



2019-2020 Budget At-A-Glance

WICHITA PUBLIC SCHOOLS
USD259.ORG



WICHITA
PUBLIC SCHOOLS®

A letter from the CFO



Susan Willis
Chief Financial Officer

WPS Patrons,

Wichita Public Schools is pleased to present the fiscal year 2019-20 *Budget At-A-Glance*. In partnership with Strategic Communications and the Assessments and Research staff, the Financial Services Division prepared this summary document upon submission of the 2019-20 budget to the Kansas State Department of Education (KSDE).

We are #WPSProud of the district's strategic budgeting and fiscal responsibility presented herein. As we progress through this year, we are thankful for the work of the Kansas Legislature in restoring funding to public education. While some additional funding challenges lie ahead for Wichita Public Schools, the district is committed to empowering every student to be future ready and to dream, believe and achieve!

This fiscal year also brings about excitement as the district completed the first year of its strategic plan (usd259.org/futureready). This document will give insight on how the district has directed funding towards its strategic plan goals and overarching themes.

We have a tremendous obligation to educate more than 49,000 students, and our community depends on us to leverage our fiscal resources and make strategic financial decisions in order to help all students be successful. We look forward to another year of hard work as we continue to embrace this challenge and responsibility each and every day.

Regards,

Chief Financial Officer

BOARD OF EDUCATION

Photo (front row): Vice-President Julie Hedrick, Mike Rodee, President Sheril Logan; (back row): Ben Blankley, Stan Reeser, Superintendent Alicia Thompson, Ernestine Krehbiel, and Ron Rosales.

Sheril Logan

At Large:
President

Ben Blankley

District 1

Julie Hedrick

District 2:
Vice-President

Ernestine Krehbiel

District 3

Stan Reeser

District 4

Mike Rodee

District 5:

Ron Rosales

District 6



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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 2019-20 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 call Addi Lowell, Director of Budgeting, at 973-4575 or visit usd259.org/finance.

The Wichita Public Schools is committed to ensuring an environment that is free of discrimination and to fostering a climate in which all employees and students may participate, contribute and grow to their fullest potential.

Harassment and disparate treatment will not be permitted or condoned in Wichita Public Schools.

The Wichita Public Schools does not discriminate on the basis of race, color, national origin, religion, sex, gender identity, sexual orientation, disability, age, veteran status or other legally protected classifications in its programs and activities.

All Wichita Public Schools employees have the responsibility to support this statement.

The following persons have been designated to handle inquiries regarding the non-discrimination statement:

Section 504 Coordinator for Adults and Title IX Coordinator for Adults and Students
903 South Edgemoor
Wichita, KS 67218
(316) 973-4420

Section 504 Coordinator for Students
903 South Edgemoor
Wichita, KS 67218
(316) 973-4475

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01 Accomplishments & challenges

ACCOMPLISHMENTS

- Wichita Public Schools (WPS) completed year one of the strategic plan and implemented district-wide initiatives for each building and department to align with the district's vision, mission and long-term goals. The district will continue to integrate its strategic plan initiatives with its day-to-day operations in attendance centers and administrative buildings to empower all students and staff to dream, believe and achieve.
- Kansas's governor has championed expanding pre-kindergarten services across the state; weighted funding for at-risk pre-kindergarten students supported by additional state aid helped WPS expand its pre-kindergarten services across the district in FY19. New grants offered for FY20 will allow WPS to pilot all day pre-kindergarten opportunities at two elementary schools.
- WPS announced the establishment of the Early College Academy, in partnership with Friends University, based at Northwest High School to commence in the 2019-20 school year. Fifty incoming freshmen were accepted into the program's first class of students, and are expected to have the opportunity to gain enough college credits for the equivalent of an associate's degree by the time they graduate, potentially starting post-secondary education as college juniors.
- With a grant awarded by KSDE, WPS was able to spend more than \$900,000 upgrading its entryways, replacing classroom doors and installing secure locks – supporting the district's focus on supporting the whole child and ensuring schools are trusted as safe places. The district will continue this work in the 2019-20 school year by upgrading security and recording equipment, continuing to install locks in classrooms and improving entryways for latchkey programs.
- Making opportunities for graduation a priority, the district was able to establish a virtual learning center in all of its comprehensive high schools, offering credit recovery and enrichment courses. The district also made a commitment to other alternative methods of learning by implementing a new virtual curriculum and re-opening the Towne East Learning Center. Expansions on summer school opportunities, attributed to improvements in at-risk funding, will give students the opportunity to stay on grade level, or work towards graduation through the summer.

- The Kansas Legislature expanded a mental health program previously piloted by WPS in FY19. Students in pilot schools have access to behavioral health improvement teams made up of a clinician and case manager from Community Mental Health Centers and a school behavioral liaison employed by the district. This program should expand mental health services for our students, targeting high-needs students for critical services.

