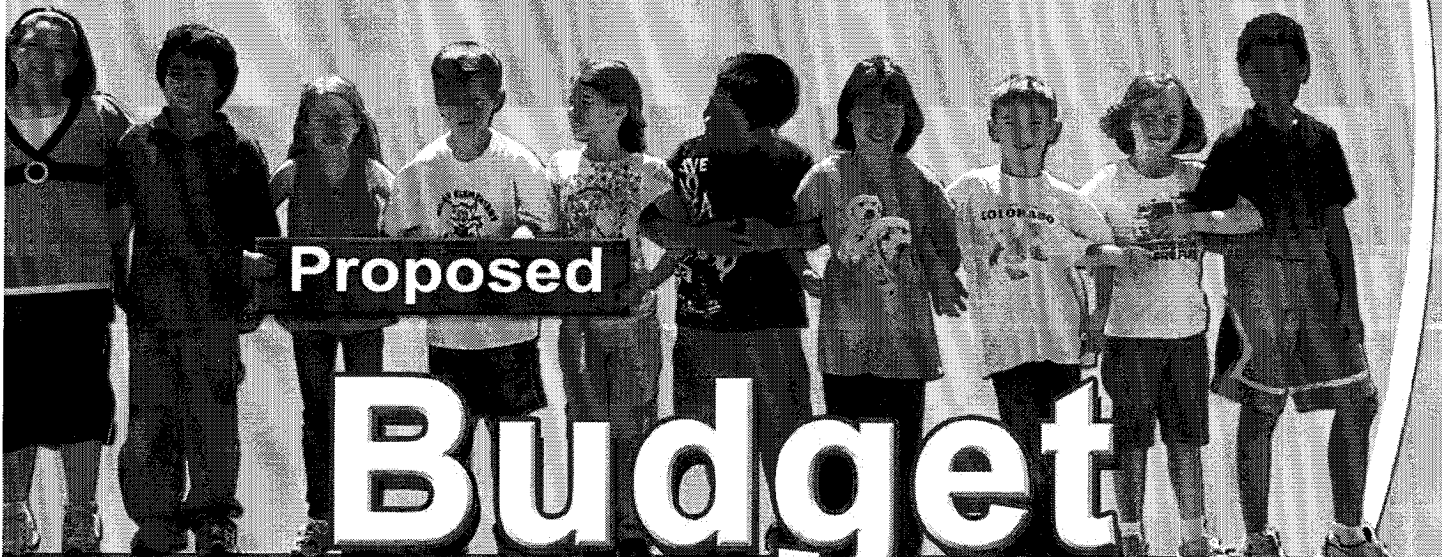


Wichita Public Schools



Budget at a Glance



EXHIBIT

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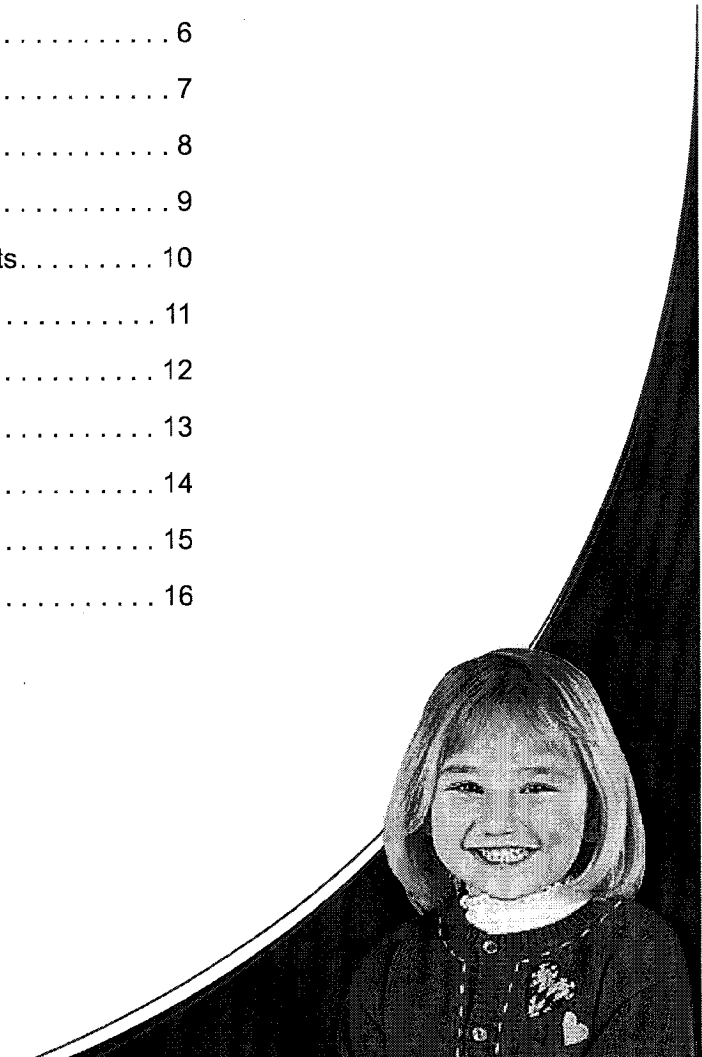
2010 - 2011
www.usd259.org



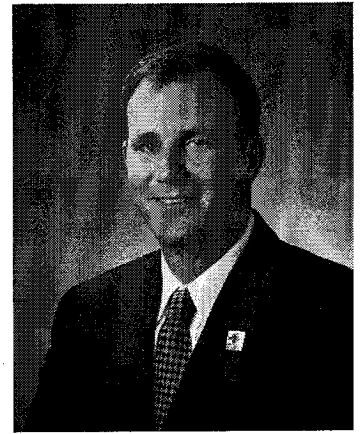
The work of Wichita Public Schools is to empower all students with the 21st Century skills and knowledge necessary for success by providing a coherent, rigorous, safe and nurturing, culturally responsive and inclusive learning community.

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40 schools received 127 Standard of Excellence awards — the state's highest honor on the Kansas State assessments in math, reading and science.



Dear Colleagues and Friends,

Listening, learning, earning your trust—all three have been essential priorities as I spent my first year in this dynamic urban district getting to know our students, staff, schools and community. When I arrived in Wichita one year ago, one of the things I was most impressed with was that our city was a community that values education. As I listened to literally thousands of people over the last year, my first impression of our community's commitment to Wichita kids was reaffirmed.

Our community clearly wants to be informed about and involved in our district. That was evidenced by the tremendous participation we had throughout the spring—at schools and at the district level—as we worked on the very difficult decisions that were necessary to develop the proposed 2010-2011 budget. I applaud the hundreds of individuals who took the opportunity to learn about school finance and the budget of the Wichita Public Schools in order to make informed recommendations.

