

## Part I: Picking Up the Pieces for Colorado's Crumbling Schools

<http://www.coloradoconfidential.org/showDiary.do?diaryId=3167>

November 30, 2007 (Part I), December 1, 2007 (Part II)

By Leslie Robinson

*When Democratic leaders announced a new **plan** to help rebuild schools using income from school trust lands, they referred to the **Crumbling Classrooms** study produced by the Donnell-Kay Foundation. In a two-part series, Colorado Confidential delves deeper into this study on Colorado's deteriorating school facilities and the Democratic **proposal** with Matt Samelson, Director of Special Projects with the Donnell-Kay Foundation.*

The Donnell-Kay Foundation focuses on funding systemic reform and state level policy in the areas of early childhood, K-12, and higher education. The Foundation also provides operating and program funding to school districts and nonprofit organizations statewide, with a focus on urban schools in metro-Denver. It is a 501(c)(3) tax-exempt organization and has invested approximately \$1 million to support education improvement and reform efforts in Colorado.

***Colorado Confidential: What drove the Donnell-Kay Foundation to investigate and inventory the physical conditions of schools and classrooms in Colorado?***

**Matt Samelson:** The Donnell-Kay Foundation's interest in Colorado school facilities was spurred by one of our trustees, Allen Dines. Mr. Dines, who was the Colorado Speaker of the House in 1965-66, knew about the deplorable conditions of some rural schools. As the foundation started investigating the issue, the more we realized how extensive the problem was. This was in 2003, about the same time the Colorado state auditor's office released a report pegging Colorado school's backlog of construction and maintenance at \$4.7 billion.

***Colorado Confidential: Your Crumbling Classrooms report contained some disturbing figures: 25 percent of school buildings are functionally inadequate and nearly a third of elementary schools are too small. What were some other startling findings?***

**Matt Samelson:** How about some more recent startling facts? As of June 2007, 82 of Colorado's 178 school districts lacked the bonding capacity, which is statutorily set at 20 percent of the district's assessed value, to raise enough money to build either an elementary, middle or high school.

Elementary schools are cheaper to build than middle or high schools, so the list grows by 12 for those districts that cannot afford to build a middle school or high school. If you look at building a high school, another 19 districts get tacked on to the list. That means 113 Colorado school districts lack the bonding capacity to raise enough money to build a high school.

On the flip side of that, there are districts in places such as Adams, El Paso, Garfield and Weld counties, where the rapidly-growing student population has required the school district to build numerous new buildings to keep up with the growth. To do this, the school district asks local voters to pass bond measures.

More than a dozen school districts in Colorado have asked their voters to tax themselves at the highest allowable rate to build facilities, and the voters responded by doing so. These districts have reached their bonding capacity even though they very well may still have a growing student population. (See graphs at end of story.)

***Colorado Confidential: Over two years have passed between the foundation's [Crumbling Classrooms](#) report and last week's [Democratic announcement](#). What steps were taken "behind the scenes" to put the report's recommendations into action?***

**Matt Samelson:** Well, by no means was the Donnell-Kay Foundation the torch bearer on this issue. Kathy Gebhardt, an attorney who filed the [Giardino](#) lawsuit in 1998, has dedicated more than a decade to working on this issue and educating people about the deficiencies of our current facilities. During the past year, Kathy Gebhardt of [Children's Voices](#), Great Education Colorado, the [Colorado School Finance Project](#) and the [Colorado Children's Campaign](#) sponsored numerous tours to regions of Colorado suffering from inadequate facilities. These tours were well attended by members of the Colorado State Board of Education, state and local elected officials as well as other concerned citizens.

The Foundation has spent a considerable amount of time investigating different funding mechanisms suitable for a school facilities program, researching models from other states and producing research to increase awareness of this state need. A DVD showing several particularly hard-hit school districts was also produced.