CHALLENGES

- While community support of capital projects through two bond issues has upgraded much of the district's infrastructure, the average age of school buildings is 57 years old, creating challenges for the structure of 21st century learning environments and technology.
- Even with a new finance formula providing more funding, the needs related to being a large, urban school district remain high. The average of free and reduced lunch applications are over 70 percent, identified at-risk students over 35,000 and a growing number of social-emotional issues impacting student behavior create additional challenges. The road blocks to improve student achievement are significant.
- The ability to fill open positions continues to be a challenge, particularly in math, special education and science. Districts are competing for a shrinking labor pool of certified teachers, trades people, paraeducators, substitutes, bus drivers and custodians. Nationwide, enrollment in teacher-preparation programs dropped 35 percent between 2009 and 2014. If this trend continues, it could significantly influence the district's ability to serve its students.
- In 2019, the Kansas Legislature adjusted the school finance formula by approximately \$90 million to account for inflation. The Kansas Supreme Court, in its seventh Gannon decision, held that the State's adjustment to the formula substantially complied with the court's mandate in Gannon VI to address inflation-related issues. The court retained jurisdiction of the case to ensure continued implementation of scheduled funding. While it would seem this decision would end the litigation cycle, threats to school funding still exist. Future legislative action to revise the formula, recessionary pressures that put the overall state budget at risk and a possible constitutional amendment to strip or water down Article VI could threaten the current stability in the district's long-term financial outlook.

KEY ISSUES INFLUENCING BUDGET DEVELOPMENT IN 2019-20

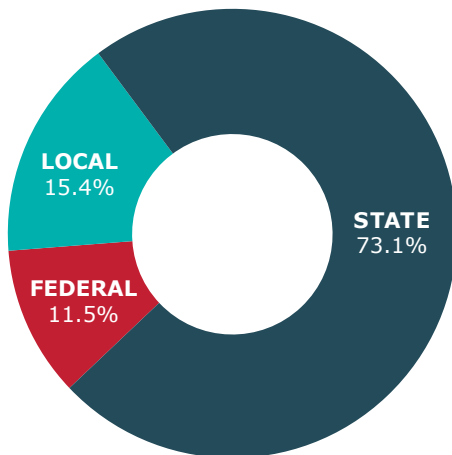
- On June 25, 2018, the Kansas Supreme Court ruled in Gannon VI that a five year phase-in plan passed during the 2018 legislative session adding approximately \$522 million to the funding formula to be inadequate. The court allowed the revised funding formula to take effect July 1, 2018, but required that the legislature address inflation in the funding formula in the 2019 legislative session. The court retained jurisdiction and established April 15, 2019 as the due date for the legislature to address the constitutional inadequacy to bring K-12 public education financing into compliance.
- On April 6, 2019 SB 16 was approved by Governor Kelly and put into law, which made amendments to the Kansas School Equity and Enhancement Act, adding a one year inflation increase of \$90 million to the school finance formula instead of the \$360 million inflation increase supported by the plaintiffs. BASE Aid for FY20 was set at \$4,436, the first time the BASE Aid amount has reached 2008-09 funding levels.
- On June 14, 2019, in its seventh Gannon decision, the court ruled that the Kansas Legislature had substantially complied with the mandate to address inflation. The additional \$90 million added was designed to cover the impact of inflation during the five-year phase-in period.
- Schools for Fair Funding urged that the court maintain jurisdiction in the case, pointing to HB 2395, a plan developed in 2019 that attempted to retract previously approved school funding increases. The plaintiff group also pointed out the reason the Gannon lawsuit was filed was because decisions upheld by the court from the Montoy school finance lawsuit went unfunded. The court agreed and will retain jurisdiction to ensure continued future compliance of the funding plan.



- SB 16 added requirements for school districts to use at-risk funds in approved evidence-based programs identified by the Kansas State Board of Education. All state-based or national nonprofit organizations providing services to schools in Kansas must be on the approved evidence-based programs list for the expense to be allowable under at-risk guidelines. All instruction-based education delivery systems employed by school districts using at-risk funds must be based on peer-reviewed research that has consistently produced improved student outcomes over a five-year period. SB 16 also requires building and district level accountability reports to be produced on an annual basis to support the requirements in the Every Student Succeeds Act.
- The newly enacted bill would also amend the schedule of school finance audits to be completed by the Legislative Division of Post Audit (LPA). FY20 commences a five-year schedule of audits, starting with At-Risk education funding. Unencumbered cash balances audits were also added in SB 16.
- Currently, K.S.A 72-5151 establishes that the provisions of the High Density At-Risk weighting provided to schools as state aid is scheduled to end effective July 1, 2020. The weighting provides an extra count of .105 per student in state aid for school districts with greater than 50 percent at-risk eligible students. It accounts for approximately \$15 million in at-risk funding for WPS annually.

03

Where we get our money



LOCAL REVENUE sources include local property taxes, investment income, local grants and contributions. Numerous businesses and foundations provide financial support for district efforts. The district leans on community partnerships and is appreciative of local support in educating our community's youth.