Open communication has been a significant priority during my first year as superintendent. That is why I supported the continued publication of this "Budget At A Glance" document which puts all of the facts and figures into perspective. We want to help you understand where our finances come from and how we invest our resources to educate more than 50,000 Wichita children. We know from experience that this simple format allows our budget to be transparent and more understandable to our community. This document, as well as our full proposed budget, are available on our district's new Web site—www.usd259.org—and the adopted budget will be posted later this fall.

We look forward to implementation of the Multi-Tier System of Support academic and behavioral framework; groundbreaking on 5 brand new schools to our district as well as several others that will be rebuilt—all as a result of the 2008 bond issue; and most of all, the opportunity to touch the lives of the young people who come to us each day to receive a world-class education.

The new year will continue unprecedented financial challenges prompted by the state's economy. I would challenge you to have an open mind, to continue looking carefully at what we do and how we do it, and to challenge traditional beliefs that too often stand in the way of most effectively serving kids. Our schools educate more than 10 percent of all students in the entire state of Kansas, and these future community leaders depend on us to leverage our strengths and overcome weaknesses in order to help them be successful.

You send us your two most precious resources—your children and your tax dollars—and we have an obligation to take care of them both. I appreciate your support as we work to uphold this commitment each and every day.

Respectfully,

*John R. Allison
Superintendent*



Wichita Board of Education



Members of the Wichita Board of Education are front row, left to right: Barbara Fuller, Connie Dietz, Betty Arnold and Lanora Nolan. In the back row are: Kevass Harding, Jeff Davis and Lynn Rogers.

Betty Arnold
5311 Pembroke
Wichita, KS 67220-2626
District 1
2010-2011 Vice President

Connie Dietz
8310 Greenbriar Lane
Wichita, KS 67226-1810
District 2
2010-2011 President

Barbara Fuller
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Wichita, KS 67207-2882
barbfuller259@cox.net
District 3

Jeff Davis
P.O. Box 13282
Wichita, KS 67213-3282
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District 4

Lanora Nolan
1664 Melrose Lane
Wichita, KS 67212-1569
BOE5@LanoraNolan.com
District 5

Lynn Rogers
912 Spaulding
Wichita, KS 67203-3260
lynnwrogers@sbcglobal.net
District 6

Kevass Harding
5816 E. 48th Cir. N.
Wichita, KS 67220-1600
At-Large



15 student athletes were nominated for the 2009 Wendy's High School Heisman Awards for excelling in academics, athletics and community service.

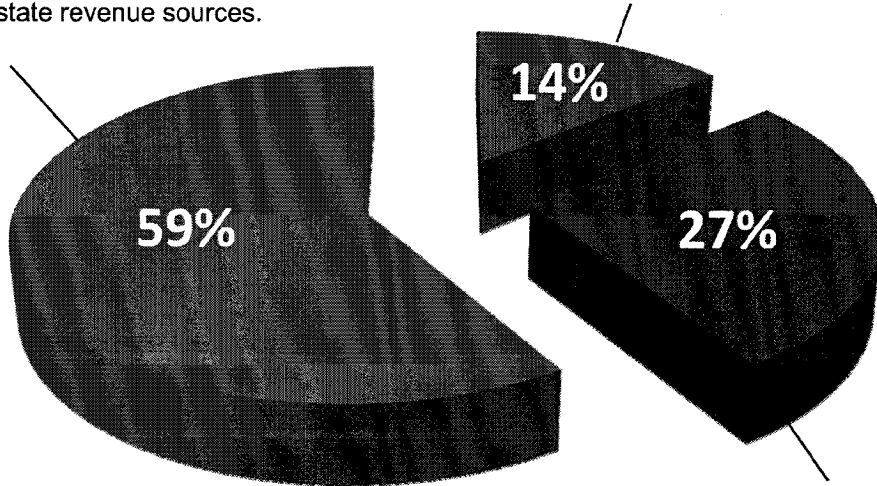
Key Issues Influencing \$632 Million Budget Development

- Starting in 2009, through a combination of legislative and gubernatorial cuts, school funding was reduced significantly from \$4,433 per pupil to \$4,012. The cut of \$421 per student represents a 9.5 percent reduction in base state aid.
- The district proposes no increase to the local property tax levy.
- The 2010-11 budget reflects a \$12.5 million increase in bond payments relative to the \$320 million of bonds issued over the past two years. Federal stimulus funds will cover \$5 million of this increase. Last year's bond issue mill levy increase will fund the balance.
- Additionally, the 2009 economic stimulus funds (American Reinvestment and Recovery Act) are expected to generate another \$16.5 million in 2010-11 to support other targeted programs. This money will be restricted and must be used for low income, at-risk students (\$10 million), special education (\$6.5 million) and \$232,000 to support family literacy and homeless students. The special education stimulus funding substantially replaces a 2009 special education funding cut by the state.
- Fixed costs for 2010-11, such as fuel increases, retirement costs, contractual obligations, liability insurance, and mandated increases in bilingual, special education, and at-risk programs must be funded by cuts elsewhere in the unrestricted budgets.
- While this administrative recommendation makes every effort to keep cuts as far away from the classroom as possible, a General Fund budget reduction as significant as the one that was faced in 2010 makes this a daunting task. This proposed budget includes cuts that will have noticeable impact on district operations, including:
 - 22 percent reduction in central office administrators;
 - Elimination of four remaining middle school resource officers;
 - Reduction of computer purchases required to support the 5-year technology plan;
 - Elimination of the Driver Education program;
 - Change start times at eight elementary/pre-K school buildings to save transportation costs;
 - Elimination of the Metro-Midtown Alternative High School program;
 - 50 percent reduction in employee overtime;
 - Reduction of teacher and administrator meeting, conference and workshop expenses;
 - 55 percent reduction in temporary/relief custodians.
- Labor contracts for 2010-11 reflect no increases.
- Fall 2009 enrollment increased by 896 students. The 2010-11 budget has been built presuming no further increase in the number of students.
- The 2009 Kansas Legislature eliminated \$4.6 million of capital outlay state aid for the Wichita Public Schools. This reduction was not reinstated for 2010-2011 and will result in delays in school improvements.
- The district expects to issue the remaining \$50 million of bonds authorized by the 2008 bond referendum.

