

# FundEd: Colorado Report

## A Detailed Look at Colorado's Funding Policies



## Colorado

### Funding Basics

#### Formula Type

Colorado has a primarily student-based funding formula. It assigns a cost to the education of a student with no special needs or services, called a base amount. It then accounts for the additional cost of educating specific categories of students in a variety of ways, including through program-specific allocations, by applying multipliers to the base amount to generate supplemental funding for certain students, and by adding supplemental, flat dollar amounts to the base amount for certain students.

The categories of students generating supplemental funding in Colorado are some English-language learners (ELLs), low-income students, and students with disabilities. Services for some ELLs, students identified as gifted, students enrolled in career and technical education programs, and students in sparsely populated districts are funded through program-specific allocations.

#### Base Amount

Colorado has a fixed base funding amount per student. For FY2017, the per-student base amount was \$6,367.90.

This means that an average student with no special needs or disadvantages would, in theory, be funded at that level. However, no student is actually funded at this level because all districts receive an increase to the base amount to account for cost of living factor and district size.

After total program funding requirements are calculated, a negative factor is applied to reduce state aid proportionally across districts. In FY 2017, the negative factor reduced total funding by approximately 11.51%.

### Local Revenue

#### Expected Local Share

Colorado expects school districts to contribute some revenue to the funding of public schools through the imposition of property taxes and the collection of vehicle registration fees, but no specific amount is expected of each district.

Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the revenue from local property taxes and vehicle registration fees and provides the difference in the form of state education aid.

## Property Tax Floors and Ceilings

Colorado sets a ceiling and a level above which voter approval is required. School districts may impose up to \$27.00 for every \$1,000 of assessed local property wealth without voter approval, and an amount above this rate that varies depending on the district, with voter approval.

The property tax rate for education is limited to \$27.00 for every \$1,000 of assessed local property wealth for most districts. The ceiling is frozen at a lower level for school districts that were levying less than \$27.00 for every \$1,000 of assessed local property wealth in FY2008. With voter approval, school districts may exceed this limitation by up to 25% (30% for small rural districts) of its formula amount, or \$200,000, whichever is greater.

School districts are also permitted to exceed their caps to raise funds for specific purposes, including transportation, full-day kindergarten, school construction, and technology. In particular, school districts may levy up to \$10.00 for every \$1,000 of valuation for three years to maintain or construct schools or to purchase and install school technology.

## Other Local Taxes for Education

School districts in Colorado may receive local revenue only from property taxes and from county vehicle registration taxes.

School districts in Colorado may only impose property taxes. However, counties collect taxes on the ownership of motor vehicles and distribute the revenue to local governments, including school districts. Each school district receives a portion of this revenue, in a proportion matching the share of total county property tax revenues collected in that school district. Some vehicle taxes are considered to be part of the district's local contribution for the purposes of the education funding formula.

## District Characteristics

### Grade Level

Colorado does not differentiate funding based on students' grade levels.

### English-Language Learner

Colorado provides increased funding for English-language learners (ELLs). It does so in three ways: by applying a multiplier of 1.12 to the base per-pupil amount for these students; by including these students in the count of students that generates additional funding for districts serving high concentrations of disadvantaged pupils; and through a program-based allocation.

Colorado applies a multiplier of 1.12 to the base per-pupil amount for disadvantaged students. Similarly, the state provides increased funding to certain districts based on the concentrations of disadvantaged students that they serve. It does so by increasing the multiplier of 1.12 for districts whose populations of low-income students are above the state average, up to a maximum of 1.3. For both of these calculations, the count of disadvantaged students includes both those eligible for free lunch under the National School Lunch Program and non-free-lunch-eligible students whose dominant language is not English. Students who are both ELL and free-lunch-eligible generate this supplemental funding allocation only once.

Additionally, Colorado provides program-based funding under the English Language Proficiency Act, which districts can receive for individual qualifying students for up to five years. In FY2017, \$18.8 million was provided for programs funded under the English Language Proficiency Act.

## Poverty

Colorado provides increased funding for students from low-income households at a level that differs depending on the concentration of low-income students in their district. It does so by applying a multiplier of at least 1.12 to the base per pupil amount for each low-income student and increasing the multiplier for such students in districts whose populations of low-income students exceed the state average.

Students are eligible for this supplemental funding if they qualify for free lunch (but not reduced-price lunch) under the National School Lunch Program. In districts whose free-lunch eligibility rate exceeds the state average, the multiplier of 1.12 that is applied to the base amount for all low-income students is increased in proportion to the amount by which that district's rate surpasses the state average. The total multiplier for a district's low-income students cannot exceed 1.3.

This same multiplier is applied to the base per-pupil amount for non-free-lunch-eligible students whose dominant language is not English. Students who are both English-language learners and free-lunch-eligible generate this supplemental funding allocation only once.

## Special Education

Colorado funds special education using a multiple student weights system, providing different levels of funding for different categories of students. Students are assigned to two different categories based on their specific disabilities.

The state provides \$1,250 for each child with one or more disability. A second layer of funding, over and above that allocation, of up to \$6,000 apiece (prorated based on the amount of funding available) is provided for children with specific disabilities that include deaf-blindness, intellectual disabilities, and traumatic brain injury. In FY2017, about \$160 million of special education funding was distributed in these ways.

In FY2017, an additional \$7 million of state special education funding was distributed through specific program-based allocations, including funding for children in eligible facilities, reimbursement of high costs incurred, and screening and evaluation of young children.

## Gifted

Colorado provides increased funding for gifted and talented students. It does so through a limited-use grant.

Districts in Colorado receive funding under the Exceptional Children's Educational Act. These funds may be used for salaries of licensed, endorsed teachers who work with gifted and talented students; staff development and training needed by personnel to address the educational needs of these students; and activities, materials, and equipment associated with the education of gifted and talented students. School districts must develop program plans for gifted students and determine what local resources are needed to supplement the state money in order to carry out their plan.

In FY2017, Colorado provided \$12.2 million for these purposes.

## Career and Technical Education

Colorado provides increased funding for career and technical education (CTE) programs. It does so through a program-based allocation.

If a district's CTE program costs exceed 70% of the per-pupil funding otherwise available to that district, the state provides additional state funding to cover 80% of the first \$1,250 of those excess costs, and 50% of the excess costs above \$1,250. In FY2017, the state allocated \$25.6 million for CTE programs.

## Sparsity and/or Small Size

Colorado provides increased funding for small, remote schools and for small schools. It does so through a supplemental payment for small, remote schools and by applying a multiplier to the base per-pupil amount for small districts that can range from 1.0297 to 2.3958, depending on the district's enrollment.

Each year a cost estimate is calculated for "small attendance centers," which are schools with fewer than 200 students that are twenty or more miles from the nearest district school of the same grade level districts, and the state funds approximately 32% of this amount. In FY2017, funding for small attendance centers was just under \$1.1 million.

Small districts receive additional funding through the application of a "size factor" to the per-pupil base amount, which is determined using an enrollment-based calculation and is unique to each school district. Those with under 5,000 pupils have the highest size factor. Districts with over 5,000 pupils receive a size factor that increases their per-pupil funding by about 3%. Districts with fewer than 500 pupils that also contain a charter school receive an additional compensating adjustment through an increased size factor. In FY2017, about \$307 million was allocated through the size factor.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