FEDERAL REVENUE is largely made up of federal child nutrition (breakfast and lunch) programs, special education and various federal programs set forth for highly restricted purposes and requirements. 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.

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. Twenty mills of property taxes levied locally are provided to the state for equitable distribution to schools as state revenue. General Fund revenue is calculated based on a per-pupil funding amount (\$4,436), with additional weighting for vocational, bilingual, at-risk and low-income students, and those transported more than 2.5 miles. State funding for the KPERS retirement plan is also included under state revenue sources.

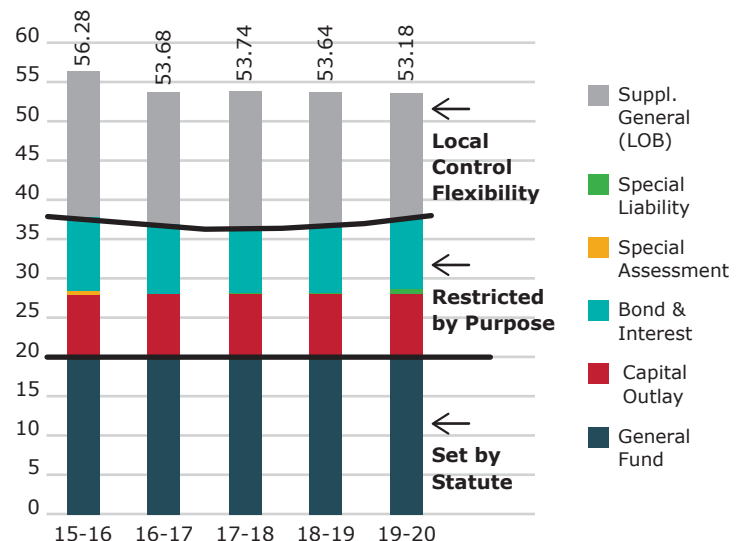


HOW WE RAISE FUNDS LOCALLY

Wichita Public Schools' Board of Education maintains a financial commitment of responsibility to local taxpayers by keeping a conservative approach for evaluating and assessing the mill levy each year.

The Board, even through legislative changes and budget pressures, has been able to keep the mill levy comparatively flat. This year, the Board approved a mill levy of 53.18 and passed along some savings to local taxpayers. This mill levy will produce approximately \$44.9 million to support the Supplemental General Fund.

WPS Mill Levy History

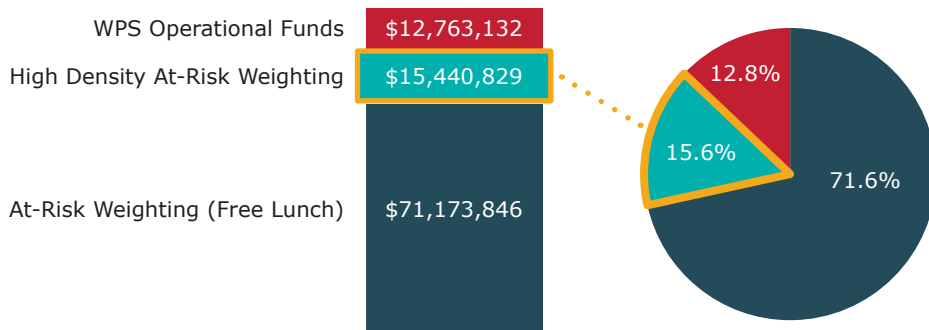


Revenue at risk | 04

SB 19 enacted the Kansas School Equity and Enhancement Act. The Act assigned a weighting for enrollments for multiple categories of students including At-Risk (defined by free lunch status), and High-Density At-Risk. The High-Density At-Risk weighting is scheduled to sunset, effective July 1, 2020 in K.S.A 72-5151.

AT-RISK FUNDING FOR THE 2019-20 SCHOOL YEAR

(\$99.3M expenditures supporting at-risk students)



38,195
students

- Number of WPS students with free & reduced lunch designations
- 76% of students
- Using this criteria would generate an additional \$13.1M in state aid

37,086
students

- Number of WPS students supported with at-risk funds based on at-risk criteria
- 74% of students
- Using this criteria would generate an additional \$10.3M in state aid

33,150
students

- Number of WPS students for which the district receives state aid
- 66% of students
- Current method identified in K.S.A 72-5151

