

September 17, 2024

To: KCPES Charter Leaders and Board Members

Re: Charter Bond Allocation

In KCPS's 10-Year Capital Funding Plan, the district has identified over \$1.25 billion in school facility needs, but only \$680 million in projected funding sources over the next 10 years (including the April 2025 General Obligation (GO) Bond). Due to this significant shortfall, KCPS will receive the majority of the April 2025 GO Bond funds based on its extraordinary level of need. The Superintendent and School Board have a fiduciary responsibility to ensure fiscal responsibility and develop a sustainable, long-term strategy to address the district's substantial facility needs.

Guided by polling results and the level of need, KCPS is planning for a \$474 million bond vote, with up to \$50 million allocated to participating charter schools. This would cover only about 30% of KCPS's total needs. Allocating more bond funds to local charter schools would hinder KCPS's ability to comprehensively address its critical needs. In October 2023, charters were asked to provide information on their facility needs to help define the overall system requirements and costs. After the October meeting with charter leaders, KCPS began identifying its own needs, assuming charters were doing the same.

By April 2024, it became clear this was not the case, so KCPS extended deadlines to allow charters additional time to complete facilities assessments. However, KCPS still needed to move forward with its bond planning to obtain board approval. Without full information on charter school needs and knowing polling indicated little support for a bond over \$500 million, KCPS determined the charter share to be up to \$50 million.

KCPS will use its portion of the bond not only to improve teaching and learning spaces but also to reduce the number of seats in the system, achieving approximately \$300 million in savings by decommissioning older buildings. The facility needs submitted by participating charters in August 2024 totaled approximately \$168 million. The current bond allocation for participating charters—up to \$50 million—covers about 30% of their needs, similar to KCPS's allocation of \$424 million, which covers 30% of its own needs.

KCPS hopes that a successful 2025 GO bond vote will lead to future no-tax-increase bonds, providing additional funding for system-wide needs.

Since KCPS is responsible for the long-term maintenance, reporting, and payout of the bonds over the next 20 years, the district will also face public scrutiny on the success of the bond-funded projects. The proposed allocation ensures KCPS can maintain accountability and transparency while making the necessary improvements to its facilities.

KANSAS CITY

PUBLIC SCHOOLS

