

Colorado

Funding Basics

Formula Type

Colorado has a primarily student-based formula. It assigns a cost to the education of a student with no special needs or services, called a base amount, and provides increased funding to educate specific categories of students. The categories of students considered in Colorado's funding policy are English-language learners, low-income students, students with disabilities, students identified as gifted, students enrolled in career and technical education (CTE) programs, students enrolled in small districts, and students enrolled in small and remote schools.

Colorado expects school districts to contribute to the funding of their public schools, with the amount of the local share based on districts' property values, the proceeds from other local taxes, and districts' school funding histories. Districts in Colorado are permitted to raise and keep additional local revenues for regular district operations.

Supplemental funding for low-income students, English-language learners, and students enrolled in small districts is generated through the application of multipliers to the base amount. Additional services for English-language learners as well as services for students with disabilities, students identified as gifted, students enrolled in career and technical education programs, and students enrolled in small and remote schools are provided through program-specific allocations.

Base Amount

Colorado has a fixed base funding amount per student. For FY2021, the per-student base amount was $7,083.61.

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 and district size. Additionally, districts are guaranteed a minimum level of per-pupil funding, equal to 95% of the state average.

After total program funding requirements are calculated, a budget stabilization factor is applied to reduce state aid proportionally across districts. In FY2021, the budget stabilization factor reduced total formula funding by approximately 14%.

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 motor vehicle registration fees. The amount each district is expected to raise varies depending on its property values, its school funding history, and the property tax rates approved by its voters in prior years, as well its revenue from other local taxes.

Colorado school districts must levy property taxes for education. The intended required property tax rate for each school district is the lowest of $27.00 for every $1,000 of assessed local property wealth, the tax rate currently required to fully fund the district's formula amount, the lowest tax rate that would have fully funded the district's formula amount at any point after 1994, or the highest tax rate approved by the district's voters at any point after 1994. If the intended required rate for a district is greater than its tax rate in 2019, then the district is required to increase its tax rate by up to $1.00 per $1,000 of assessed property value each year, as needed, until the intended rate is reached.

Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the revenue from the required local property taxes for that year, as well as any revenue from county vehicle registration fees that is distributed to the school district, and provides the difference in the form of state education aid.

Property Tax Floors and Ceilings

Colorado sets a floor and a ceiling on local property tax rates, and a level above which voter approval is required. These limitations vary by district.

Most school districts may impose up to $27.00 for every $1,000 of assessed local property wealth without voter approval. However, because districts are not permitted to levy a higher property tax than is necessary to fund their statutory school finance obligations without voter approval, this limit is set at a lower level in districts with high property values and may decrease as property values rise. The limit is also set at a lower level in districts whose voters have not approved a tax rate of $27.00 per $1,000 of property wealth at any point since 1994 (see "Expected Local Share" for more information about districts' statutory school finance obligations). With voter approval, a school district may exceed this limit so as to increase revenues up to 25% (30% for small rural districts) above its formula amount, or $200,000, whichever is greater.

With voter approval, school districts are also permitted to exceed their tax rate limits to raise funds for specific purposes, including transportation, full-day kindergarten, school construction, debt service, and technology.

Other Local Taxes for Education

School districts in Colorado may receive local revenue from property taxes, taxes on motor vehicle ownership, and revenues in the form of gifts or grants, including revenues raised by local municipalities and gifted to the school district.

School districts in Colorado may impose only 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. Additionally, school boards are empowered to accept funding in the form of gifts and donations; in the past, these have included funds raised by local municipalities through other taxes and transferred to the school district as gift funding.

Student Characteristics

Grade Level

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

English-Language Learner

Colorado provides increased funding for English-language learners. It does so in two ways: by applying a multiplier to the base per-pupil amount for English language learners, and through a program-based allocation.

Colorado applies a multiplier of of 1.08 to the base per-pupil amount for English-language learners. Students are eligible to receive this supplemental funding if they are identified using a state-approved assessment as having a level of English-language proficiency such that they require language support in order to meet grade-level standards in English. Additionally, Colorado provides program-based funding under the English Language Proficiency Act (ELPA), which districts can receive for qualifying students whose dominant language is not English.