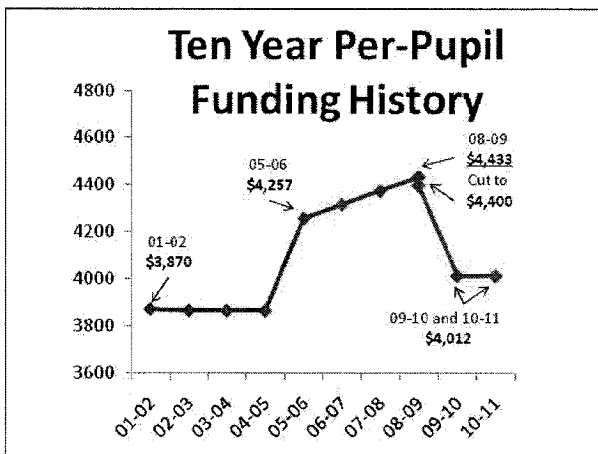
Where We Get Our Money

State revenue is generated primarily by sales taxes 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 (\$4,012 in 2010-11), 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 has also been included under state 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.

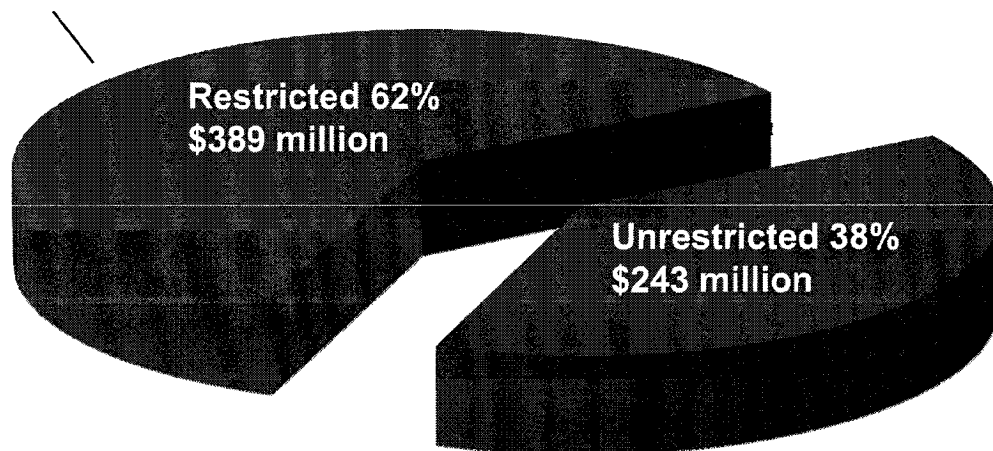


Restricted and Unrestricted Expenditures

\$632 Million Total Budget

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. This 2010-11 Budget at a Glance also includes the KPERS fund and estimated federal, state and local grant funds. It is important to note that these restricted and non-budgeted funds, because they are estimated at the time of publication, may change when the respective grant is awarded.



Unrestricted

Significantly less than half 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 and the Supplemental General Fund (Local Option Budget).



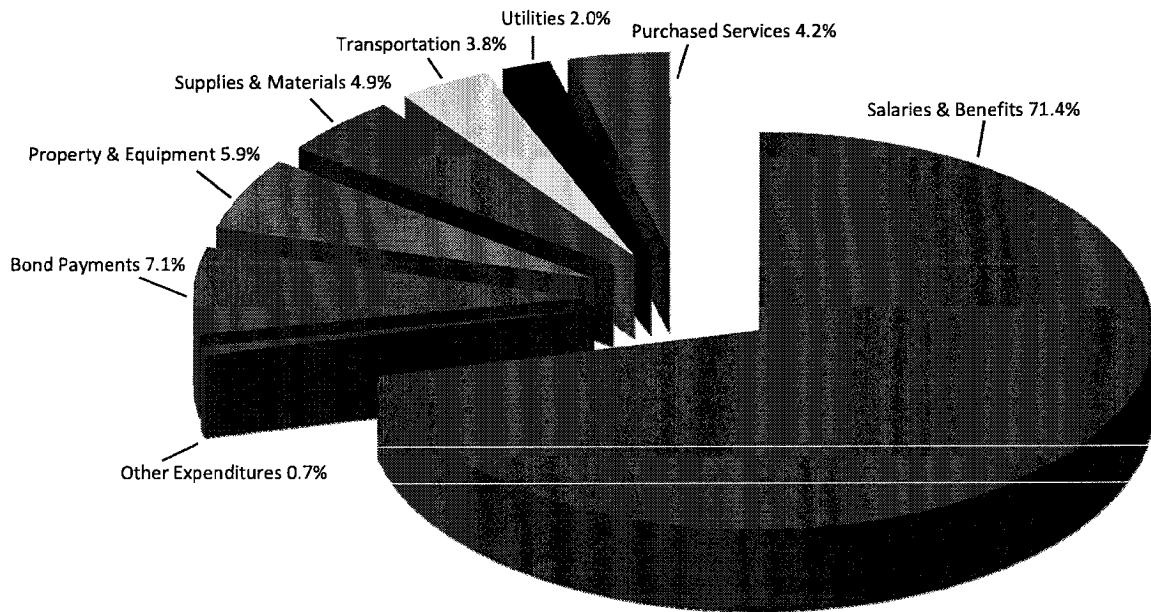
How We Spend Our Money

DETAIL FUNCTIONS	2010-2011 BUDGET	RESTRICTED	UNRESTRICTED
4-Year-Old-Program Fund	\$5,235,627	\$3,835,472	\$1,400,155
Elementary Instruction	82,544,744		82,544,744
Elementary Intervention Programs	37,069,684	37,069,684	
Middle School Instruction	42,710,559		42,710,559
Middle School Intervention Programs	14,068,375	14,068,375	
High School Instruction	49,487,426		49,487,426
High School Intervention Programs	22,479,405	22,479,405	
Adult Education Fund	67,510	67,510	
Bilingual Education Fund	10,922,029	10,922,029	
Bond & Interest Fund	44,531,088	44,531,088	
Business & Operational Services	2,773,573		2,773,573
Capital Outlay Fund	43,600,000	43,600,000	
District Leadership	2,523,250		2,523,250
District Technology Initiatives	1,847,113		1,847,113
Driver Education Fund	172,539	172,539	
KPERS Retirement Funds	25,916,294	25,916,294	
Energy Management & Utilities	11,145,708		11,145,708
eSchool Fund	768,637	768,637	
Facilities Services (Maintenance)	10,859,222		10,859,222
Federal Grant Fund	41,300,000	41,300,000	
Human Resources	2,136,542		2,136,542
Information Services	8,547,159		8,547,159
Innovation and Evaluation (QIS)	649,677		649,677
Latchkey Fund	799,680	799,680	
Learning Services (Curriculum)	5,187,305		5,187,305
Legal Services	535,671		535,671
Marketing & Communications	987,203		987,203
Nutrition Services Fund (Breakfast & Lunch Program)	22,333,470	22,333,470	
Other Employee Benefits	3,886,743	3,886,743	
Parents as Teachers Fund	1,013,662	510,130	503,532
Professional Development Fund	1,396,591		1,396,591
Risk Management and Insurance	1,591,788		1,591,788
Safety & Security Services	1,811,840		1,811,840
Special Assessment Fund	1,145,584	1,145,584	
Special Education Fund	100,476,141	100,476,141	
Special Liability Expense Fund	800,000	800,000	
State & Local Gift & Grant Fund	3,248,297	3,248,297	
Student Support Services	1,189,260		1,189,260
Summer School Fund	291,135	291,135	
Transportation	15,953,187	8,149,174	7,804,013
Vocational Education Fund	7,981,773	3,047,114	4,934,659
Total	\$631,985,491	\$389,418,501	\$242,566,990

