

**PROFILE OF CHANGES IN COLORADO  
PUBLIC SCHOOL FUNDING**

**1988-89 TO 2000-01**

**Prepared for**

**THE COLORADO SCHOOL FINANCE PROJECT**

Colorado Association of School Boards  
Colorado Association of School Executives  
Colorado BOCES Association  
Colorado Education Association

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# PROFILE OF CHANGES IN COLORADO PUBLIC SCHOOL FUNDING, 1988-89 TO 2000-01

## Executive Summary

This is the eighth in a series of annual “profile” reports that are designed to examine the evolution of public school funding in Colorado. This report examines data for 2000-01, comparing it to data for 1988-89<sup>1</sup>, 1998-99, and 1999-2000. The report is designed to fulfill one objective of the Colorado School Finance Project (CSFP): to monitor school funding using consistent, reliable data by tracking the level of state and local support for public schools, examining how funds are spent, and placing school funding into the larger state context of population and income.

Over the period of time that is covered in this report, the funding climate in Colorado has become more complicated. The passage of the TABOR Amendment in 1992 placed restrictions on the revenues and expenditures of school districts (and all other government service providers), some of which have been alleviated by local voter approval of amendments to ease revenue/expenditure constraints. The new school finance system, passed in 1994, placed its own limitations on the revenue generating ability of school districts. In 2000, voters approved Amendment 23, which requires school spending to increase by the rate of growth in the student population plus the rate of inflation plus one percentage point beginning in 2001-02. In 2000, the state agreed to provide more funding for school facilities as part of an agreement with plaintiffs who had sued the state over the way it allocated aid for school construction. Finally, following several years of state revenue growth (which required the return of revenues obtained in excess of constitutional standards), the state now faces the prospect of lower than expected revenue due to change in economic conditions (and reduced tax rates enacted just a few years ago). Not all of these events, and Amendment 23 in particular, affected school districts in 2000-01, the focal year of this report.

There are several key points that can be made on the basis of the data contained in the full report.

- ! Enrollment levels in Colorado's public schools continued to grow in

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<sup>1</sup> 1988-89 has been used as the comparison year ever since the series of “profile” reports was started. However, the use of that year does not imply that adequate funds were available in all school districts to meet whatever state requirements may have existed at that time.

2000-01 although at a slower rate than has been the case in the past 12 years. Over the last 12 years, the number of students with special education needs has risen by 55 percent, or about 27,600 students. The proportion of students from economically disadvantaged families, as reflected by eligibility for the federal free lunch program, is about 21 percent of all students; in the last decade the number of such students rose by 48 percent, or about 46,700 students.

- ! After adjusting for inflation (which rose by 52 percent between 1988-89 and 2000-01 based on the Denver-Boulder Consumer Price Index, the official state figure), central spending (for instruction, operation and maintenance of facilities, school and school district administration, and student and staff support) was \$379 per pupil, or \$263 million, lower than it had been in 1988-89. The size of the gap between the spending necessary to keep up with inflation and enrollment growth and actual spending continues to decrease slowly, but steadily, over time. The gap represents a 14 percent loss in revenue, about the amount that will be addressed by the one percent above inflation increase in revenue mandated by Amendment 23 over the ten years beginning in 2001-02.
  
- ! The major purposes for which districts allocate resources has changed somewhat over 12 years -- while about the same proportion of central spending is for instruction (nearly two-thirds of central spending), the proportion for administration has gone down (from 9.4 percent to 8.9 percent, a lower share is being spent on the operation and maintenance of school buildings (a drop from 11.7 percent to 10.0 percent), and a higher share is being spent for student and staff support (such as professional development, guidance, and psychological services), which rose from 12.7 percent of central spending in 1988-89 to 15.2 percent of central spending in 2000-01).
  
- ! There are more teachers relative to numbers of students than ever before. In 2000-01 there were 60.2 teachers for every 1,000 students, which is higher than the level in 1988-89 (when there were 58.1 teachers for every 1,000 students). These figures indicate that there were about 41,760 teachers (including classroom teachers, special education teachers, and other teachers who provide service but may not be assigned to one classroom) in 2000-01 and that there were about 31,150 teachers in 1988-89. This means that about 67.4 teachers were hired for each 1,000 new students added between 1988-89 and 2000-01.
  
- ! The average salary paid to teachers was \$39,211 in 2000-01. When the figures are adjusted for inflation, the average teacher salary has decreased

by \$5,802, or 12.9 percent between 1988-89 and 2000-01. Salaries are somewhat more difficult to compare over time because the characteristics of teachers have changed in the last few years – in 2000-01 the average experience of teachers was 11 years as compared to 13 years in 1988-89 and the proportion of teachers with at least a masters degree was 45.1 percent as compared to 47.3 percent in 1988-89. Therefore, it is expected that the average salary of teachers would be slightly lower in 2000-01 as compared to what it was in 1988-89 if there had been no inflation.

- ! The average annual increase in Colorado's population was 2.35 percent over the last 12 years, which was slightly higher than the average annual increase in student enrollment during the same period (2.17 percent).
- ! The assessed value of property has been rising steadily for several years after a long period of dormancy. In 2000-01, property valuation was \$48.3 billion, \$10 billion more than it was two years previously but only \$15 billion higher than it was in 1988-89. In per pupil terms, property valuation was about \$69,600 in 2000-01, which was only 12.2 percent more than it was in 1988-89 (when it was about \$62,000).
- ! Aggregate personal income has skyrocketed during the last 12 years, rising by an average annual rate of 8.3 percent. In per capita terms, personal income grew from \$16,500 in 1988-89 to about \$32,500 in 2000-01, or about 5.8 percent annually. Overall, total personal income increased at 1.3 times the rate of inflation.
- ! One way to evaluate the burden placed on people to pay for services is to examine the proportion of personal income devoted to that service. In 1988-89, about 3.89 percent of personal income was used to support K-12 education while in 2000-01 only 2.58 percent of personal income was used for that purpose. Had the same proportion of income been used to support public schools in 2000-01 as had been used in 1988-89, about \$1.84 billion more revenue would have been available, which would have been enough to eliminate the spending gap and still have provided over \$1.5 billion in tax relief.
- ! Finally, Colorado's school finance system appears to be fairly wealth neutral; that is, the property wealth of communities is only weakly related to the per pupil spending of school districts.