Under the English Language Proficiency Act (ELPA), individual students may receive funding for up to five years. In FY2021, $24.1 million was provided for ELPA-funded programs.

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 a district. It does so by applying a multiplier of at least 1.12 to the base per-pupil amount for each low-income student. This multiplier is increased in districts whose populations of low-income students exceed the state average (see "Concentrated Poverty" for more information).

Students are eligible for this supplemental funding if they qualify for free or reduced-price lunch under the National School Lunch Program.

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 is provided for children with a specific set of disabilities, which include vision or hearing disabilities, autism, significant emotional disabilities, significant limited intellectual capacity, traumatic brain injury, or multiple disabilities. The specific per-pupil amount of this additional funding is dependent on the amount of money appropriated for this purpose and the proportion of a district's students with these disabilities compared with the number of such students statewide. In FY2021, about $198.9 million of special education funding was distributed through these per-pupil allocations.

In FY2021, an additional $7.3 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 for gifted and talented students under the Exceptional Children's Educational Act. These funds may be used to pay for staff, activities, materials, and equipment associated with the education of gifted and talented students.

In FY2021, Colorado provided $12.8 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 per full-time-equivalent participating student exceed 70% of the per-pupil funding otherwise available to that district, the state provides additional funding to defray the cost. The state covers 80% of the first $1,250 of those excess costs and 50% of any excess costs above $1,250.

In FY2021, the state allocated $27.8 million for CTE programs.

District Characteristics

Concentrated Poverty

Colorado provides increased funding for districts based on the concentrations of students from low-income households that they serve. It does so by increasing the multiplier that is applied to the base per-pupil amount for each student from a low-income household in districts whose populations of such students exceed the state average.

Colorado applies a multiplier of at least 1.12 to the base per-pupil amount for each low-income student. For districts whose proportion of at-risk students exceeds the state average, the multiplier is increased by an amount that considers total enrollment in the district and the degree to which the district's share of at-risk students exceeds the state average. The multiplier does not increase in districts serving fewer than 459 students. The total multiplier for a district's low-income students may not exceed 1.3.

Low-income students are eligible for this supplemental funding if they qualify for free or reduced-price lunch under the National School Lunch Program.

Sparsity and/or Small Size

Colorado provides increased funding for small districts and for small, remote schools. It does so by applying a multiplier to the base per-pupil amount for small districts that can range from 1.0297 to 2.5801, depending on the district's enrollment, and through a supplemental payment for small, remote schools.

Small districts receive additional funding through the application of a multiplier, called the "size factor," to the per-pupil base amount. The size of the multiplier is determined using an enrollment-based calculation and is unique to each school district. Those districts with fewer than 5,000 pupils have the highest size factor. Districts with more than 5,000 pupils receive a size factor that increases their per-pupil funding by 2.97%. Districts with fewer than 500 pupils that also contain a charter school receive an additional compensating adjustment through an increased size factor. In FY2021, $347.5 million was added to districts' calculated formula funding amounts through the application of the size factor, though actual distributions were significantly reduced by the budget stabilization factor (see "Base Amount" for an explanation of this factor).

The state also provides funding for "small attendance centers," which are schools with fewer than 200 students that are 20 or more miles from the nearest school serving the same grade levels within the same school district. The state calculates the amount by which the school's per-pupil funding would be greater if it were a separate district and then provides a percentage of that amount to the school's district—starting from 35% and adjusted upward for smaller schools and downward for schools approaching 200 students. In FY2021, funding for small attendance centers was $1.3 million.

Charter Funding

Funding for charter schools in Colorado is calculated based on local school district revenue.

Charter schools authorized by local school districts receive from those districts the per-student revenue for their authorizing district. Charter schools receive funding that reflects any additional funding generated by students in special programs and need categories. Charter schools authorized by the state authorizer are funded based on the characteristics of all state-authorized charter schools as a whole.

Some charter schools in Colorado receive a share of local tax revenue, while other charter schools receive state funding that may be meant to replace local funding. Charter schools authorized by local school districts receive both state funding and the funding raised through their districts' expected local contribution. Charter schools authorized by the state authorizer receive the full allocation from the state, including the funding that districts would have been expected to raise locally.

For a complete list of primary sources, please see the appropriate state page at funded.edbuild.org