District enrollment was 50,042 in 2009-10, the highest number of students served since 1976

Expenditures by Category

\$632 Million Total Budget



Without question, the most significant investment in the Wichita Public Schools' annual budget is on salaries and benefits for district staff. This expense category accounts for more than 71 percent of all expenses (more than 80 percent if you consider only unrestricted funds). Some staff, like special education teachers and para-educators, are paid with restricted funds, while regular education classroom teachers are paid out of the unrestricted General Fund (see page 9 for additional detail).

Expense categories include the following:

Salaries and Benefits: Including health/life/disability insurance, workers' compensation and early 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

Supplies and Materials: Items used, worn out or which deteriorate through use

Property and Equipment: Acquiring or improving land, buildings and equipment; includes Capital Outlay Fund expenditures

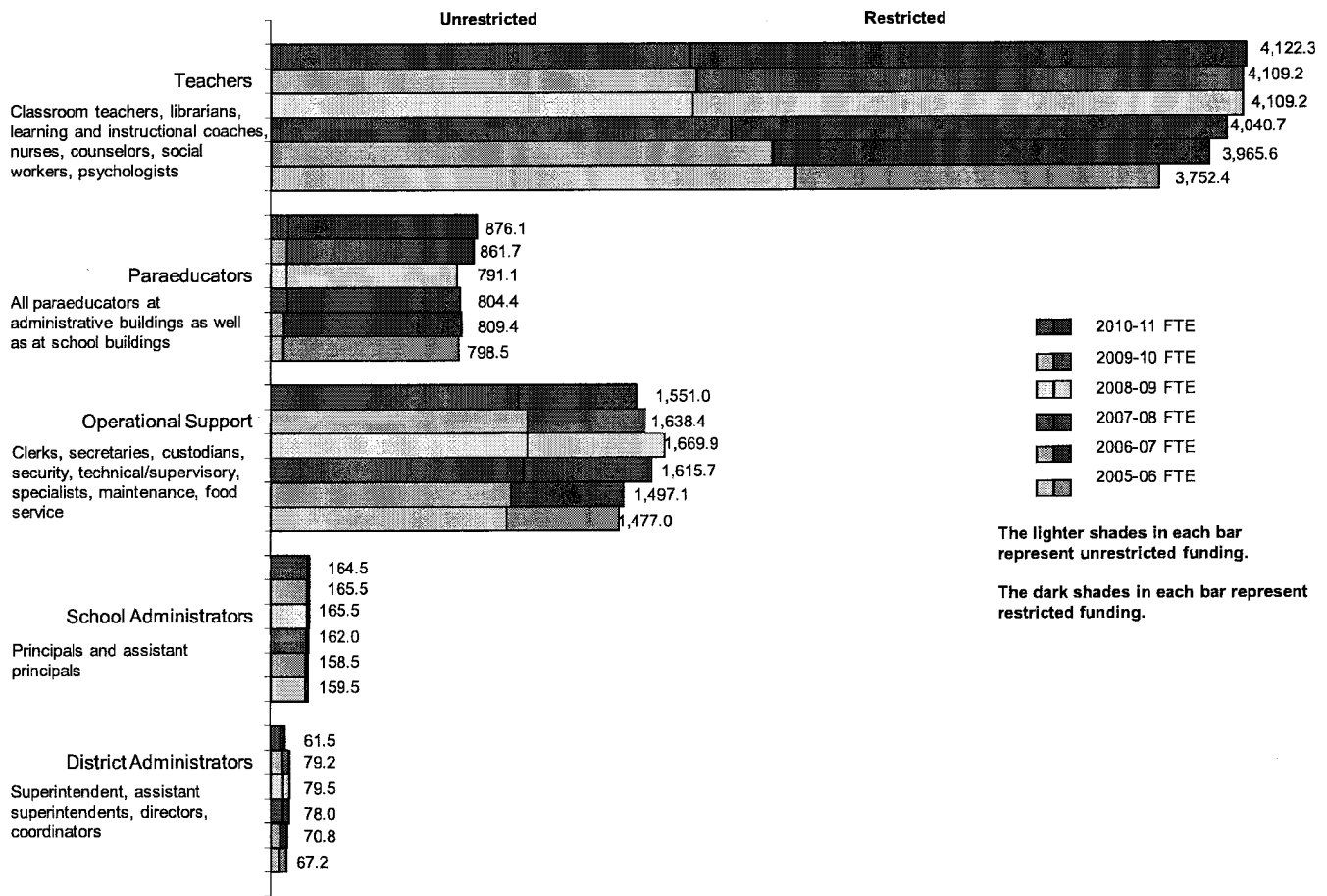
Bond Payments: Principal and interest on the voter-supported 2000 and 2008 bond issues

