

## Why should the state be involved in K-12 capital funding?

Public education is the state's responsibility. The Colorado Constitution requires the state to "provide for the establishment and maintenance of a **thorough and uniform** system of free public schools throughout the state." Facilities are a part of Colorado's education system.

The current local tax based funding system in Colorado does not allow school districts to meet their capital needs.

- The money necessary to build and renovate schools as well as provide for technology, science labs and other equipment necessary to meet today's educational requirements, is been provided almost exclusively by local district bonds paid for by property taxes—and therefore **is a function of local property wealth**. As a result, the disparity between the schools in affluent communities and those in poor communities is dramatic. On a per pupil basis, **the wealthiest district in Colorado is able to raise nearly 20,000% more money for school facilities than the poorest district.** *[Aspen is permitted to raise \$219,000 per pupil and Branson is permitted to raise \$1,100 per pupil]*
- Under the current system, the total amount of capital revenue a district can raise is capped at a percent of the district's property value. Some districts have such low property value that the amount of money they are allowed to raise is not enough to provide for their district needs. **There are 70 school districts (40% of Colorado's 178), educating over 20,000 of Colorado's kids, that do not have the total bonding capacity to raise enough money to build one new school.** *[Based on an estimate by architects specializing in public school design and Colorado district facilities managers of \$6 million for a "basic" K-8 school housing 400 students]*
- Because of the limit on how much capital revenue a district can raise, **some districts are at or near their bonding limit and are unable to ask their voters for more capital revenue.** Many of these districts have very high student growth and continue to add sizable numbers of new students to their already overcrowded schools each year. For example, Falcon school district, one of the state's fastest growing districts, has essentially reached its bonding limit and is therefore unable to raise the capital revenue it needs to deal with the flood of student growth. As a result **the district has 2400 students attending school in 100 trailers.**

The inadequacy of the current local funding system has produced a \$4.7 billion dollar backlog of school capital funding needs.

- In May 2003, the Colorado State Auditor's Office released a report on the condition of Colorado's schools. Through a survey of all 178 school districts, **that report identified \$4.7 billion in unmet K-12 capital construction need in the state.** According to the survey, 70% of districts said they needed to repair or replace heating and ventilation systems, 65% said they needed roof repairs and 60% said they needed to improve classroom technology.

In 2000 the state agreed to pay \$190 million to help fund school capital construction and renewal.

- In 1998 parents of children in 6 Colorado school districts filed a lawsuit against the state arguing that because of the condition of their school facilities, the state had not fulfilled its constitutional responsibility to provide for the establishment and maintenance of a thorough and uniform system of free public schools (*Giardino versus the State Board of Education*). According to the complaint, the deficiencies included, “unsafe fire escapes and fire alarm systems, antiquated wiring and plumbing, leaking roofs, inadequate heating ventilation and air conditioning systems, insufficient insulation and energy controls, poor lighting, unsafe science laboratories, and structural deficiencies...” That suit was settled out of court **when the state agreed to dedicate \$190 million from the General Fund over 11 years to address the most serious needs**. However, the legislative bill enacting the settlement did not require any appropriation in years in which revenues do not meet a specified benchmark. Because of the recession, this condition was triggered in 2002 and every year since. As a result, **five years after the settlement, the state has dedicated only a fraction of the Giardino settlement amount** to school building construction and renovation (only \$15 million from the state’s General Fund and only \$57 million total.)

Most other states provide for substantial state funding of K-12 capital needs.

- **Colorado’s neighbors Arizona, New Mexico and Wyoming all provide for substantial state funding of their states’ school buildings**. Examples include:
  - Arizona has put over \$2 billion into its school buildings over the past 5 years and continues to budget over \$100 million a year.
  - Wyoming has completely overhauled its school facilities funding to transfer to the state the responsibility for funding facilities adequately.
  - New Mexico’s Public School Facilities Authority has distributed sizable state funding and provided technical assistance to local districts since its creation in 2001.
  - Ohio has dedicated \$10 billion over the course of 12 years to school facilities.
  - Arkansas’ legislature this year has said that the state’s number one priority is to create a funding system to address their \$4.5 billion dollar backlog.
  - New York will be putting \$9.2 billion into school facilities in the New York City district alone.
  - New Jersey recently passed a bonding measure for \$8.6 billion for the state’s schools.
  - Alaska has put \$750 million into its facilities since 1999.

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