



February 5, 2024  
Susan Willis, Chief Financial Officer  
USD 259 - Wichita Public Schools

Chair Delperdang and members of the Committee:

Thank you for the opportunity to provide comments in opposition of HB2527. As the Chief Financial Officer of the school district, I am deeply concerned about the financial burden this bill would place on our schools.

The ninety elementary, middle, high, K-8 and special schools within the USD 259 district educate over 10% of all school-age children in the state of Kansas. We rely heavily on electricity to operate our schools and administrative buildings and last school year paid over \$8.5 million to Evergy alone – the equivalent of being able to employ over 113 teachers.

USD 259 already pays more for electricity than almost any comparable urban school district in the Midwest region. In research performed for the 2022-23 school year, USD 259 was paying \$0.1134/KWH, above the average of \$0.1012/KWH regionally, or 12% more than school districts of comparable size in neighboring states. And this research was completed prior to the 3.54% Evergy rate increase settlement agreement dated October 2023. Analyses of HB2527 prepared by USD 259's energy advisors reflect that HB 2527 would lead to additional increases in retail electric rates and annual charges for USD 259; for example, had HB2527 been in effect during Evergy's most recent application to KCC for a rate increase, the \$74 million rate hike affecting the Evergy service area containing USD 259 would have been almost 50% higher (approximately \$100 million).

USD 259 cannot continue to sacrifice educational supports to offset further increases to its electric rates. We rely on limited and fixed funding that is calculated according to pupil enrollment in district schools; and we cannot "drive revenue" and raise additional money to resolve budgetary shortfalls. Teacher and staff salaries, insurance, curriculum, transportation, mental health needs, and special education costs continue to outpace incoming revenues, meaning our existing budget is already stretched thin. The cessation of federal COVID-19 relief programs has left USD 259 facing a \$42 million budget reduction for the 2024-25 school year.

An increase in rates will compound the already-difficult decisions we face because of these circumstances. We could be forced to consider additional staff reductions. Fewer qualified teachers will compromise our ability to educate our students. We could be forced to cover costs using the reserves already tapped to support the \$42 million shortfall that serve as a safety net for unforeseen expenses and emergencies, undermining the overall stability of the district's operations.

We are proud of the role that our schools serve as centers for civic engagement and support. If COVID-19 showed us nothing else, it demonstrated the critical importance of schools to support student academic and emotional health, to provide parents and guardians the peace of mind to focus on work and other

family needs while their students are safely in school, and to provide our local businesses the reliable work force needed to contribute to the local, state, and national economies. Our ability to serve all these communities will also be compromised.

On behalf of Wichita Public Schools, I urge you to carefully consider the effects of HB2527 and the burden it would place upon Kansas schools. We play a key role in shaping the next generation of Kansans. We cannot afford to gamble their education in service of Evergy's ill-considered effort to divert still more public dollars to pay increased utility rates.