This is the eighth in a series of annual “profile” reports that are designed to examine the evolution of public school funding in Colorado. The first report compared 1993-94 to 1988-89 using statewide average information.<sup>1</sup> Subsequent reports updated the first one by adding data as it became available year by year for 1994-95, 1995-96, 1996-97, 1997-98, 1998-99, and 1999-2000.<sup>2</sup> This report examines data for 2000-01, comparing it to data for 1988-89 (the base year, which has remained consistent in all reports), 1998-99, and 1999-2000. The report is designed to fulfill one objective of the Colorado School Finance Project (CSFP): to monitor school funding using consistent, reliable data by tracking the level of state and local support for public schools, examining how funds are spent, and placing school funding into the larger state context of population and income.

Over the period of time that is covered in this report, the funding climate in Colorado has become more complicated. The passage of the TABOR Amendment in 1992 placed restrictions on the revenues and expenditures of school districts (and all other government service providers), some of which have been alleviated by local voter approval of amendments to ease revenue/expenditure constraints. The new school finance system, passed in 1994, placed its own limitations on the revenue generating ability of school districts. In 2000, voters approved Amendment 23, which requires

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<sup>1</sup> "A Profile of the Fiscal Status of Public Schools in Colorado: Changes Between 1988-89 and 1993-94 and Comparisons to Other States" (Colorado School Finance Project, January 1996).

<sup>2</sup> For example, see "Profile of Changes in Colorado School Funding, 1988-89 to 1999-2000 (Colorado School Finance Project, January 2002).

school spending to increase by the rate of growth in the student population plus the rate of inflation plus one percentage point. In 2000, the state agreed to provide more funding for school facilities as part of an agreement with plaintiffs who had sued the state over the way it allocated aid for school construction. Finally, following several years of state revenue growth (which required the return of revenues obtained in excess of constitutional standards), the state faces the prospect of lower than expected revenue due to change in economic conditions (and reduced tax rates enacted just a few years ago). Not all of these events affected school districts in 2000-01, the focal year of this report.

The attached tables organize the data and readers should examine them carefully to draw their own conclusions about what the data mean. The first group of tables (Tables 1-5) displays statewide averages and provides historical data for 1988-89, 1998-99, 1999-2000, and 2000-01 along with annual (or annualized) changes between those years. The second group of tables (Tables 6-8) displays data for 2000-01 disaggregated for school districts based on their size, change in enrollment (from 1988-89), and wealth. It should be noted that some data are provided for a school year (such as 2000-01) and other data are provided for a fiscal year (such as FY2001); for our purposes, we use the year 2000-01 as essentially the same as FY2001. Almost all data were collected by the Colorado Department of Education (CDE) based on the most recent audited information. We greatly appreciate the work of CDE, which has been responsible for improving data collection procedures so that information is more accurate

and available much sooner than ever before. Some data, particularly those in Table 5, come from the Colorado Legislative Council.

Because the first few tables compare 2000-01 to other years, going back as far as 1988-89, we sometimes adjust the older data so that it is presented in current dollar terms. We do this by using an inflation adjustment, as is common in evaluating economic data over several years. We use the Consumer Price Index (CPI) for the Denver-Boulder Standard Metropolitan Statistical Area as the basis of the adjustment (this is the factor published by the Colorado Legislative Council and used by the legislature to make year to year changes in the allocation of some types of state support). The CPI indicates that inflation grew by 52.0 percent between 1988-89 and 2000-01, suggesting that whatever was purchased with \$1.00 in 1988-89 would cost \$1.52 in 2000-01 (and that it is appropriate to adjust dollar amounts in 1988-89 by a factor of 1.52 to make them comparable to 2000-01 figures). Throughout the report this adjustment is made in order to compare revenues and expenditures today (2001) to those of 12 years ago, two years ago, and one year ago.

The statewide average data (Tables 1-5) indicate a variety of important things about the level of support for education and how funds are spent by school districts.

- ! Enrollment levels in Colorado's public schools continued to grow in 2000-01 although at a slower rate than has been the case in the past 12 years (see Table 1, row [1]). The state serves nearly 157,500 more students now than it did 12 years ago, which is the equivalent of adding a new Jefferson County school district *and* a new Denver school district during the period — the implications of this growth include the need to have hired about 8,750 more professional staff (assuming about one staff member for every 18 students) and the need to have built about 175 new schools (assuming about 900 students per school). In 2001, it would have

been necessary to hire about 660 teachers (at an added annual cost of about \$33 million in salary and benefits) and to have built 13 new schools across the state (at a cost of more than \$200 million), assuming the same ratios and an even pattern of growth.

- ! Enrollment of students with special education needs has stabilized at a little more than 11 percent of all students (see Table 1, row [2]), which is slightly below the national average. Over the last 12 years, the number of students with special education needs has risen by 55 percent, or about 27,600 students. Given the average cost of serving such students (about 90 percent *more than* the cost of a regular student according to the Center for Special Education Finance), from a cost perspective school districts face the added burden of about 24,800 students (or about \$124 million) above the actual numbers of new students with special education needs.
  
- ! The proportion of students from economically disadvantaged families, as reflected by eligibility for the federal free lunch program, is about 21 percent of all students (see Table 1, row [3]). In the last decade the number of such students rose by 48 percent, or about 46,700 students. Assuming that these students cost anywhere from 25-50 percent more than regular students, school districts face added costs of 11,675 -23,350 students (or \$58-116 million) over the actual numbers of new students from economically disadvantaged families. While the proportion of students eligible for free lunches has declined slightly, continuing a trend seen in previous reports, there is concern that the proportion of students eligible for *reduced* price meals, who may also have needs for added education services, may be growing.<sup>3</sup>
  
- ! The rate of increase in the numbers of students with special needs far exceeds the rate of growth for students without such needs. Assuming that the number of students without special needs is the total number of students minus those with special education needs and those eligible for free lunch (which certainly is not a precise way to calculate them), then between 1988-89 and 2000-01, the number of students with special education needs rose by 54.6 percent, the number of students eligible for free lunch grew by 48.2 percent, and the number of students without special needs (all others) increased by 21.4 percent.