Other: Includes dues, fees, licenses and permits, and sales of property



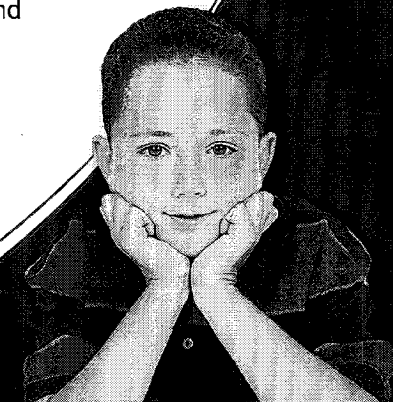
Instruction Takes Top Staffing Priority

Staffing - All Budgeted Funds



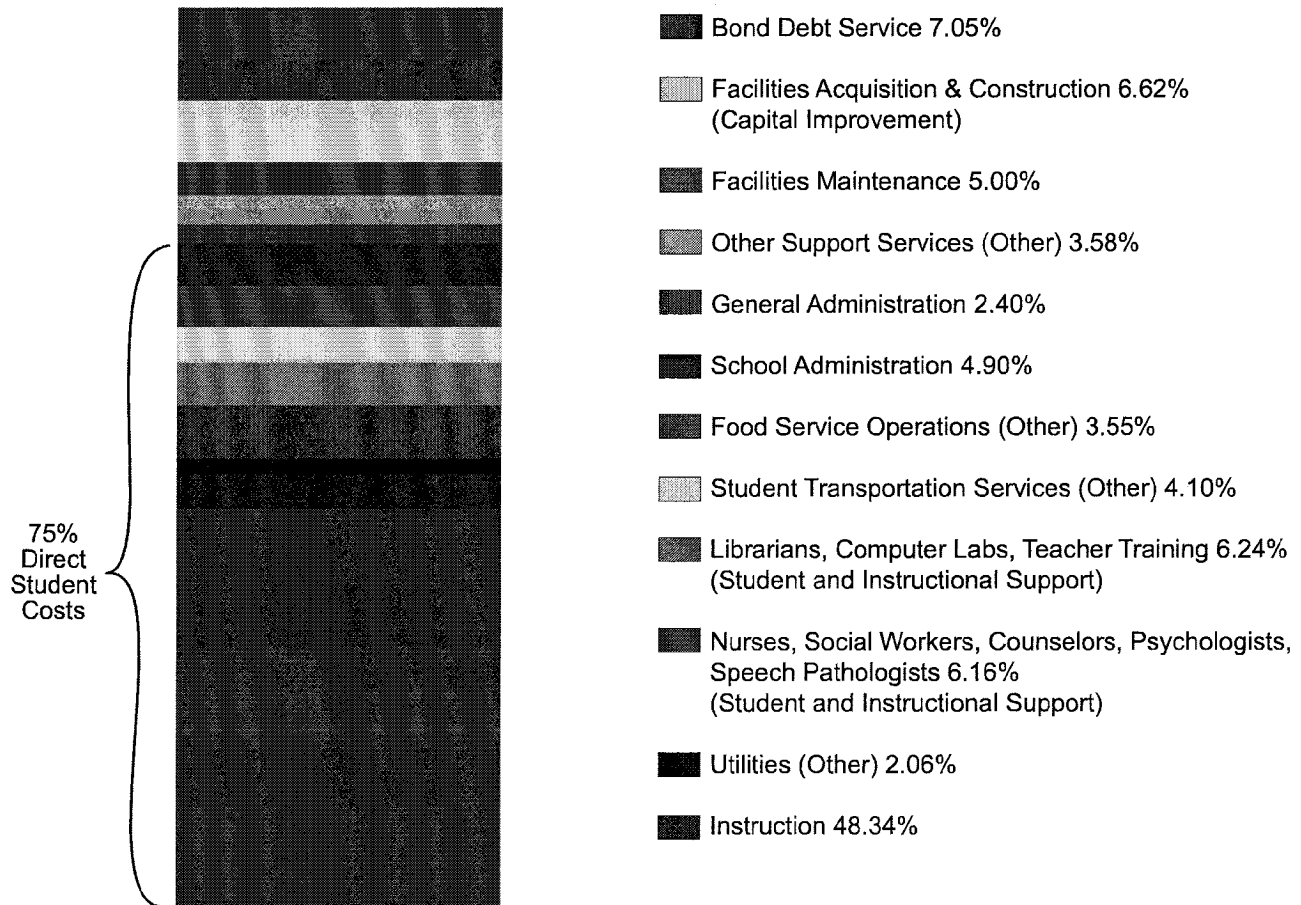
Student achievement is the top priority in the Wichita Public Schools. The Wichita Public Schools' budget is focused on teachers and instructional support, such as paraeducators, librarians and counselors. Historically, as additional resources have been added due to increases in school funding, priority has been to add instructional staffing to support student needs. The majority of new staff hired during this time have been supported by restricted dollars.

In the 2010-11 budget, there is a net loss of 79 full-time positions. A total of 117 full-time positions were eliminated, including 22 percent of all centrally-based administrators. This budget also includes the addition of 35 positions in special education and bilingual education due to state and federal mandates.



Dodge Literacy Magnet Elementary was named a national STARS school for their outstanding physical education program, the first school in Kansas to be so honored

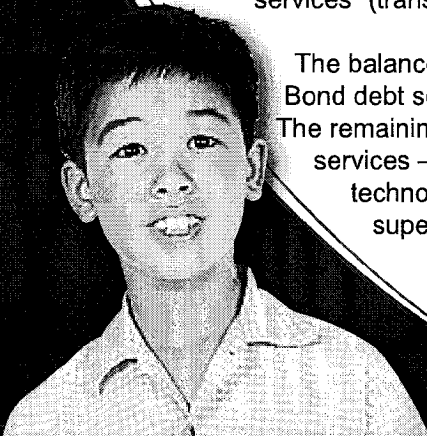
Expenditures Directly Support Wichita Students



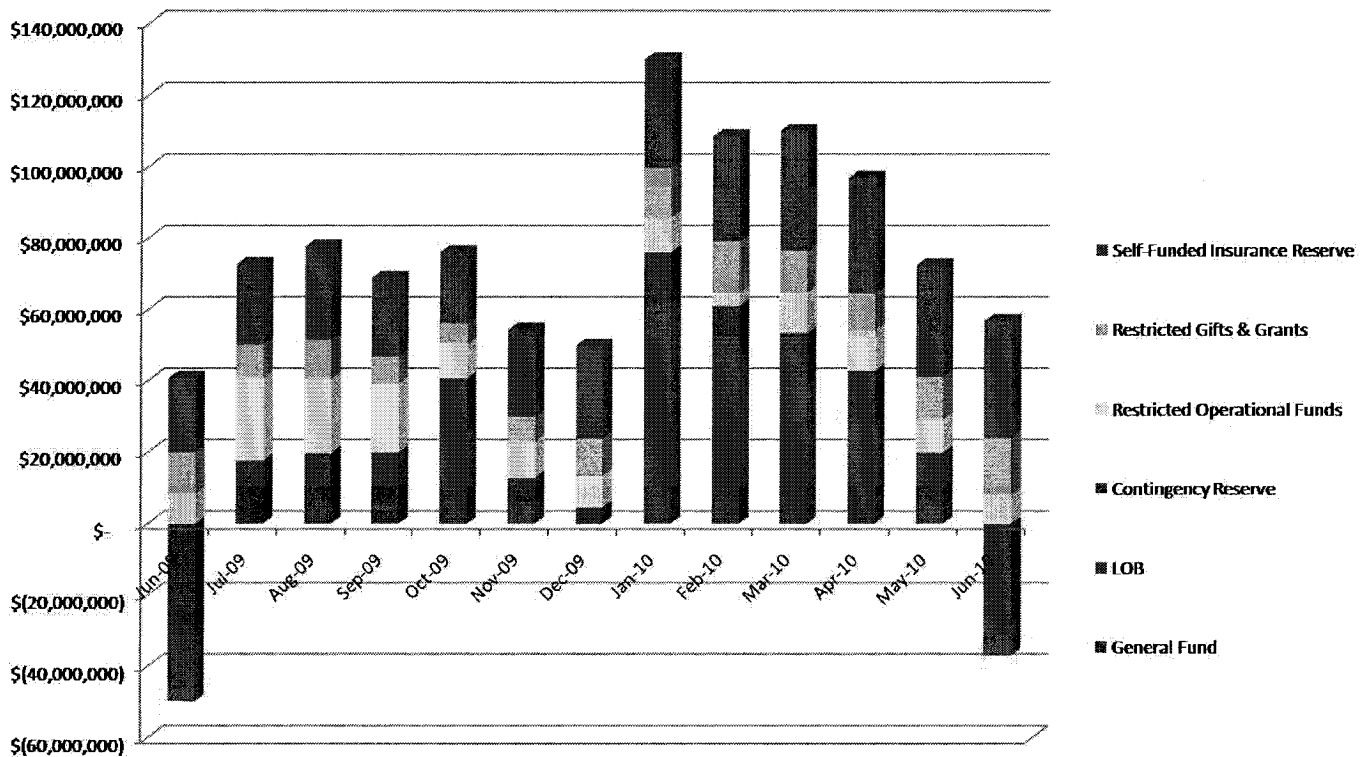
It is to be expected that the majority of a school district's resources support students, schools and instructional activities. The Wichita Public Schools sets a strong example of this practice, with more than 75 percent of the proposed \$632 million budget devoted to expenses that occur at schools and in support of student learning.

