

Funding Public Schools in Colorado

Local Taxes

School districts receive revenue from local property taxes and ownership taxes. For example, when you purchase a car, part of the cost collected for license plates is earmarked for public schools. Property taxes support services provided within the county that the property is located, with a significant portion designated for public schools. During an economic downturn, foreclosures and decreases in consumer spending have an immediate impact on how much school funding will be available from local sources.

State Funding

The State of Colorado also provides funding for school districts. A dollar amount is allocated for each student enrolled in public schools; this amount is referred to as “per pupil funding.” The amount is determined based on a formula defined in the Colorado Revised Statutes’ Public School Finance Act of 1994 (as amended).



K-12 education funding is just one component of the state’s overall budget. As with local municipalities, economic factors directly impact the state budget, and in turn, the amount of funds available for public schools. Voter-approved amendments to the Colorado constitution have also dictated specific parameters for funding education; most notably Amendment 23, the Gallagher Amendment, and TABOR (Taxpayer Bill of Rights).

Determination of State Funding Amounts

The amount of per pupil funding one school district receives may be different from what another school district receives. This is because the state reviews demographic factors within each school district, and adjusts per pupil funding accordingly. These factors include the cost of living within the district, the size of district, the cost of employee salaries and benefits and the number of at-risk students enrolled in the district. Once these factors have been examined, the state arrives at the baseline dollar amount that will be provided for each pupil within the 178 school districts in Colorado.

Adapted Per Pupil Funding Amount—Categorical Funding

The baseline per pupil revenue figure is further refined, guided by additional categories within the Colorado School Finance model, as described below. These categories are in place to represent the needs of all students, regardless of where they attend school.

- **Small Attendance Centers:** Recognizes challenges faced by small, rural schools.
- **English Language Proficiency:** Gives consideration to students whose predominant language is not English.
- **Gifted and Talented Education:** Acknowledges the needs of gifted students, following guidelines set forth in the Colorado Revised Statutes.
- **Special Education:** Assistance for students with physical limitations, emotional disorders or learning disabilities.
- **Transportation:** Focuses on miles traveled by school buses and the costs associated with transporting students.
- **Vocational Education:** Supplements resources for instruction, supplies and equipment.

Other Considerations

With the decline of the state’s economy, a component called the **Negative Factor** was introduced in Fiscal Year 2010-2011. The Negative Factor reduces the amount of funding available for the categories described above based on economic forecasts from the Governor’s Office of Planning and Budgeting. The dollar amount of the Negative Factor reduction is determined by the Colorado General Assembly and does not change the baseline per pupil funding amount.

From the State to the School...

When the state receives final direction from the legislature, per pupil revenue amounts for the approaching school year are set. Local school boards make decisions about how revenue from per pupil funding and state funds will best serve the schools in their district. School district administrators then complete their budgeting process, collaborating with staff and community members to prioritize how the revenue received will best serve the needs of all students.



More than 840,000 students are enrolled in the 1,780 public schools in Colorado.