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<sup>3</sup> In 2000, the Colorado School Finance Project undertook a study of this issue and found that while the proportion of pupils eligible for free lunches was decreasing, the proportion of pupils eligible for reduced-price lunches was growing.

- ! Total current operating revenue per pupil rose by 5.0 percent between 1999-2000 and 2000-01 (see Table 2, row [4]), a rate that exceeded inflation (the Denver-Boulder Consumer Price Index [CPI] rose by 4.0 percent in that one year period) and was higher than the average rate in the prior 11 years. Despite this level of growth in the past year, operating revenue has not kept up with the combination of inflation and enrollment change over the 12 years; given revenue of \$4,629 in 1988-89, \$7,036 per pupil would have been needed in 2000-01, which exceeded actual revenue in that year by \$423 per pupil.
  
- ! Local revenue per pupil rose by 4.5 percent in FY2001, a rate slightly more than inflation and, while lower than the rise in the previous year, far higher than the average increase between 1989 and 1999 (see Table 2, row [1]). It should be noted, however, that had local revenue kept pace with inflation and enrollment growth over the 12 year period, it would have generated \$1.35 billion in *new* revenue in 2000-01 as compared with 1988-89 (the fact is that in 2000-01, there was \$834 million more in local revenue than there had been in 1988-89; this is \$561 million less than the amount of local revenue required to have kept pace with inflation and enrollment growth).
  
- ! State revenue per pupil rose at a faster rate in FY2001 than it did in FY2000 or than it had each year, on average, between 1989 and 1999 (see Table 2, row [2]), inversely reflecting the growth in local revenues (a low [high] increase in local revenues was associated with a high [low] increase in state revenues). At a level of \$3,001 per pupil in 2000-01, state aid was about \$270 per pupil, or \$187 million, higher than it needed to be in order to have kept up with inflation and enrollment growth between 1988-89 and 2000-01. But that amount was still insufficient to make up for the loss of over \$560 million in local funds. The problem is that, unlike many other services, public schools are funded by both state and local sources — the fact that one of the two sources, in this case the state, has provided a tremendous amount of new funding over the course of a decade does not alleviate the impact of a lower than needed rise in the other source, local funds.
  
- ! Federal revenue has been rising very rapidly in the past couple of years, providing about \$55 per student, or \$38 million, more than was required to keep up with enrollment growth and inflation over the 12 year period. Despite rapid growth, federal revenue did not go far to stanch the inflation-adjusted loss of local funds.
  
- ! Per pupil spending for “central” purposes (that is, spending for instruction, instructional support, administration, plant maintenance and operation but

excluding transportation, food services, community services, and capital) rose by 5.4 percent between 1999-2000 and 2000-01 (see Table 2, row [5]) although, after taking inflation into consideration, per pupil spending in 1999-00 was about 6.2 percent lower than it had been a decade earlier.

- ! Per pupil spending for other operating purposes (transportation, food services, and community services) rose dramatically in 2000-01 (see Table 2, row [6]), although after adjusting for inflation, such spending was 4.8 percent lower than it had been in 1988-89.
- ! Central spending was about 88.2 percent of total spending for current operations in 2000-01, almost the same as it had been in 1988-89 (when the figure was 88.3 percent). This means that districts are spending about the same proportion of current spending for transportation, food services, and community services now as was the case 12 years ago.
- ! The major purposes for which districts allocate resources has changed somewhat over ten years (see Table 2, row [7]) -- while about the same proportion of "central" spending is for instruction (nearly two-thirds of central spending), the proportion for administration has gone down (from 9.4 percent to 8.9 percent -- this means that school districts are spending about \$19.9 million less on administration in 2000-01 than would have been the case had they been spending at the same proportion as they were in 1988-89), a lower share is being spent on the operation and maintenance of school buildings (a drop from 11.7 percent to 10.0 percent of central spending, which translates into a decrease of \$97 per pupil -- although 10.0 percent is an increase from lower levels in prior years), and a higher share is being spent for student and staff support (such as professional development, guidance, and psychological services), which rose from 12.7 percent of central spending in 1988-89 to 15.2 percent of central spending in 2000-01)..
- ! After adjusting for inflation, "central" spending was \$379 per pupil, or \$263 million, lower than it had been in 1988-89 (see Table 3). The size of the gap between the spending necessary to keep up with inflation and enrollment growth and actual spending continues to decrease slowly, but steadily, over time (in 1995-96, the gap was \$543 per pupil). The gap in 2000-01 is 30 percent lower than it was in 1995-96. Analysis shows that actual spending accounted for about 82 percent of the increase needed to meet inflation and about 94 percent of the amount needed for enrollment growth.

- ! There are more teachers relative to numbers of students than ever before (see Table 4, row [2]). In 2000-01 there were 60.2 teachers for every 1,000 students, which is higher than the level in 1988-89 (when there were 58.1 teachers for every 1,000 students). These figures indicate that there were about 41,760 teachers (including classroom teachers, special education teachers, and other teachers who provide service but may not be assigned to one classroom) in 2000-01 and that there were about 31,150 teachers in 1988-89. This means that about 67.4 teachers were hired for each 1,000 new students added between 1988-89 and 2000-01. The fact is that the number of *classroom* teachers decreased relative to numbers of students over the last 12 years, which probably reflects the fact that so many professional personnel other than classroom teachers have been hired in response to the influx of students with special needs.
  
- ! The average salary paid to teachers was \$39,211 in 2000-01 (see Table 4, row [3]). In conjunction with figures for earlier years, this indicates that teacher salaries have increased, on average, by about 2.4 percent each year over the previous 12 years. When the figures are adjusted for inflation, the average teacher salary has decreased by \$5,802, or 12.9 percent between 1988-89 and 2000-01. Salaries are somewhat more difficult to compare over time because the characteristics of teachers have changed in the last few years – in 2000-01 the average experience of teachers was 11 years as compared to 13 years in 1988-89 and the proportion of teachers with at least a masters degree was 45.1 percent as compared to 47.3 percent in 1988-89. Therefore, it is expected that the average salary of teachers would be slightly lower in 2000-01 as compared to what it was in 1988-89 if there had been no inflation. Nevertheless, teacher salaries represent a smaller portion of “central” spending in 2000-01 than would have been expected if salaries had risen with inflation – salaries alone (excluding benefits) represented 41.2 percent of all central spending but would have been 47.3 percent of central spending if salaries had kept pace with inflation (which implies that something over \$200 million was being spent on something other than salaries). About \$303 million would have been needed in 2000-01 to raise the salaries of all teachers up to an inflation-adjusted level (including a 25 percent adjustment for benefits), an amount that is about \$40 million more than the spending gap discussed above – it appears as if districts used teacher salary levels to deal with the gap.
  