The categories represented in this graphic correspond with the Kansas State Department of Education "Budget At A Glance" for every Kansas school district. The KSDE categories are very broad and over-generalize expenditures. This chart accurately breaks down broad categories such as "other support services" (transportation, food service and utilities) by allocating the amount spent directly in schools.

The balance of the district's expenditures—25 percent in 2010-11—support several key areas. Bond debt service and capital improvements are restricted dollars that have a designated use. The remaining three expense areas—facilities maintenance, general administration and other support services – include critical business functions such as human resources, payroll, finance, technology and custodial services, as well as key district leadership expenses such as the superintendent of schools.



Unencumbered Cash Balances



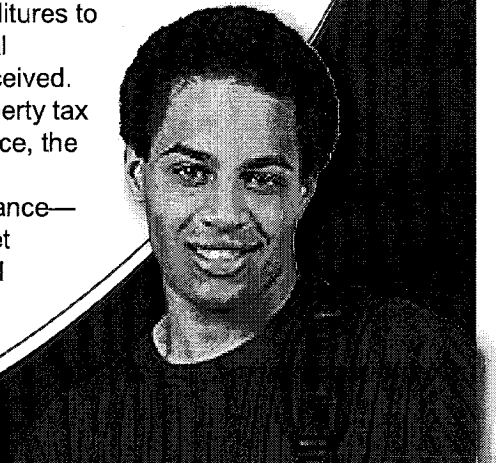
Unencumbered cash balances have been the topic of significant discussion. School budgets have lengthy gaps before state or federal aid is received. These unencumbered funds are essential to the operation of a school district, as they are on hand to pay bills and salaries until the next state or federal aid payment is received.

It is important to note that unencumbered does not mean unbudgeted. Unencumbered funds are not extra dollars that have no specific purpose. In fact, many expenditures in the district's budget are directly supported by unencumbered dollars. One example is bond and interest (included in "restricted operational funds"). Bond expenditures are included in the expense budget detailed in this book, as the Board has to approve spending authority for those purchases. However, the revenue to pay these bills is placed in an unencumbered cash fund until these expenditures are made.

Unencumbered cash is used to cover expenses for funds which do not receive revenue each month. Special education is one example (included in "restricted operational funds"). The first special education payment of the year is received in October. However, budgeted expenditures to support federally-mandated special education programs are on-going. The special education cash balance pays these expenditures until the October payment is received.

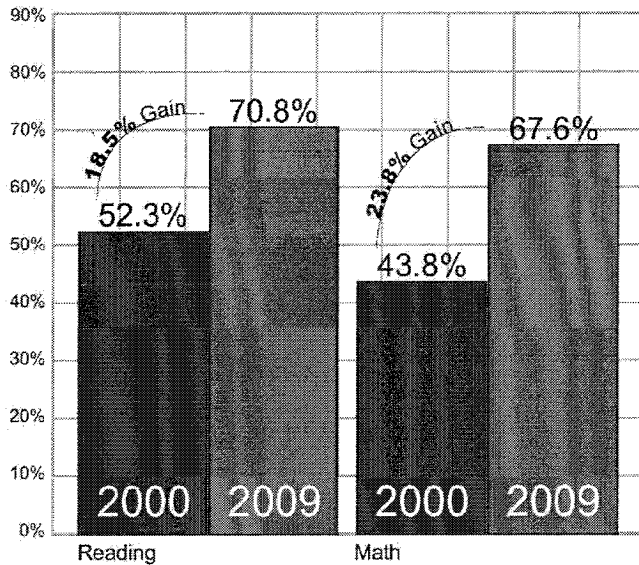
Another example is local property tax revenues. The district receives two property tax payments per year—in June and January. Without the unencumbered cash balance, the district would not be able to pay bills on a regular monthly basis.

It is also important to note that the one unrestricted and unbudgeted cash balance—contingency reserve—is essential to ensure that the district can pay bills and meet payroll when state school finance payments are delinquent. In the 2009-10 school year, this happened nearly every month.

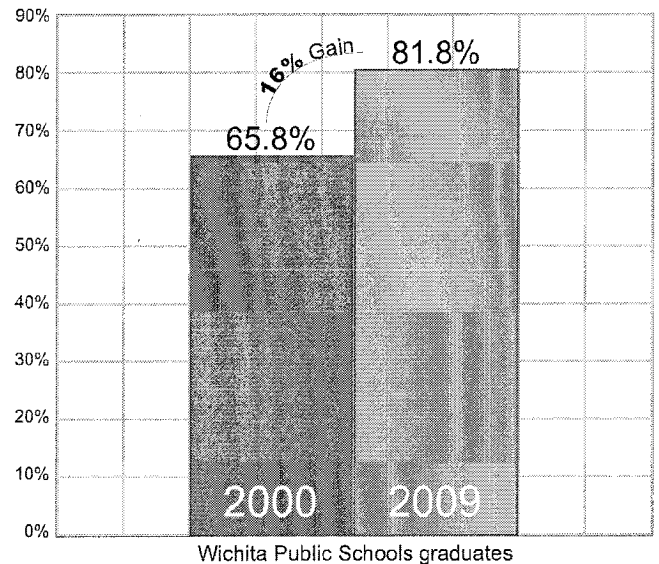


Student Achievement Increases

District-wide



Graduation Rates



A quality educational system is vital to a thriving Kansas economy. Increased funding a few years ago allowed the Wichita Public Schools to add teachers and educational support programs in direct support of student achievement. That investment has paid off. Since 2000, reading proficiency has improved nearly 19 percent, math proficiency has improved by 24 percent, and high school graduation has improved by 16 percent.