INITIATIVES WE SUPPORT WITH AT-RISK FUNDS

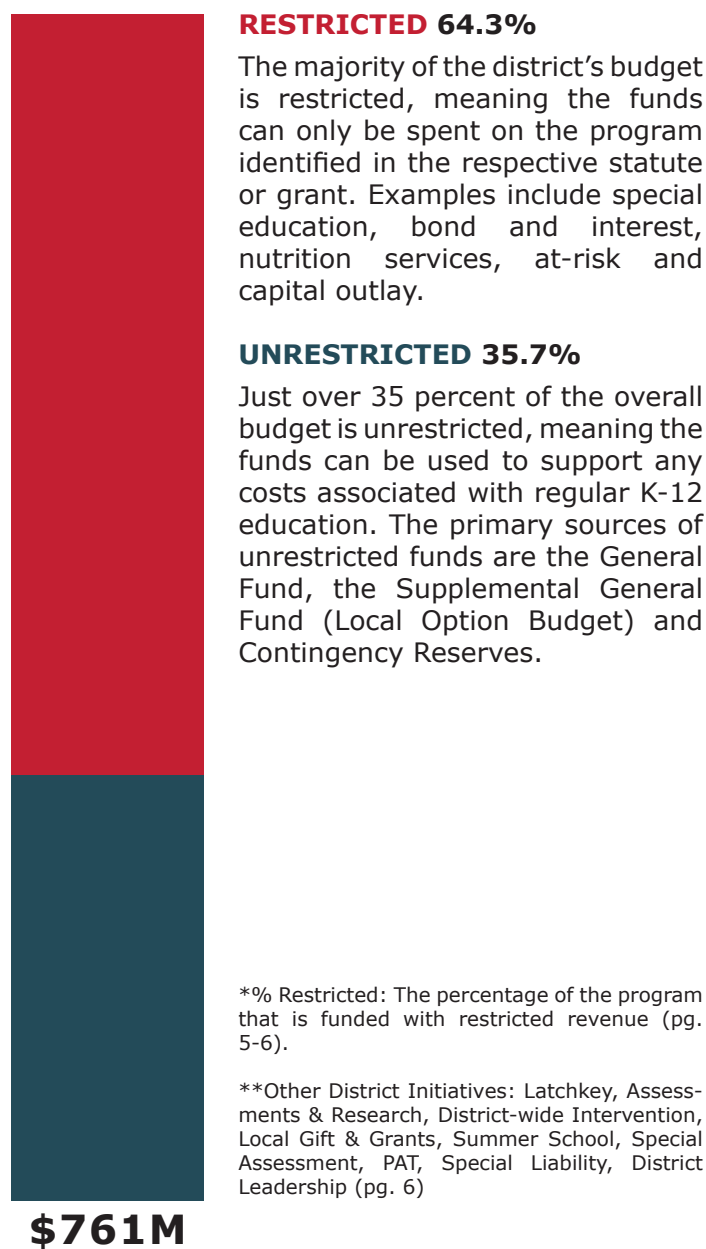
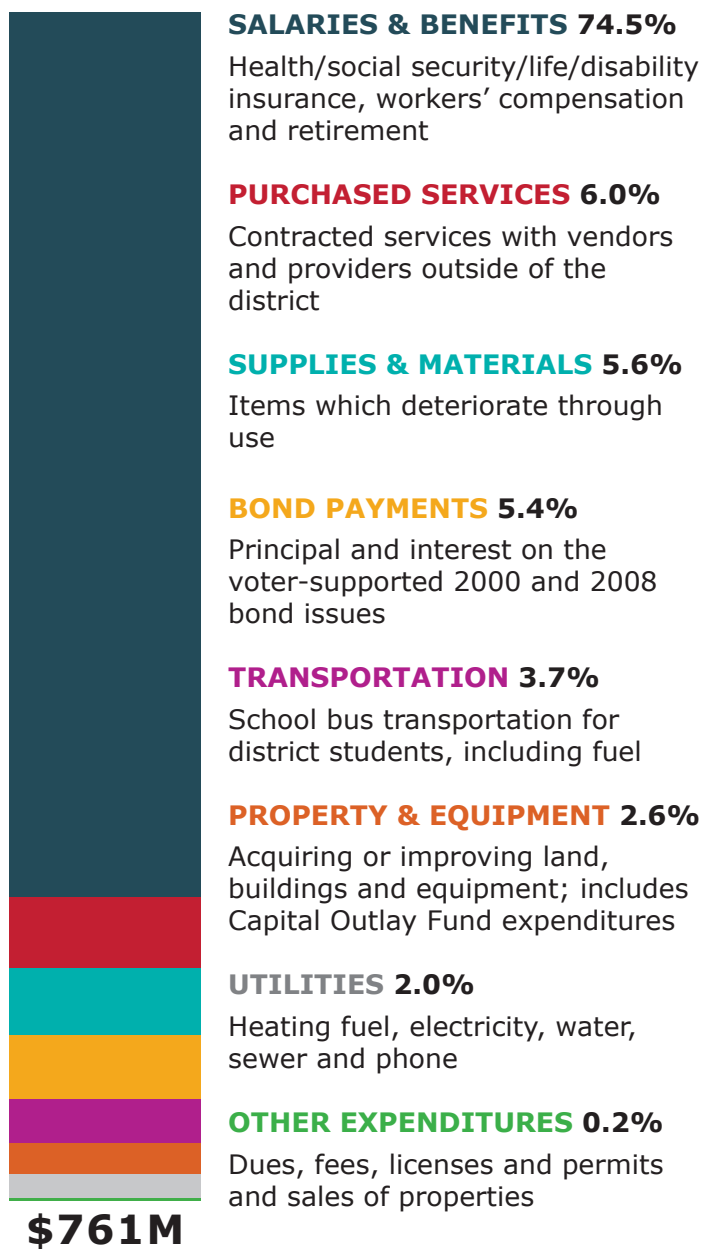
- Class size reduction
- Small group instruction
- Individualized learning plans
- Interventions
- Learning centers
- Social Workers
- Psychologists
- Behavior intervention teachers
- Alternative instructional institutions
- Alternative curriculum
- Tutoring
- Afterschool programming
- Summer school
- Extended school
- Credit recovery
- Community-based learning
- Homework Hotline
- Drop-out prevention
- Transition to Work programs
- Better Academics and Social Excellence program

