

COLORADO SPRINGS GAZETTE

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OTHER VOICES

Pundits and politicians are attempting to draw conclusions from the mixed election results in Colorado. One problem *not* solved is school construction for areas on the eastern edge of Colorado Springs. In Falcon District 49 the housing boom continues unabated. But there are not enough school buildings for the growing number of students and voters once again rejected a mill levy increase on property to pay for new construction. Falcon is just one of several heavily residential districts around the state that are having trouble funding needed services.

Paying for Schools: Does Smart Growth Matter? (available on the Center for Colorado Policy Studies website at web.uccs.edu/ccps) outlines the link between a district's residential/commercial mix and its ability to fund school construction. The reality is that commercial and industrial properties pay a large part of property taxes in all but the highest income districts. But city and county zoning has favored increased residential over commercial development in the high growth areas to the east. Not only is this separation of uses built into long term master plans but variances continue to be granted to change commercially zoned land to residential, only worsening the problem.

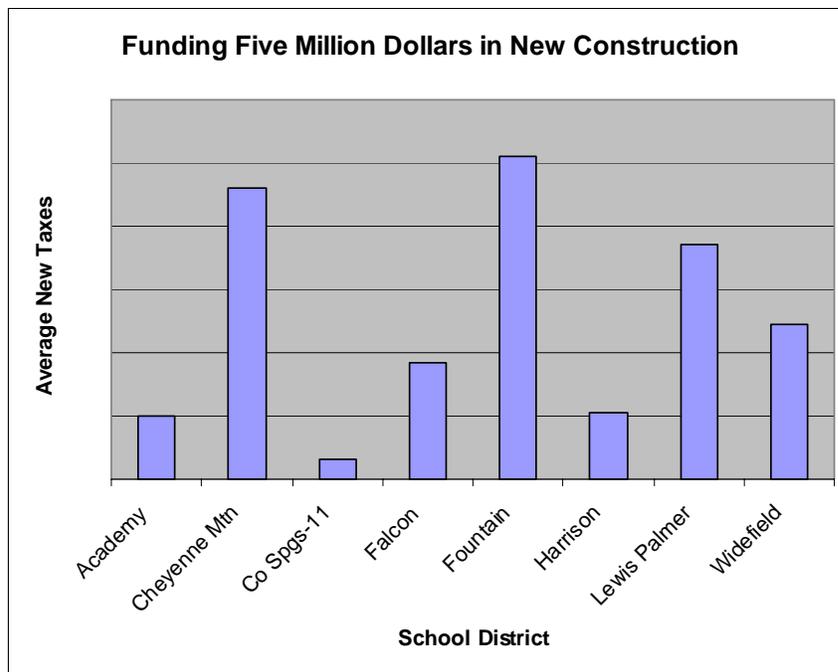
Options for Falcon and similar districts include (1) accepting inadequate school construction and infrastructure and the lower property values which will eventually accompany that, (2) paying substantially higher mill levies to fund school infrastructure - now twice rejected by Falcon voters, (3) asking developers to voluntarily fund schools and other infrastructure as they have with Meridian Ranch Elementary, or (4) changing state law to allow impact fees dedicated to school construction.

There is talk of splitting the district into two parts -- one willing to support mill levies and one not. But El Paso County's sixteen school district already stands out in comparison to the average of three per county in the rest of the state. Further fragmentation would only worsen the problem in the long-run as development occurs on the Banning-Lewis Ranch portions of the district. In contrast, applying smart growth principles to zoning and planning would contribute to a long-term sustainable solution. Economic development efforts could be focused on locating major employers in highly residential school districts such as Falcon. A substantial increase in commercial property would bolster the tax base as well as locating more employment centers where people live, reducing the pressures on local transportation corridors.

Four years ago, we raised the looming problem of how to pay for needed school expansion in low property value districts in *Colorado Schools: The Great Divide* (also available at web.uccs.edu/ccps). Unless new homes are extremely high in value, increases in student enrollment far outweigh increases in property tax revenues without a sizeable contribution from commercial taxpayers. But school district finances have not

been a priority for city and county decision makers focused on what new home building means for their revenues -- beefed up by sales tax paid on building materials. For years the Bamberger-Dotzour study has been cited to show that “growth pays for itself” and justify current development patterns. But the analysis explicitly excluded school districts and utilities from its calculations, as we can now clearly see.

The average cost per residential taxpayer of five million dollars of construction debt service – about the cost of a new elementary school – varies considerably by school district. In Falcon it is \$183 -- over six times the cost in District 11. This is *not* because the new school is more expensive to build there, but because the tax base is limited by state law and city and county planning decisions. There is much less commercial or industrial property to help pay for the cost of the school in Falcon than in District 11. And in a small district there are fewer homeowners to help pay the cost of any one new school.



Unfortunately, zoning is strictly under the control of the city and county and they have not been concerned with the needs of school districts or taxpayers. As the enormous Banning-Lewis Ranch is developed over the next few decades the problem will only become worse. Although an increased population will allow new construction costs to be spread over a larger population, most of the new homes will include new students. Without changes in planning and development patterns the district will continue to be predominantly residential, lacking the commercial/industrial base which helps other urban school districts pay for new infrastructure. What happened to the idea of our elected officials working together and looking at the big picture?

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