The district also needs funds to support students to reach state and federal mandated performance targets, which are increasing about 5 percent a year. Growth is based on the number of subgroups—special populations—the district has. If one subgroup doesn't reach the target, the entire school is considered as missing the performance target, even if the school still made significant gains.

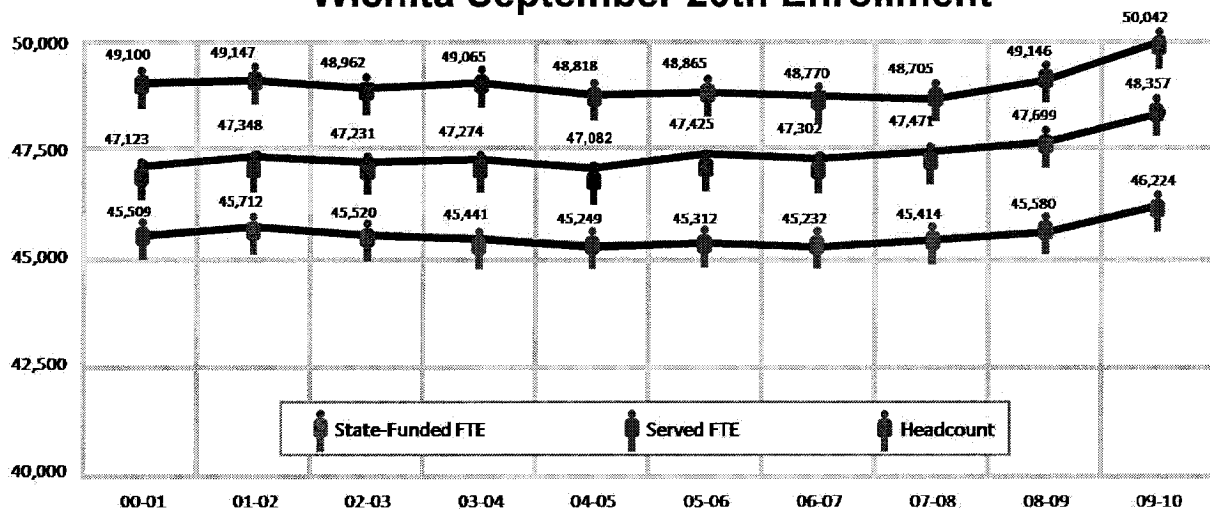
The Wichita Public Schools is also seeing growth in its special student populations. As these student populations grow, teachers and support staff work to ensure that each child can be successful.

- A special education student costs more than three times as much to educate as a regular education child. More than \$100 million of the district's budget supports special education.
- Students who qualify for free and reduced-price lunches need additional classroom support because they often come to school less prepared than their peers.
- Bilingual students are the district's fastest growing special population, with 85 languages spoken in students' homes. They require additional support to learn English in order to transition into a regular classroom.

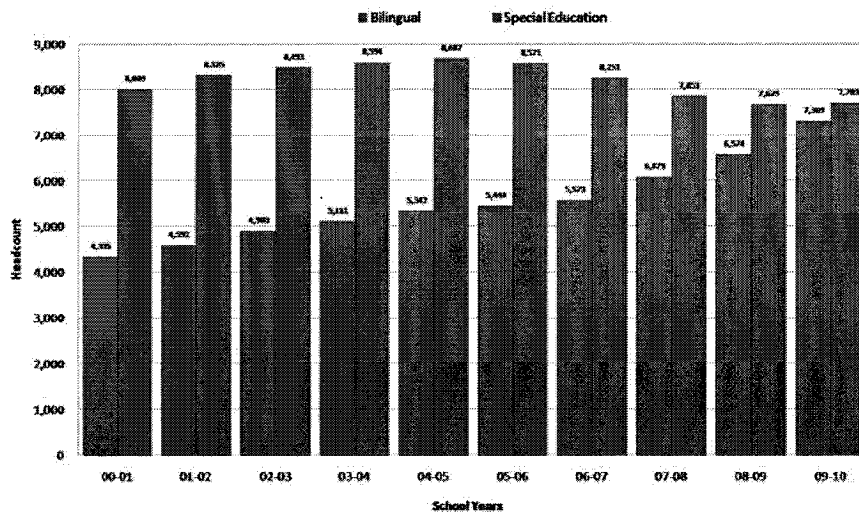


District Enrollment Remains Strong

Wichita September 20th Enrollment



Bilingual and Special Education Enrollment



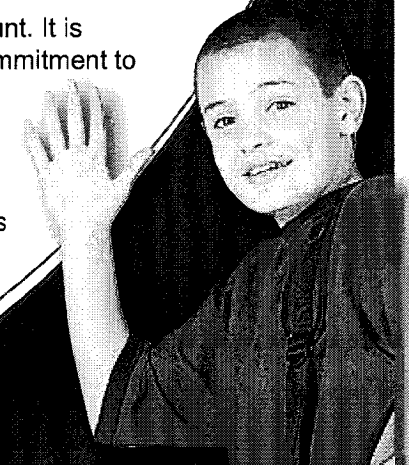
Enrollment increased by 896 students in 2009-10, bringing enrollment to 50,042 students. This is the district's largest enrollment since 1976. Unlike many other urban districts across the country, Wichita's enrollment has seen modest increases over the last two decades.

School funding is based on Full Time Equivalent students (FTE) rather than headcount. It is important to understand the difference, as the Wichita district has made a significant commitment to serve children who aren't considered for full funding levels from the state.

Headcount: The official headcount taken on September 20, representing every student served in the district.

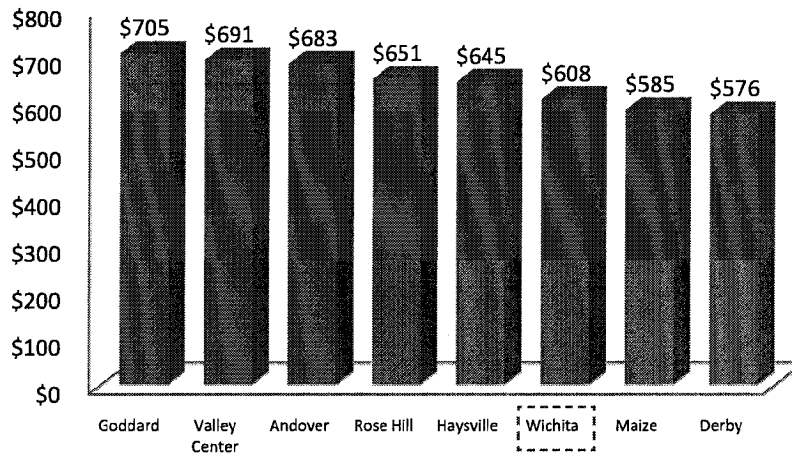
Served FTE: The Full Time Equivalent (FTE) of every student served by the district, based on the Sept. 20 headcount. It is lower than headcount because there are students who do not attend school for a full day.