- ! Colorado's population grew by 6.6 percent between 1999-2000 and 2000-01 to 4.32 million people (see Table 5, row [1]). This may be an anomaly associated with the availability of better information based on the 2000 census (the figure for 2000-01 is accurate due to the census but earlier

years, particularly the ones for years just before the census was taken, may have been flawed). The average annual increase in population was 2.35 percent over the last 12 years, which was slightly higher than the average annual increase in student enrollment during the same period (2.17 percent). Had enrollment increased at the same rate as the population did between 1988-89 and 2000-01, there would have been about 14,900 more students than was actually the case in 2000-01.

- ! The assessed value of property has been rising steadily for several years after a long period of dormancy (see Table 5, row [2]). In 2000-01, property valuation was \$48.3 billion, \$10 billion more than it was two years previously but only \$15 billion higher than it was in 1988-89. In per pupil terms, property valuation was about \$69,600 in 2000-01, which was only 12.2 percent more than it was in 1988-89 (when it was about \$62,000).
  
- ! Aggregate personal income has skyrocketed during the last 12 years (see Table 5, row [3]), rising by an average annual rate of 8.3 percent. In per capita terms, personal income grew from \$16,500 in 1988-89 to about \$32,500 in 2000-01, or about 5.8 percent annually. Overall, total personal income increased at 1.3 times the rate of inflation.
  
- ! One way to evaluate the burden placed on people to pay for services is to examine the proportion of personal income devoted to that service (even though some revenue source other than income taxes, such as property or sales taxes, is actually used to pay for the service). The figures in rows 4 and 5 of Table 5 indicate the proportion of personal income that is effectively devoted to supporting public schools from local and state sources. Clearly, a lower proportion of income was devoted to public schools from both local and state sources in 2000-01 than was the case in 1988-89. In fact, combining the two, in 1988-89, about 3.89 percent of personal income was used to support K-12 education while in 2000-01 only 2.58 percent of personal income was used for that purpose. Had the same proportion of income been used to support public schools in 2000-01 as had been used in 1988-89, about \$1.84 billion more revenue would have been available (see row [6]), which would have been enough to eliminate the spending gap (\$263 million, or about 14 percent of the amount that would have been available) and still have provided over \$1.5 billion in tax relief. Even in the last few years, as income has grown and the proportion of income devoted to supporting public schools has decreased, the amount that could have been devoted to education and property tax relief has increased (from \$1.48 billion in 1998-99 to \$1.55 billion in 1999-2000 to \$1.84 billion in 2000-01) – and since the education revenue gap has been decreasing at the same time, from \$315 million in 1998-99 to \$298 million

in 1999-2000 to \$263 million in 2000-01, the amount that could have been used for tax relief would have grown.

### Differences Across Districts Based on Three Key Characteristics

The disaggregated data indicate a variety of important things about the differences between school districts that are associated with district enrollment level (Table 6), change in enrollment (Table 7), and district wealth (Table 8), which are discussed below.

#### *Differences Based on Enrollment Level*

In Table 6, districts have been grouped into five categories based on their level of enrollment. The vast majority of districts in the state (103 of the 176 operating in 2000-01), had fewer than 1,000 pupils although the nine largest districts enrolled slightly more than half of all pupils. There was no relationship between size and rate of overall growth in enrollment. However, the proportion of students in special education programs decreased slightly as district size increased (from 12.2 percent of all students in the smallest districts to about 11 percent in very large districts). The 103 smallest and the two largest districts had the highest proportions of pupils from low income families but while the proportion of students from low income families decreased between 1988-89 and 2000-01 in the smallest districts, the proportion rose in the largest districts.

The very smallest districts employed many more teachers per 1,000 students than moderate size or large districts; between 1988-89 and 2000-01 the number of teachers relative to students decreased in both the very smallest and very largest districts while it

increased in districts with between 1,000 and 50,000 students. The average salary level of teachers was directly related to the size of districts although the change in average salary over the previous 12 years was inversely related to district size (as exemplified by the fact that average salary in the smallest districts rose by 41.2 percent to \$30,678 while the average salary in the largest district grew by 28.0 percent to \$42,120); therefore, over time, the difference between salary levels in the largest and smallest districts was decreasing. Interestingly, while the average number of years of teaching experience declined across districts of all sizes, the largest decrease took place in the largest districts (in the two largest districts average years of experience dropped from 14.5 to 10.3 years). At the same time, while the proportion of teachers with at least a masters degree rose in smaller districts (those with less than 10,000 students), it decreased in larger districts (those with over 10,000 students).

The 103 smallest districts spent the most per pupil and saw the largest increase in “central” spending between 1988-89 and 2000-01 while the remaining 73 districts’ spending, and the 12 year increase in spending, rose with size. The spending pattern was very similar across districts of all sizes, although smaller districts tended to spend a higher proportion on administration while larger districts tended to spend more on support services. In per pupil terms, the 103 smallest districts spent about \$350 per pupil more than the nine largest districts for administration while the two largest districts spent about \$340 per pupil more than the smallest districts for pupil and staff support.

In FY2001, larger districts tended to rely more on local revenue than smaller districts although the largest increases in local revenue between 1988-89 and 2000-01

took place in districts with between 1,000 and 50,000 students. The revenue gap in 2000-01 was much greater in the nine largest districts than it was in the remaining 167 districts although the gap had decreased in districts of all sizes over time. The figures suggest that districts with over 20,000 students were still \$500 per pupil, or more, behind where they had been in 1988-89 (taking growth and inflation into consideration).

Small districts had the highest levels of assessed property value per pupil and the largest increases in assessed valuation between 1988-89 and 2000-01. In the nine largest districts, property valuation rose by less than six percent in total (not per year) over the 12 year period.