75.3%
GRADUATION RATE IN 2019

UP 1.3% FROM 2018

05 Where we spend our money

The most important investment the district can make on an annual basis is in the staff in our schools who educate this community's students; naturally, the district's most significant expenditure is just that – the salaries and benefits of the dedicated staff employed by the district. We have included descriptions for the most common items that make up our spending:



*% Restricted: The percentage of the program that is funded with restricted revenue (pg. 5-6).

**Other District Initiatives: Latchkey, Assessments & Research, District-wide Intervention, Local Gift & Grants, Summer School, Special Assessment, PAT, Special Liability, District Leadership (pg. 6)

SPENDING BY PROGRAM

	Elementary Instruction	High School Instruction	Middle School Instruction	Special Education	Bilingual Education	Career & Technical Education	Virtual Education	Student Support Services	4-Year-Old-Program	Federal Grant	Curriculum & Assessment	Professional Development
Budget	\$124.4M	\$68.2M	\$68.1M	\$131.6M	\$16.6M	\$11.2M	\$2.2M	\$2M	\$6.2M	\$34.8M	\$3.2M	\$2.7M
% of Total	16.3%	9.0%	9.0%	17.3%	2.2%	1.5%	0.3%	0.3%	0.8%	4.6%	0.4%	0.4%
% Restricted*	42.1%	30.5%	32.5%	100%	58.2%	33.7%	100%	0%	76.3%	100%	0%	0%

Where we spend new funds | 06

Investing in staff through recruitment and retention has been a main focus of the district in recent years. The Board has demonstrated a commitment to this priority by dedicating new funds to this strategic plan goal.

In FY18, WPS budgeted more than 50 percent 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 percent of additional funds were budgeted for salary increases to continue supporting this initiative.

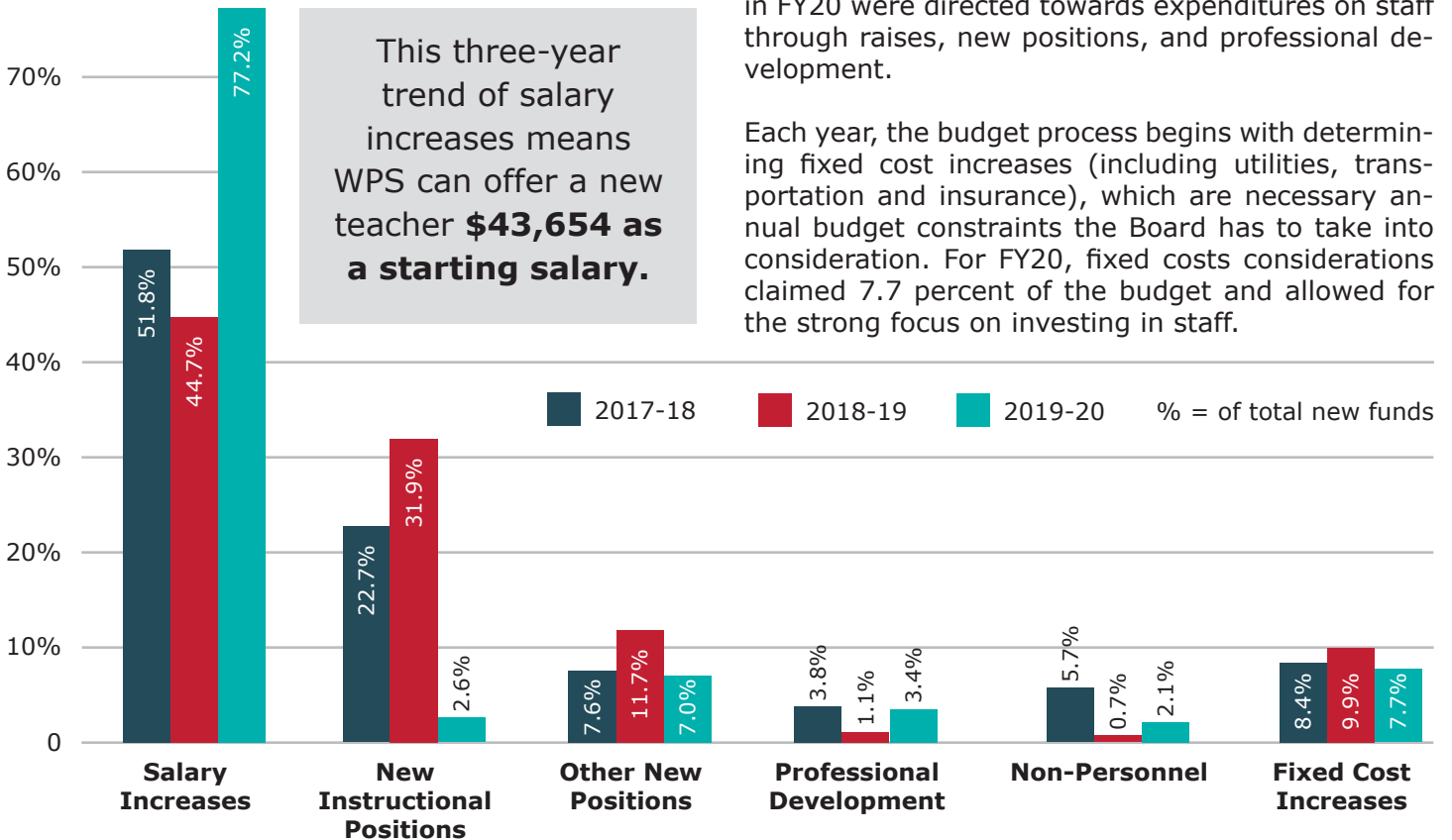
For FY20, the district received less new funds, and had to dedicate a larger percentage to salary increases. Over 77 percent of new funds in FY20 were directed towards salary increases for WPS staff.