State-Funded FTE: The difference between "state funded" and "served" FTE is our kindergarteners. For funding purposes, the State of Kansas counts kindergarteners as one-half FTE, even though they are served and occupy classrooms for a full day. Our district has approximately 4,000 kindergarten students, but for funding purposes they are counted as 2,000.

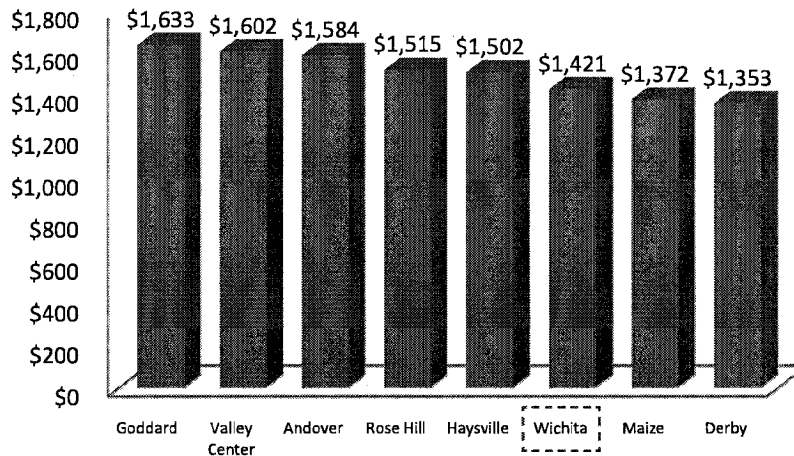


2009 Property Tax Comparisons

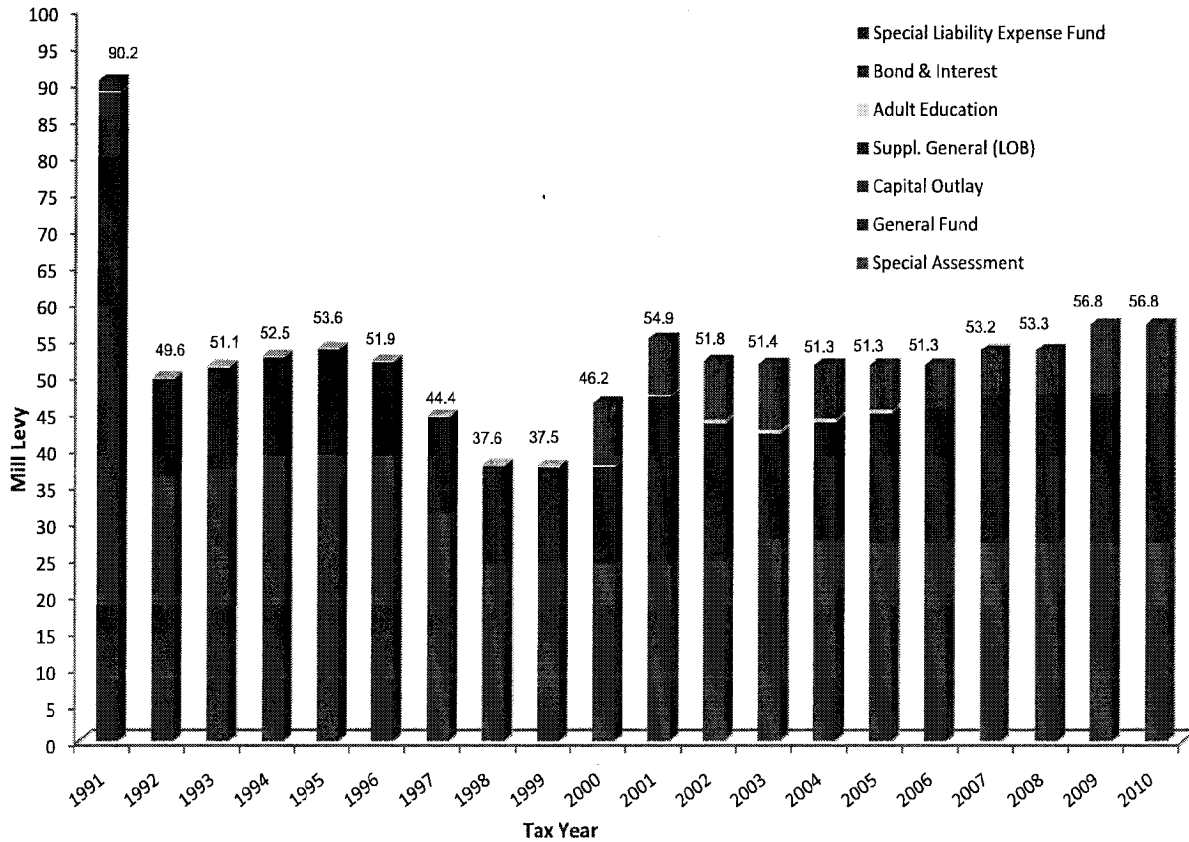
Actual Annual Property Tax on a \$100,000 House



Actual Annual Property Tax on a \$100,000 Business



Property Taxes to Remain Flat



The Board of Education budget proposes no increase in the mill levy for 2010. Wichita homeowners and businesses historically pay among the lowest school taxes in the area. The Board is able to maintain a flat mill levy while still investing in the \$370 facility construction bond issue approved by voters in 2008.



Award for Financial Excellence

The Wichita Public Schools Financial Services Division has a history of earning recognition for the quality of its work. Following is a sample of the division's distinctions:

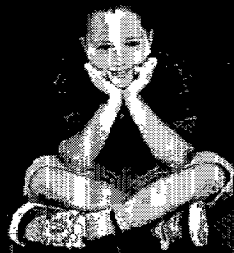
- Government Finance Officers Association, Distinguished Budget Presentation Award, fifteen consecutive years.
- Government Finance Officers Association, Certificate of Achievement for Excellence in Financial Reporting, Comprehensive Annual Financial Reports, fifteen consecutive years.

This booklet was prepared by the Wichita Public Schools Financial Services Division, in cooperation with the Marketing and Communications Division, for the benefit of our community. It presents an overview of the budget process for the 2010-11 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 Web site at www.usd259.org
- Call 973-4797
- Email kmccoy@usd259.net





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) 973-4650, 201 N. Water, Wichita, KS 67202.

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