#### *Differences Across Districts Based on Change in Enrollment*

In Table 7, districts have been organized into five groups based on the change in enrollment between 1988-89 and 2000-01. During that period, enrollment decreased in 31 districts (by 6.0 percent, on average) but grew by an average of 74.6 percent in 41 districts. While the proportion of students in special education did not vary much across districts regardless of enrollment growth, it is worth noting that districts with decreasing enrollment had the highest proportion of students in special education and districts with the fastest growth had the lowest proportion of students in special education. Similarly, districts with declining enrollment had the highest proportion of students from low income families (at 41.3 percent of all students in 2000-01) while those districts with the largest growth in enrollment had the lowest proportion of students from low income families (at 7.0 percent of all students in 2000-01).

Districts in which enrollment declined employed more teachers per 1,000 pupils than districts that had rising enrollments and, as might be expected, had the largest increase in number of teachers per 1,000 pupils. The average salary level of teachers in 2000-01 was lowest in districts in which enrollment had decreased between 1988-89 and 2000-01 and was highest among districts that had seen moderate growth (between 15.5 and 47.5 percent) during the same period. Interestingly, the amount of enrollment growth over the 12 year period was related directly to the proportion of teachers with at least a masters degree – districts with declining enrollment had the lowest percentage (40.0%) and districts with the largest growth had the highest percentage (49.0%).

There was a slight inverse relationship between growth in enrollment and per pupil central spending (the average per pupil spending of districts with declining enrollment was \$5,816 while the average per pupil spending of districts with the largest amount of growth was \$5,643) although there was an inverse relationship between enrollment growth and change in per pupil spending (spending grew by 49.0% in districts with declining enrollment and by 35.8% in districts with the largest growth between 1988-89 and 2000-01). The spending pattern of districts was unrelated to change in enrollment.

Districts with the largest growth relied more on local support in 2000-01 than other districts but had the lowest increase in local support (10.9%) between 1988-89 and 2000-01 as compared to other enrollment growth groups (they also saw an enormous increase in state support between 1988-89 and 2000-01 – 109.2%). In general, the lower the level of enrollment growth was, reliance on local support was lower and reliance on state support was higher.

While districts of all growth patterns saw a reduction in the revenue gap per pupil, districts with decreasing enrollment or low growth had the lowest gaps in 2000-01 and districts with the largest growth had the highest gap.

Districts with declining enrollment had the lowest assessed valuation per student but the highest growth in valuation between 1988-89 and 2000-01; at the same time, districts with the largest growth had the highest assessed valuation of property and almost no growth in valuation per student over the 12 year period.

#### *Differences Across Districts Based on Wealth*

In Table 8, Colorado's school districts are grouped into five categories, each with about the same number of students, based on their property wealth per pupil. There was no relationship between district wealth and the proportion of students in special education programs or the proportion of students from low income families (in both cases, both the lowest wealth and highest wealth districts had the relatively high proportions of such students).

There was no relationship between the number of teachers per 1,000 students and district wealth (given that three of the five groups had very similar numbers) although the highest wealth group had the highest average number of teachers. Too, none of the teacher characteristics we examined, including average salary, number of years of experience, or proportion of teachers with at least a masters degree, was related to district wealth.

In FY2000, per pupil spending for basic purposes was related to the wealth of districts although the difference in average spending per pupil between the lowest wealth and highest wealth groups was only about 12 percent. In fact, the per pupil spending of the two lowest wealth groups was almost the same (\$5,471 and \$5,458), the next two wealth groups had spending per pupil that was \$200-250 higher (\$5,766 and \$5,806), and the per pupil spending of the wealthiest group was about \$350 higher than that (\$6,154). The increase in spending between 1988-89 and 2000-01 was inversely related to wealth (spending in the lowest wealth group rose by 49.2% while spending in the highest wealth group increased by 34.5%).

The spending pattern was similar across wealth groups although there was a very slight tendency for the wealthiest group to spend less on instruction and more on support services than the least wealthy group.

As would be expected, districts with higher wealth relied to a greater extent on local support and to a lesser extent on state aid than was true for lower wealth districts. However, between 1988-89 and 2000-01, local support increased the least, and state support rose the most, in the wealthiest group.

The revenue gap has decreased over the last few years for all groups except the highest wealth group. The lowest wealth group had a gap of only \$101 per student, well below the state average in 2000-01, lowering it from \$352 per student five years earlier. For the wealthiest group, the gap had actually grown between FY1996 and FY1999 although it has decreased since then but remains very high at \$799 per student in FY2001.

The wealthiest group of districts had property valuation four times higher than the least wealthy group in 2000-01 although both groups had increases in wealth over time that were higher than middle-wealth groups.

**TABLE 1**

**COMPARISON OF CHANGE IN NUMBER OF PUPILS, PUPILS ENROLLED IN SPECIAL EDUCATION, AND PUPILS FROM LOW INCOME FAMILIES BETWEEN 1988-89 AND 2000-01**

	Year			
	<u>1988-89</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>
<b>(1) All Pupils (FTE)</b>	<b>536,196</b>	<b>669,041</b>	<b>681,743</b>	<b>693,644</b>
<i>Change from Earlier Year</i>		2.2%*	1.9%	1.7%
<b>(2) Pupils in Special Education (Head Count)</b>	<b>50,681</b>	<b>74,695</b>	<b>76,505</b>	<b>78,334</b>
<i>Percentage of All Pupils</i>	9.5%	11.2%	11.2%	11.3%
<b>(3) Pupils from Low Income Families (Free Lunch Program Head Count)</b>	<b>96,812</b>	<b>145,494</b>	<b>144,926</b>	<b>143,498</b>
<i>Percentage of All Pupils</i>	18.1%	21.7%	21.3%	20.7%

\* This figure is the average change for each year from 1988-89 through 1998-99.

