED SERVICES Contracted services with vendors and providers outside of the district (ex. School resource officers)

UTILITIES Heating fuel, electricity, water, sewer and phone

TRANSPORTATION School bus transportation for district students, including fuel

SUPPLIES AND MATERIALS Items which deteriorate through use

PROPERTY AND EQUIPMENT Acquiring or improving land, buildings and equipment; includes Capital Outlay Fund expenditures

BOND PAYMENTS Principal and interest on the voter-supported 2000 and 2008 bond issues

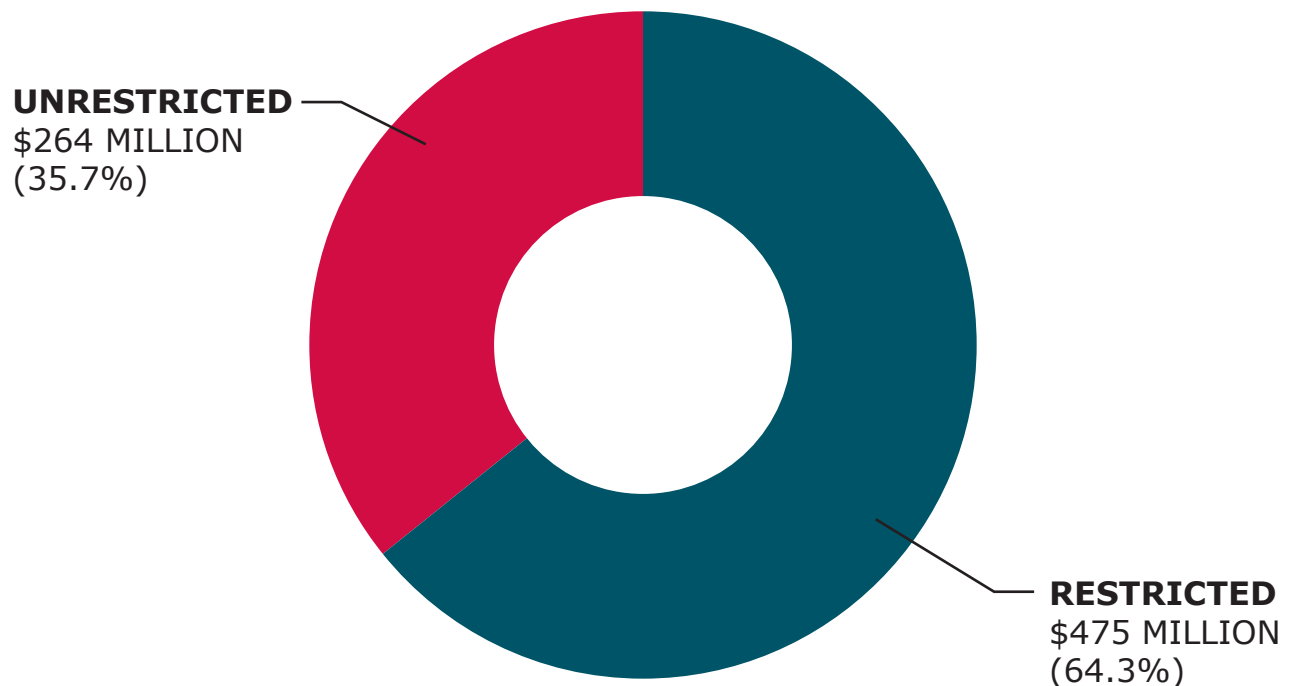
OTHER Dues, fees, licenses and permits and sales of properties

MAJORITY OF EXPENDITURES REMAIN RESTRICTED

RESTRICTED VS. UNRESTRICTED BUDGETED EXPENDITURES (TOTAL: \$739 MILLION)

UNRESTRICTED Just over 35 percent of the overall budget is unrestricted, meaning the funds can be used to support any costs associated with regular K-12 education. The primary sources of unrestricted funds are the General fund, the Supplemental General fund (Local Option Budget) and Contingency Reserves.

RESTRICTED The majority of the district's budget is restricted, meaning that funds can only be spent on the program identified in the respective statute or grant. Examples include special education, bond and interest, nutrition services, state intervention and capital outlay.



HOW WE SPEND OUR MONEY

DETAIL FUNCTIONS	18-19 BUDGET	%	RESTRICTED	UNRESTRICTED
4-Year-Old-Program Fund	\$6,035,551	0.8%	\$4,675,213	\$1,360,339
Elementary Instruction	124,745,896	16.9%	54,393,185	70,352,711
Middle School Instruction	65,258,946	8.8%	21,113,711	44,145,235
High School Instruction	67,285,510	9.1%	20,132,155	47,153,355
Assessment & Research	791,898	0.1%		791,898
Bilingual Education Fund	15,305,168	2.1%	9,701,535	5,603,634
Bond & Interest Fund	50,399,613	6.8%	50,399,613	
Business & Operational Services	5,230,089	0.7%		5,230,089
Capital Outlay Fund	45,704,578	6.2%	45,704,578	
District Leadership	2,548,491	0.3%		2,548,491
Employee Benefits & Insurance Management	9,770,781	1.3%	7,483,859	2,286,922
KPERS State Retirement Fund	55,229,570	7.5%	55,229,570	
Energy Management & Utilities	13,096,685	1.8%		13,096,685
Virtual Education	2,415,799	0.3%	2,415,799	
Facilities Services	28,738,710	3.9%		28,738,710
Federal Grant Fund	33,569,612	4.5%	33,569,612	
Human Resources	1,593,974	0.2%		1,593,974
Information Services & Technology	7,453,808	1.0%		7,453,808
Latchkey Fund	4,538,859	0.6%	4,538,859	
Curriculum and Assessment Design Services	3,060,440	0.4%		3,060,440
Legal Services	721,676	0.1%		721,676
Strategic Communications	1,180,127	0.2%		1,180,127
Nutrition Services Fund	29,352,359	4.0%	29,352,359	
Other District-wide Intervention	1,021,868	0.1%	1,021,868	
Parents as Teachers Fund	376,436	0.1%	186,034	190,402
Professional Development Fund	2,127,226	0.3%		2,127,226
Safety & Security Services	2,233,512	0.3%		2,233,512
Special Assessment Fund	527,402	0.1%	527,402	
Special Education Fund	122,249,462	16.5%	122,249,462	
Special Liability Expense Fund	580,000	0.1%	580,000	
State & Local Gift & Grant Fund	8,138,697	1.1%		8,138,697
Student Support Services	1,932,044	0.3%		1,932,044
Summer School Fund	222,772	0.0%	222,772	
Transportation	15,548,405	2.1%	8,277,521	7,270,884
Career and Postsecondary Education	10,635,756	1.4%	3,644,375	6,991,381
Total	\$739,621,720	100.0%	\$475,419,481	\$264,202,239



The Wichita Public Schools does not discriminate on the basis of race, color, ancestry, national origin, religion, sex, disability, age, veteran status or any other legally protected classification. Persons having inquiries may contact the School District's Title IX Director/ADA/Section 504 Coordinator. For adults at 316-973-4420, or Section 504 Coordinator for students at 316-973-4702, 903 S. Edgemoor, Wichita, KS 67218.

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