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## Part II: Picking Up the Pieces for Colorado's Crumbling Schools

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December 1, 2007

by Leslie Robinson

*In a two-part series, Colorado Confidential delves deeper into the Crumbling Classroom study on Colorado's deteriorating school facilities and the Democratic [proposal](#) to fix schools with Matt Samelson, Director of Special Projects with the Donnell-Kay Foundation. Read Part I [here](#).*

**Colorado Confidential: What were top recommendations in the report?**

**Matt Samelson:** This report is slightly more than two years old. While the core principles behind the [recommendations](#) remain, there's a component to these recommendations that begins with the assumption of "*If we had the money to address Colorado's school facility needs...*"

The proposal presented by the Treasurer, Speaker of the House and President of the Senate has identified a source of revenue that does not raise taxes and will allow the state to begin addressing school facility needs in the state.

The revenue, however, is not extensive enough to comprehensively address all school capital needs in the state. As a result, it makes sense to address the backlog of most egregious health and safety problems of current facilities. So an updated November 2007 version of the following recommendations would have that focus in mind.

The recommendations were:

--The state should contract with a professional facilities assessment company to undertake a statewide needs assessment to determine the condition of all the state's school buildings.

--Through a collaborative process, the state should develop minimum statewide standards for health and safety, as well as building condition, capacity, educational suitability and technological readiness of school facilities. These standards are only relevant as a determinant of state funding.

--Oversight and administration of the state's school capital construction program should be invested in a distinct board created for this purpose.

--This state school capital construction oversight board should have sufficient staff to oversee the many areas of the capital funding program. The staff should provide technical assistance to districts in a variety of areas, including:

- Evaluating district facility needs.
- Developing district maintenance plans.
- Interpreting statewide standards.
- Accessing the capital construction grants.
- Programming, planning and managing capital construction projects.

--The state should provide school capital funding adequate to address the serious needs backlog as well as sustainable aid to districts going forward.

--The program to address the backlog of school capital needs should distribute state capital revenue to projects identified in the statewide needs assessment in priority order.

--The state should provide funding to assist districts in meeting their capital needs in the future. This funding program should be based on district capital capacity and current tax effort.

--In order to address the very different types of school district capital needs going forward, the state should establish different programs for: repairs and renovations, for existing schools, new school construction, technology and emergencies.

--Wherever possible, projects funded through the state school capital construction program should be financed by a combination of state and local revenue.

--The ratio of state and local funding for capital projects should be determined by a formula based on districts' relative wealth (as measured by district per pupil assessed value or district average personal income) relative to the statewide average and local district non-optional property tax effort. The total local district match should be capped at the total bonding capacity of the district.

--The state should allow districts to request that their local match requirement be waived based on factors not represented in the state and local funding mix formula, including: a local district bonding effort, the number of at-risk students served, the number of special education students served and total district capital needs.

***Colorado Confidential: Can you give a little more insight about how funds from the Public Land Trust fund are generated and where these monies have been spent in the past? Weren't these funds used by schools to help build or fix buildings anyway, and if so, how does funneling these funds through the proposed state program first help schools long term?***

**Matt Samelson:** Upon becoming a state in 1876, the federal government granted Colorado 4.75 million acres of land to be used for public schools. The Colorado Constitution specifically states: "that the state school lands are an endowment of land assets held in a perpetual, inter-generational public trust for the support of public schools." Currently, the **State Board of Land Commissioners** manages about 2.8 million of surface acres and about 4.0 million mineral acres.

Approximately 96 percent of the land managed by the State Board of Land Commissioners is for the Public School Trust Fund. These school trust lands generate cash revenues for the public school system (K-12), and there are multiple streams of revenue dedicated to the Trust. The revenues earned include cash funds from commercial rentals, agricultural rentals, mineral royalties, auctions of mineral leases ("bonuses") and, to a small degree, land sales. In June 2007, the Fund had a balance of roughly \$495 million.

The school facility program proposal would utilize some portion of these revenue streams in order to help fund school projects in districts that have serious health and safety issues. The funding scenario proposed by the Treasurer, Speaker of the House and President of the Senate does not in any manner change or address the School

Finance Act. Nor does the proposal require the General Assembly to designate funds for a school facility program.

Currently, the Public School Trust Fund does not provide money to help build or fix schools. Much of the money entering the Trust stays there in order to grow the corpus of the fund. The School Finance Act does receive some money from the Trust, which the state uses to meet a small portion (roughly one-half of one percent) of its K-12 obligation. But, as I mentioned before, the proposal is being crafted in a manner that does not change or address the School Finance Act.

***Colorado Confidential: Thank you for your time, Matt.***

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