**TABLE 2**

**COMPARISON OF CHANGE IN PER PUPIL REVENUES AND  
EXPENDITURES BETWEEN 1988-89 AND 2000-01**

	Year			
	<u>CY1989</u>	<u>FY1999</u>	<u>FY2000</u>	<u>FY2001</u>
<b>Current Operating Revenues:</b>				
<b>(1) Local</b>	<b>\$2,602</b>	<b>\$2,906</b>	<b>\$3,076</b>	<b>\$3,213</b>
<i>Change from Earlier Year</i>		<i>1.1%*</i>	<i>5.8%</i>	<i>4.5%</i>
<b>(2) State</b>	<b>\$1,797</b>	<b>\$2,788</b>	<b>\$2,857</b>	<b>\$3,001</b>
<i>Change from Earlier Year</i>		<i>4.5%*</i>	<i>2.5%</i>	<i>5.0%</i>
<b>(3) Federal</b>	<b>\$226</b>	<b>\$337</b>	<b>\$366</b>	<b>\$399</b>
<i>Change from Earlier Year</i>		<i>4.1%*</i>	<i>8.6%</i>	<i>9.0%</i>
<b>(4) Total</b>	<b>\$4,629</b>	<b>\$6,031</b>	<b>\$6,299</b>	<b>\$6,613</b>
<i>Change from Earlier Year</i>		<i>2.7%*</i>	<i>4.4%</i>	<i>5.0%</i>

\* This figure is the average change for each year from 1988-89 through 1998-99.

**TABLE 2 (Continued)**

	Year			
	<u>CY1989</u>	<u>FY1999</u>	<u>FY2000</u>	<u>FY2001</u>
<b><u>Current Operating Expenditures:</u></b>				
<b>(5) "Central" per Pupil</b>	<b>\$4,020</b>	<b>\$5,241</b>	<b>\$5,439</b>	<b>\$5,731</b>
<i>Change from Earlier Year</i>		<i>2.7%*</i>	<i>3.8%</i>	<i>5.4%</i>
Adjusted by CPI <sup>1</sup> to FY2001	<b>\$6,110</b>	<b>\$5,608</b>	<b>\$5,657</b>	<b>\$5,731</b>
<b>(6) Other Operating per Pupil</b>	<b>\$532</b>	<b>\$679</b>	<b>\$718</b>	<b>\$770</b>
<i>Change from Earlier Year</i>		<i>2.5%*</i>	<i>5.7%</i>	<i>7.2%</i>
Adjusted by CPI <sup>1</sup> to FY2001	<b>\$809</b>	<b>\$727</b>	<b>\$747</b>	<b>\$770</b>
<b>(7) Distribution by Function:</b>				
<b>Instruction</b>	<b>66.2%</b>	<b>65.9%</b>	<b>66.1%</b>	<b>65.8%</b>
<b>Plant Operation</b>	<b>11.7%</b>	<b>9.7%</b>	<b>9.6%</b>	<b>10.0%</b>
<b>Administration</b>	<b>9.4%</b>	<b>9.2%</b>	<b>9.2%</b>	<b>8.9%</b>
<b>Support</b>	<b>12.7%</b>	<b>15.3%</b>	<b>15.1%</b>	<b>15.2%</b>

\* This figure is the average change for each year from 1988-89 through 1998-99.

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<sup>1</sup> To get to FY2001, multiply: FY2001 by 1.000; FY2000 by 1.040; FY1999 by 1.070; and CY1989 by 1.520.

## TABLE 2 (Continued)

### Central Spending\*:

Instruction - Activities associated with providing classroom instruction. It includes special education costs when related to providing instruction. It also includes paraprofessionals in the classroom and co-curricular activities.

Plant Operation - Activities related to the maintenance and up-keep of buildings. It also includes the cost of maintaining safety in buildings. Does not include major remodeling.

Administration - Activities of both the district-level and school-level administration and clerical support for these positions.

District-level administration includes the school board and superintendent's office.

School-level administration includes principals, assistant principals, school secretaries, and attendance clerks.

Support – Activities associated with assisting students and staff. These include counseling services, psychological services, speech therapy services, media services, and staff development. It also includes business services for the district.

\* Central spending excludes spending for capital purposes, transportation, food services, and community services.

**TABLE 3**

**COMPARISON OF ANTICIPATED AND ACTUAL CHANGE IN CURRENT  
OPERATING EXPENDITURES BETWEEN CY1989 AND FY2001**

<u>CY1989 to FY2001</u>	<u>Change in Revenue Due to:</u>		
	<u>Inflation</u>	<u>Growth</u>	<u>Inflation and Growth</u>
Anticipated Increase in Revenue	\$1,120,762,536	\$961,981,846	\$2,082,744,383
Actual Increase in Revenue	\$917,598,735	\$902,325,128	\$1,819,923,863
Difference (Gap = Actual - Anticipated)	- \$203,163,801	- \$59,656,718	- \$262,820,520
Per Pupil Gap	- \$293	- \$86	- \$379

Change in Average Per Pupil Gap by Year

FY1996	- \$543
FY1997	- \$526
FY1998	- \$483
FY1999	- \$471
FY2000	- \$437
FY2001	- \$379

Note: Inflation is calculated using the Denver-Boulder Consumer Price Index (CPI), which grew by the following amounts between CY1989 and: FY1996, 29.9%; FY1997, 34.4%, FY1998, 38.8%, FY1999, 42.1%, FY2000, 46.2%; and FY2001, 52.0%.

**TABLE 4**

**COMPARISON OF CHANGE IN NUMBERS AND CHARACTERISTICS  
OF TEACHERS BETWEEN 1988-89 AND 2000-01**

	<u>Year</u>			
	<u>1988-89</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>
<b>(1) Classroom Teachers per 1,000 Pupils</b>	<b>51.7</b>	<b>49.6</b>	<b>52.9</b>	<b>49.3</b>
<b>(2) Total Teachers per 1,000 Pupils</b>	<b>58.1</b>	<b>58.8</b>	<b>59.5</b>	<b>60.2</b>
<b>(3) Average Teacher Salary</b>	<b>\$29,614</b>	<b>\$38,229</b>	<b>\$38,191</b>	<b>\$39,211</b>
Adjusted to CPI <sup>1</sup> to FY2001	\$45,013	\$40,905	\$39,719	\$39,211
<b>(4) Average Number of Years of Experience</b>	<b>13</b>	<b>13</b>	<sup>2</sup>	<b>11</b>
<b>(5) Percentage of Teachers with at Least a Masters Degree</b>	<b>47.3%</b>	<b>46.5%</b>	<sup>2</sup>	<b>45.1%</b>

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<sup>1</sup> To get to 2001, multiply: 2001 by 1.000; 2000 by 1.040; 1999 by 1.070; and 1988-89 by 1.52.