On average, a teacher working for WPS earns a total compensation package, including fringe benefits, valued around \$67,000. This is the number one total compensation package in the Wichita metro area.

Adding new positions to support growing programs and school-based initiatives to improve student achievement has been another trend for spending priorities in the district. Giving this priority the attention it deserves, the Board budgeted 22.7 percent and 31.9 percent of additional funds on new instructional positions in FY18 and FY19 respectively.

For FY20, a need for centralized support and leadership, as well as additional staff needed for compliance and data analytics meant spending less on instructional positions. More than 90 percent of funds in FY20 were directed towards expenditures on staff through raises, new positions, and professional development.

Each year, the budget process begins with determining fixed cost increases (including utilities, transportation and insurance), which are necessary annual budget constraints the Board has to take into consideration. For FY20, fixed costs considerations claimed 7.7 percent of the budget and allowed for the strong focus on investing in staff.



SPENDING BY PROGRAM

	Benefits & Insurance	Business Services	Transportation	Energy Management	Safety Services	Information Services	Nutrition Services	Facilities Services	KPERS State Retirement	Capital Outlay	Bond & Interest	Other District Initiatives**
Budget	\$7.4M	\$7.3M	\$15.6M	\$13.4M	\$4.2M	\$6.2M	\$34.3M	\$30.3M	\$59.5M	\$49.7M	\$40.9M	\$21.5M
% of Total	1.0%	0.9%	1.9%	1.8%	0.5%	0.8%	4.5%	4.0%	7.8%	6.5%	5.4%	2.8%
% Restricted*	59.7%	0%	56.4%	0%	0%	0%	100%	0%	100%	100%	100%	18.8%

07 Mental health pilot

MENTAL HEALTH INTERVENTION TEAM PROGRAM PILOT 2018-19 RESULTS

The pilot is designed to assist students who are struggling with behavioral, emotional or mental health concerns by providing school-based supports for students and their families to overcome educational barriers.

PARTICIPATING SCHOOLS

Elementary Schools:

Allen, Bryant, Cessna, Dodge, Gardiner, Isely, OK

Middle Schools:

Hamilton, Jardine, Marshall, Mead, Stucky, Truesdell

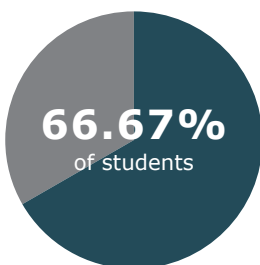
High Schools:

Heights, North, South, Southeast, West

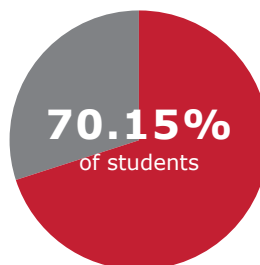
Alternative Schools:

Gateway, Greiffenstein Sowers, Wells

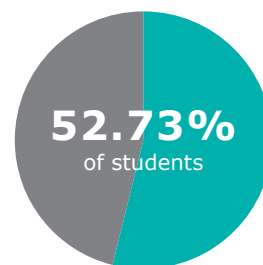
Total funding: **\$4,183,170** [737 students served]
21 school liaisons at 22 district locations



improved attendance



improved behavior



improved academic performance

1,370
students referred

737
students served

WPS School Liaisons
\$1,385,170

Community Mental Health Centers Contract
\$1,029,000

Kansas Department of Health & Environment Medicaid Match
\$1,769,000



WPS MISSION

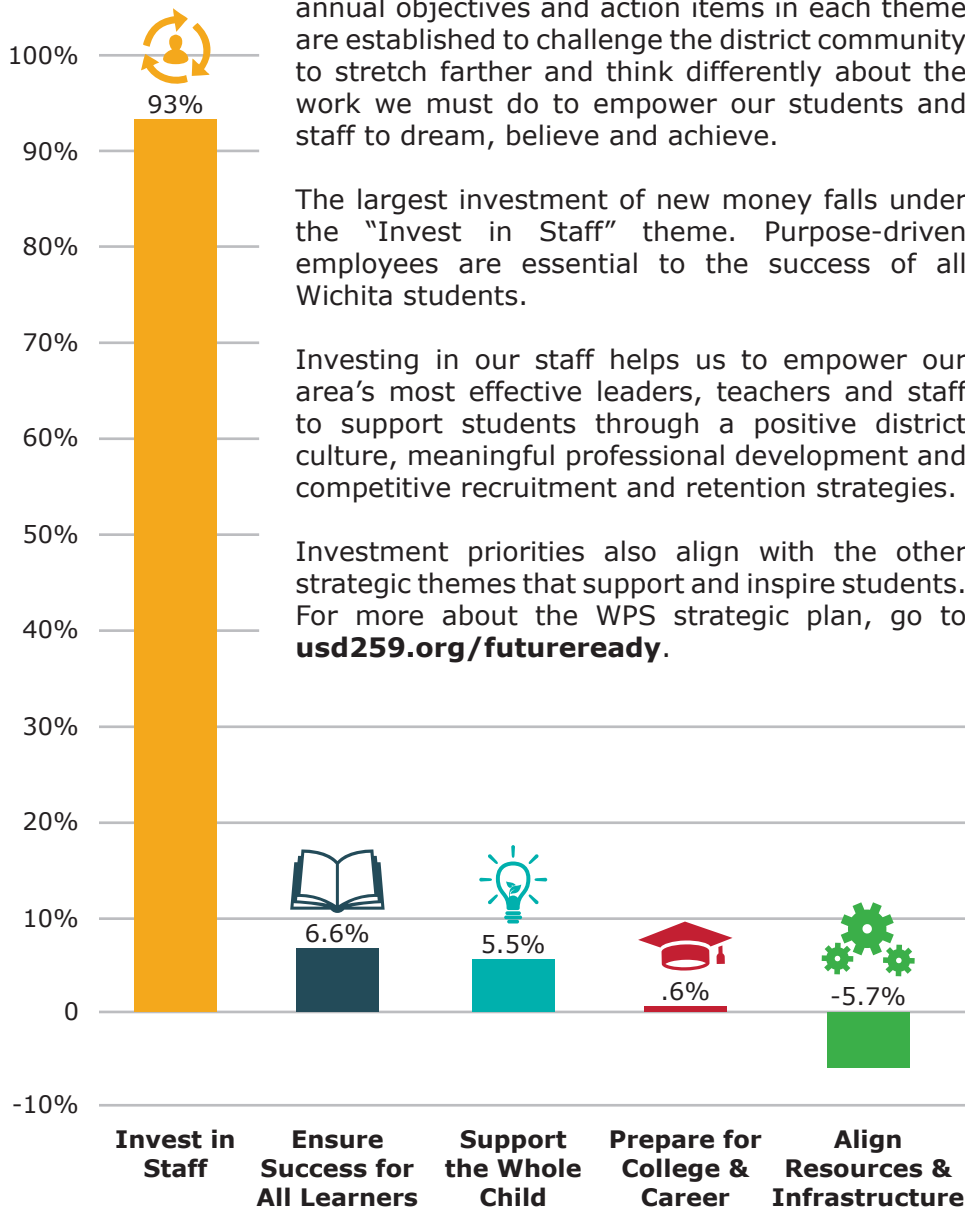
Wichita Public Schools prepares all students to achieve college, career and life readiness through an innovative and rigorous educational experience.

