

# Colorado's Hidden Treasure

*School Land Trust for Colorado's  
Public Schools*

*Presented by  
Evie Hudak,  
Colorado PTA  
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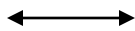
# History of School Trust Lands

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- ❑ **School trust lands were set aside as states entered the Union for the intergenerational benefit of public schools.**
- ❑ **The first federal land grants set aside Section 16 in every township for School Trust Lands. Later enabling acts set aside 2 to 4 sections for support of public schools (depending on the amount of federal lands in the state).**
- ❑ **Today, 20 states hold and administer 515 million acres of School Trust Lands, of which 150 million are surface acres, while 30 states have 0 (because they sold all their trust lands).**

# States Receiving Two Sections of Land per Township\*

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36



1 section = 1 sq. mi.  
(640 acres)

- |            |                 |
|------------|-----------------|
| Iowa       | <b>Colorado</b> |
| Wisconsin  | Montana         |
| California | North Dakota    |
| Minnesota  | South Dakota    |
| Oregon     | Washington      |
| Kansas     | Idaho           |
| Nevada     | Wyoming         |
| Nebraska   | Oklahoma        |

\* Arizona, New Mexico, & Utah received four sections per township

# What is the School Land Trust?

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**The School Land Trust consists of two parts:**

- ❑ **The trust itself, referred to as the “Permanent Fund,” “Public School Permanent Fund,” or the “corpus.” It currently contains \$1.26B.**

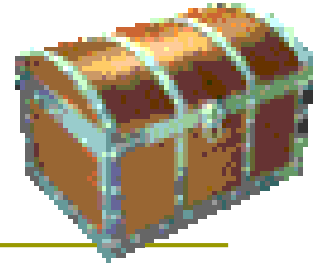
**This trust is inviolate, meaning that any revenue deposited cannot be withdrawn. Revenues from sales of the School Trust Lands and from mineral royalties automatically go into this fund.**

**Interest generated from the Permanent Fund is spent as specified by the Legislature.**

- ❑ **Revenues generated from the use of these lands – from leases for agriculture, oil & gas, etc. – are allocated as determined by the Legislature.**

# School Trust Lands Overview

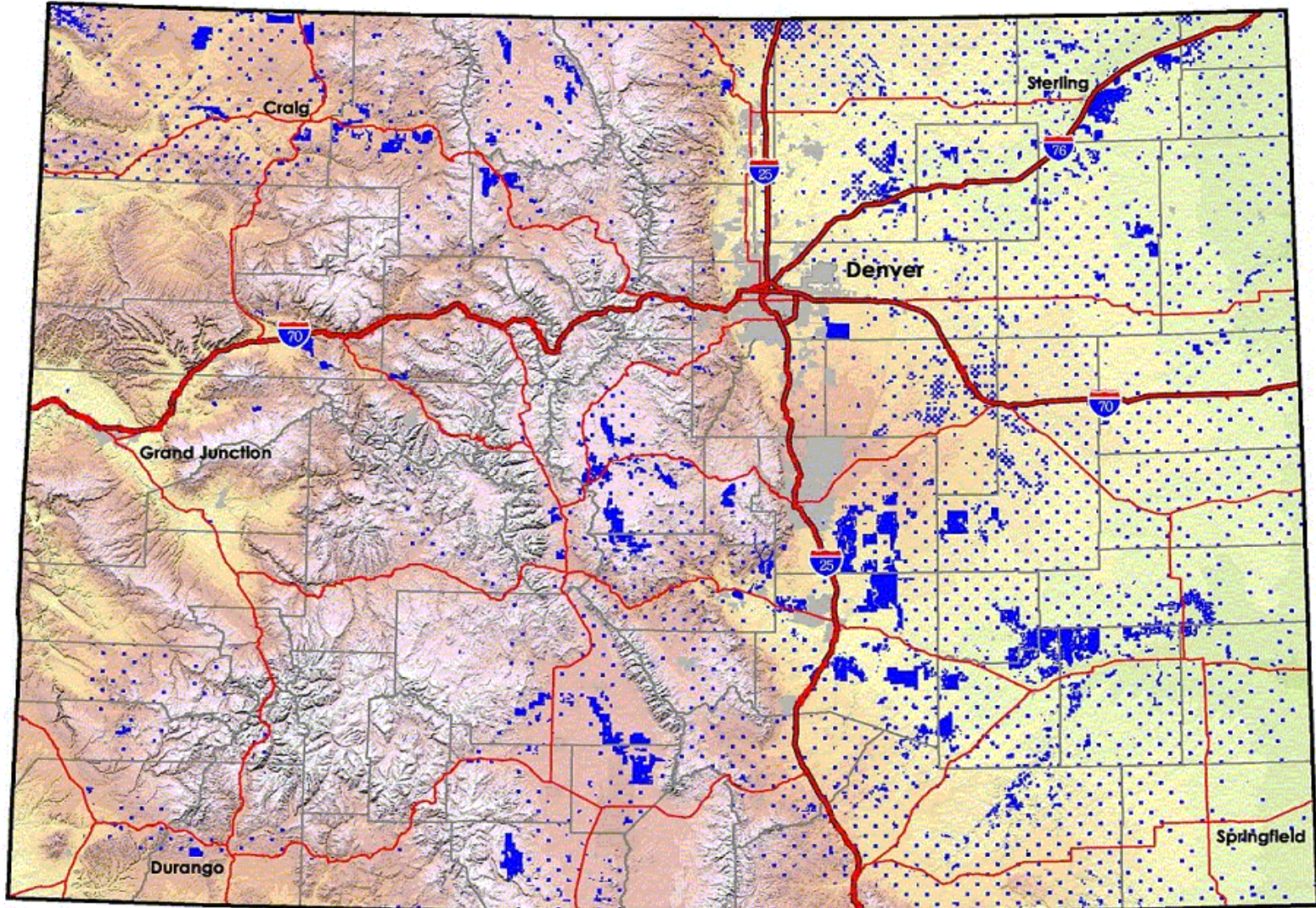
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- ❑ **Colorado was granted 4 million surface acres of land upon statehood for the School Land Trust. What is left is 2.8 million surface acres (*the other surface acres had been sold*). The trust includes 4 million sub-surface acres.**
- ❑ **The Colorado State Land Board manages the lands.**
- ❑ **Amendment 16 in 1996 allocated 10% of the lands for the Stewardship Trust – open space – which generates no revenue for schools.**
- ❑ **The interest money generated by the School Land Trust is supposed to “supplement, not supplant” school funding. However, the interest revenue that goes into school finance actually supplants.**