<sup>2</sup> Teachers' years of experience and educational history was not available for this year.

**TABLE 5**

**COMPARISON OF CHANGE IN STATEWIDE  
POPULATION, PROPERTY VALUE, AND PERSONAL  
INCOME BETWEEN 1988-89 AND 2000-01**

	<u>Year</u>			
	<u>1988-89</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>
<b>(1) Population</b>	<b>3,271,400</b>	<b>3,969,000</b>	<b>4,056,100</b>	<b>4,323,400</b>
<i>Change from Earlier Year</i>		<i>2.0%*</i>	<i>2.2%</i>	<i>6.6%</i>
<b>(2) Property Valuation (millions)</b>	<b>\$33,241</b>	<b>\$38,299</b>	<b>\$46,287</b>	<b>\$48,300</b>
<i>Change from Earlier Year</i>		<i>1.4%*</i>	<i>8.6%</i>	<i>4.3%</i>
<b>(3) Aggregate Personal Income (millions)</b>	<b>\$53,966</b>	<b>\$119,044</b>	<b>\$127,903</b>	<b>\$140,353</b>
<i>Change from Earlier Year</i>		<i>8.2%*</i>	<i>7.4%</i>	<i>9.7%</i>
<b>(4) Proportion of Personal Income Consumed by Current Operating Sup- port for K-12 Education:</b>				
<b><i>Local Property Taxes:</i></b>				
<b>Total (millions)</b>	<b>\$1,131</b>	<b>\$1,390</b>	<b>\$1,486</b>	<b>\$1,545</b>
<b>Percentage of Aggregate Per- sonal Income</b>	<b>2.10%</b>	<b>1.17%</b>	<b>1.16%</b>	<b>1.10%</b>

\* This figure is the average change for each year from 1988-89 through 1998-99.

**TABLE 5 (Continued)**

	<u>Year</u>			
	<u>1988-89</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>
<b>(5) Proportion of Personal Income Consumed by Current Operating Support for K-12 Education:</b>				
<b><i>State General Fund Aid:</i></b>				
<b>Total (millions)</b>	<b>\$964</b>	<b>\$1,763</b>	<b>\$1,948</b>	<b>\$2,082</b>
<b>Percentage of Aggregate Personal Income</b>	<b>1.79%</b>	<b>1.48%</b>	<b>1.52%</b>	<b>1.48%</b>
<b>(6) Amount of Revenue that Would have been Collected Above what was Actually Collected if Local and State Tax Effort had been the Same as it was in 1988-89 (3.89% of Personal Income)</b>				
<b>In Millions</b>	<b>-</b>	<b>\$1,476.1</b>	<b>\$1,547.6</b>	<b>\$1,838.6</b>

Source: "Focus Colorado: Economic & Revenue Forecast, 2002-2007"  
(Legislative Council, March 2002)

Note: Some figures are different from those used in earlier reports due to revisions by the Legislative Council.

**TABLE 6**

**PROFILE OF SCHOOL FINANCE CHANGE, 1988-89 TO 2000-01  
DISTRICTS GROUPED BY ENROLLMENT**

	Enrollment Category				
	Less Than 1,000	1,000- 9,999	10,000- 19,999	20,000- 49,999	More Than 50,000
<u>Group Characteristics:</u>					
Number of Districts	103	55	9	7	2
2000-01 Enrollment	37,852	154,424	137,563	212,030	151,775
<u>Change in Pupils 1988-89 to 2000-01:</u>					
Change in Total Enroll.	6,973	37,380	23,616	65,252	24,228
<i>% Change</i>	33.3%	31.9%	21.0%	44.5%	19.0%
% Spec. Ed. 1988-89	10.5%	10.0%	9.3%	9.2%	9.0%
% Spec. Ed. 2000-01	12.2%	11.8%	11.2%	11.2%	10.8%
% Free Lunch 1988-89	29.1%	21.4%	18.8%	11.7%	19.0%
% Free Lunch 2000-01	25.3%	20.4%	23.4%	13.0%	28.1%
<u>Teachers</u>					
2000-01 Tchrs./1,000 Pupils	79.6	62.2	60.0	58.0	58.0
<i>Change in Tchrs./1,000</i>	-2.8	3.1	4.0	2.0	-1.9
2000-01 Average Salary	\$30,678	\$35,960	\$38,951	\$41,969	\$42,120
<i>Change in Salary</i>	41.2%	34.0%	33.7%	31.5 %	28.0%
<u>Years of Experience:</u>					
1988-89	10.8	12.6	13.2	12.8	14.5
2000-01	10.0	10.1	11.0	11.6	10.3
<u>% with Masters or More:</u>					
1988-89	24.6%	39.0%	48.1%	51.5%	58.2%
1997-98	25.5%	44.3%	44.3%	49.3%	47.2%

**TABLE 6 (Continued)**

	Enrollment Category				
	Less Than <u>1,000</u>	<u>1,000-9,999</u>	<u>10,000-19,999</u>	<u>20,000-49,999</u>	More Than <u>50,000</u>
<u>Spending</u>					
FY2001 Total "Central" Per Pupil	\$6,360	\$5,480	\$5,492	\$5,839	\$5,896
% Change CY1989 to FY2001 (Denver-Boulder CPI = 52.0%)	48.9%	26.5%	32.9%	30.4%	12.7%
<u>Percentage of Total "Central" by Function:</u>					
<u>Instruction</u>					
CY1989	66.6%	66.4%	66.4%	65.5%	66.4%
FY2001	64.5%	65.9%	66.9%	66.0%	64.9%
<u>Administration</u>					
CY1989	14.4%	10.9%	8.5%	8.8%	8.5%
FY2001	13.5%	9.3%	7.8%	8.7%	8.7%
<u>Plant M&amp;O</u>					
CY1989	12.4%	12.1%	12.0%	11.4%	11.3%
FY2001	11.9%	11.0%	9.5%	9.3%	9.7%
<u>Pupil/Staff/ Other Support</u>					
CY1989	6.6%	10.6%	13.1%	14.3%	13.8%
FY2001	10.1%	15.9%	15.7%	15.9%	16.6%
<u>Revenue</u>					
Total "Central" Spending as a Percent of Total <u>Operating Revenue</u>					
CY1989	80.3%	86.2%	87.5%	89.0%	86.3%
FY2001	84.5%	86.3%	88.1%	87.0%	85.2%