WPS 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.**

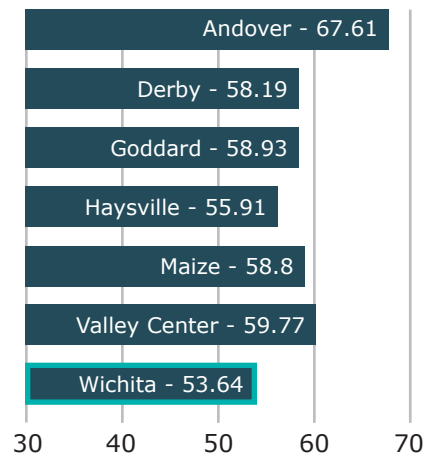


Board priorities | 08



CONSERVATIVE TAXES A FOCUS FOR THE BOARD

2018-19 Mill Rates



The WPS Board of Education has taken a conservative approach to educational property taxes, and for three years in a row has been able to reduce the mill levy, easing the tax burden of local businesses and residents as assessed valuations increase.

The Wichita community can feel proud of the Board's approach to local revenues and their work to maintain a consistent structure for Wichita residents.

Increased pressures, including a reduction in new incoming state aid and increasing fixed costs, may effect the mill levy for the 2020-21 school year.

LONG-TERM GOALS

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.



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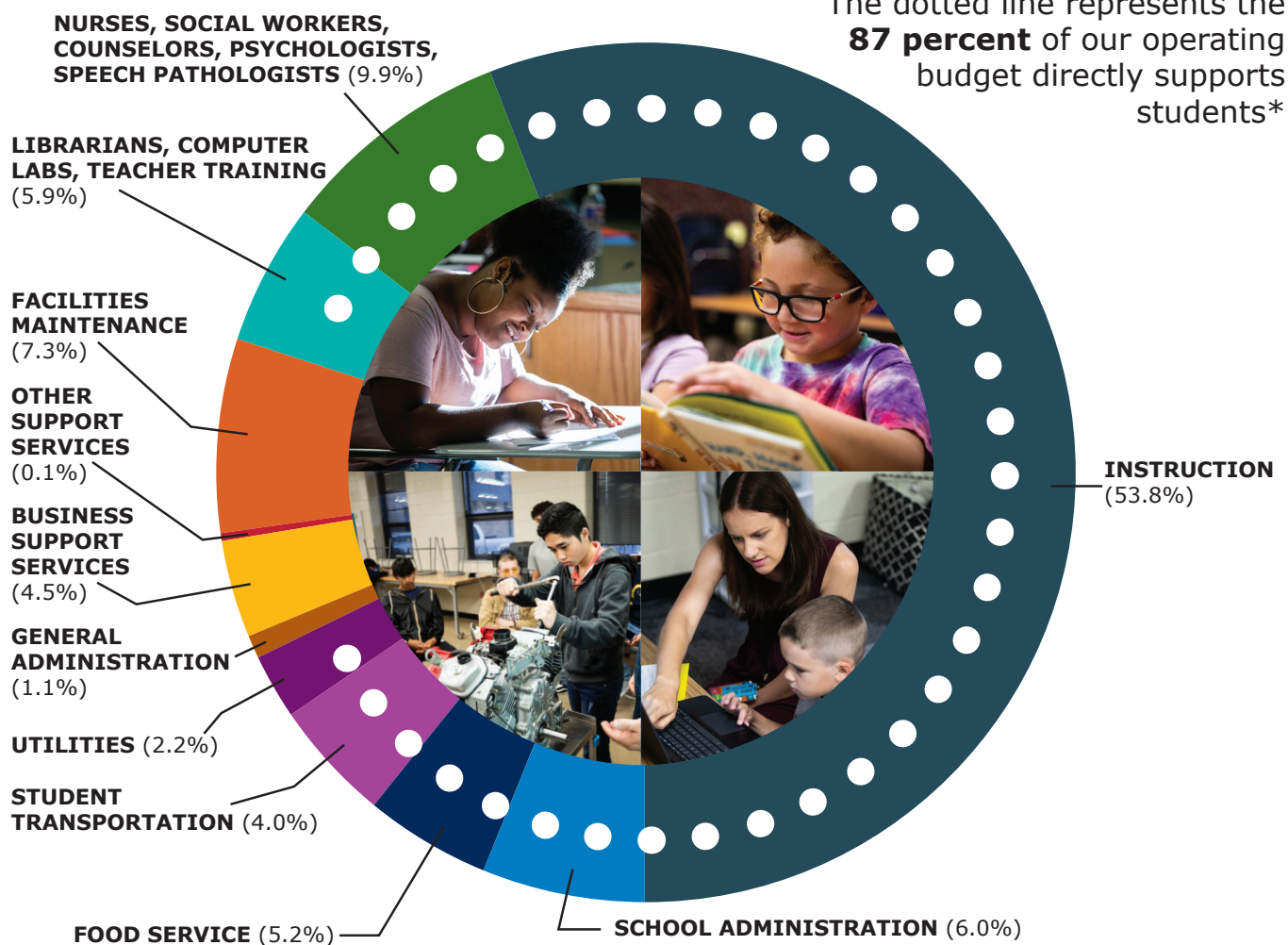
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Resources invested in classrooms & schools



*This figure excludes fixed asset and bond debt expenditures.