# Current Trust Land Holdings



# Amendment 64 – Marijuana Excise Tax Revenue

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- **When Amendment 64 was passed, it allocated the first \$40M of marijuana excise tax revenue to BEST (Building Excellent Schools Today) – the Public Schools Capital Construction Assistance Fund.  
The remainder went to the Permanent Fund:  
FY17 - \$31.9M  
FY18 - \$28.1M**
- **HB 18-1030 changed the revenue to BEST to be \$40M or 90%, whichever is higher; in FY19 about \$6.5M went into the Permanent Fund (a 77% decrease).**
- **HB 19-1055 changed the revenue from the excise tax to BEST to be 100% (\$0 to the Permanent Fund).**

# Senate Bill 16-35 – Investment Board

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- **Created the Public School Fund Investment Board to actively manage investments of the Permanent Fund.**
- **The first \$21 million of interest generated by the Permanent Fund is credited to the State Public School Fund (for school finance).**
- **Any amount beyond \$21 million (“spillover”) is credited to BEST. In FY 21, this was \$9 million.**
- **The Public School Fund Investment Board is reimbursed for the cost of the private money managers and for travel, meetings, etc. (\$200,000 in FY18).**



# How Land Revenue Income Is Used

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- **The State Land Board retains a portion of the revenue to self-support operations with 45 FTE (up to 5%) and for maintenance and reinvestment into existing assets (up to 1%).**
- **BEST gets 50% of the land revenues (\$51.5 million in FY 21).**
- **The remainder of the land revenues had been going to the Public School Permanent Fund (\$61M in FY 20). However, HB 20-1418 required that 100% of investment earnings after funding BEST and the Land Board operations go into school finance (\$42 million in FY 21).**

# Senate Bill 16-35 “Public School Fund”

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## **Public School Fund Investment Board recommendations to the General Assembly regarding the distribution of income and interest from the Permanent Fund:**

*Pursuant to § 22-41-102.5(4)(a)(III), C.R.S. (2017), the Public School Fund Investment Board (“Board”) recommends to the General Assembly that the portion of interest and income earned on the Public School Fund (“Fund”) that is referenced in § 22-41-102(3)(f)(IV) and (3)(g)(IV), C.R.S. (2017), **be retained in the Fund’s corpus.***

*Retaining this portion of interest and income in the Fund’s corpus will **help grow the Fund,** securing future funds for the benefit of future Colorado schoolchildren. In light of Colorado’s growing population, and taking into account the impact of inflation on the portfolio, the Board believes that growing the Fund’s corpus will be **critical to maintaining the same level of real dollar funding** for future generations of Colorado schoolchildren.*

To find out more...



<https://slb.colorado.gov/reports>  
& [www.advocatesforschooltrustlands.org](http://www.advocatesforschooltrustlands.org)

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Remember:

**School trust lands are NOT public lands!**

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*Our school children are “trust-fund babies”!*