**TABLE 6 (Continued)**

	Enrollment Category				
	Less Than <u>1,000</u>	1,000- <u>9,999</u>	10,000- <u>19,999</u>	20,000- <u>49,999</u>	More Than <u>50,000</u>
<u>Revenue (Continued)</u>					
FY2001 Percent of <u>Total Operating Revenue:</u>					
Local	41.6%	46.3%	38.3%	53.0%	54.5%
State	53.3%	46.4%	55.0%	42.2%	38.3%
Federal	4.7%	6.9%	6.7%	4.3%	7.1%
Change in Operating Revenue per Pupil <u>CY1989 to FY2001:</u>					
Local	6.7%	26.5%	32.9%	30.4%	12.7%
State	90.0%	63.3%	57.4%	60.8%	87.1%
Federal	39.7%	89.9%	77.9%	61.4%	92.0%
<u>Revenue Gap per Pupil:</u>					
FY1996 vs. CY1989	\$465	\$402	\$308	\$707	\$705
FY1997 vs. CY1989	\$394	\$372	\$350	\$675	\$683
FY1998 vs. CY1989	\$136	\$280	\$331	\$634	\$720
FY1999 vs. CY1989	\$101	\$281	\$261	\$539	\$863
FY2000 vs. CY1989	\$130	\$284	\$200	\$434	\$902
FY2001 vs. Cy1989	\$130	\$251	\$96	\$485	\$609
<u>Assessed Valuation</u>					
2000-01 per Pupil	\$89,614	\$84,824	\$47,572	\$65,955	\$74,321
% Change	22.0%	35.2%	19.2%	5.9%	4.6%

**TABLE 7**

**PROFILE OF SCHOOL FINANCE CHANGE, 1988-89 TO 2000-01  
DISTRICTS GROUPED BY CHANGE IN ENROLLMENT**

	Enrollment Change Category				
	<u>Decrease</u>	<u>Up to 15.4%</u>	<u>15.5%- 26.9%</u>	<u>27.0%- 47.5%</u>	<u>More Than 47.5%</u>
<u>Group Characteristics:</u>					
Number of Districts	31	40	31	33	41
2000-01 Enrollment	31,622	112,790	257,764	143,524	147,944
Average Enrollment	1,020	2,820	8,315	4,349	3,608
<u>Change in Pupils 1988-89 to 2000-01:</u>					
Change in Total Enroll.	- 2,160	8,421	42,781	38,476	69,930
% Change	- 6.0%	8.0%	18.6%	31.7%	74.6%
% Spec. Ed. 1988-89	9.5%	10.5%	9.4%	9.3%	8.5%
% Spec. Ed. 2000-01	11.9%	11.4%	11.7%	11.4%	10.3%
% Free Lunch 1988-89	37.1%	20.1%	19.1%	15.4%	7.7%
% Free Lunch 2000-01	41.3%	25.5%	26.4%	17.0%	7.0%
<u>Teachers</u>					
2000-01 Tchrs./1,000 Pupils	64.4	61.2	59.0	59.4	62.0
Change in Tchrs./1,000	4.1	2.8	2.0	1.4	3.0
2000-01 Average Salary	\$35,100	\$37,57	\$40,567	\$39,954	\$38,466
Change in Salary	31.3%	27.0%	32.5%	37.1%	33.0%
<u>Years of Experience:</u>					
1988-89	14.2	13.6	13.6	12.2	11.3
2000-01	11.4	11.2	10.0	11.0	11.0
<u>% with Masters or More:</u>					
1988-89	43.0%	49.4%	50.0%	45.0%	43.3%
2000-01	40.0%	41.4%	45.0%	46.4%	49.0%

**TABLE 7 (Continued)**

	Enrollment Change Category				
	<u>Decrease</u>	<u>Up to 15.4%</u>	<u>15.5% 26.9%</u>	<u>27.0%- 47.5%</u>	<u>More Than 47.5%</u>
<u>Spending</u>					
FY2001 Total "Central" Per Pupil	\$5,816	\$5,793	\$5,734	\$5,749	\$5,643
<i>% Change CY1989 to FY2001 (Denver-Boulder CPI = 52.0%)</i>					
	49.0%	48.8%	39.8%	46.9%	35.8%
<u>Percentage of Total "Central" by Function:</u>					
<u>Instruction</u>					
CY1989	65.5%	66.5%	66.1%	67.1%	64.9%
FY2001	63.3%	65.8%	65.5%	66.6%	66.3%
<u>Administration</u>					
CY1989	10.6%	9.4%	8.9%	9.7%	10.0%
FY2001	10.0%	8.8%	8.8%	9.2%	8.9%
<u>Plant M&amp;O</u>					
CY1989	11.9%	11.5%	11.5%	11.2%	13.3%
FY2001	10.9%	10.2%	9.8%	9.7%	10.2%
<u>Pupil/Staff/ Other Support</u>					
CY1989	12.0%	12.6%	13.5%	12.0%	11.8%
FY2001	15.8%	15.2%	16.0%	14.5%	14.6%
<u>Revenue</u>					
Total "Central" Spending as a Percent of Total <u>Operating Revenue</u>					
CY1989	87.5%	85.5%	87.0%	88.5%	88.5%
FY2001	88.4%	86.4%	86.0%	88.6%	86.2%

**TABLE 7 (Continued)**

	Enrollment Change Category				
	<u>Decrease</u>	<u>Up to 15.4%</u>	<u>15.5%- 26.9%</u>	<u>27.0%- 47.5%</u>	<u>More Than 47.5%</u>
<u>Revenue (Continued)</u>					
<u>FY2001 Percent of Total Operating Revenue:</u>					
Local	31.4%	42.3%	47.8%	52.0%	55.0%
State	58.7%	49.6%	45.0%	42.0%	43.0%
Federal	9.6%	6.7%	7.0%	6.0%	2.7%
 <u>Change in Operating Revenue per Pupil CY1989 to FY2001:</u>					
Local	29.3%	21.8%	15.5%	42.9%	10.9%
State	51.9%	65.6%	76.7%	46.1%	109.2%
Federal	99.1%	86.0%	98.7%	95.4%	10.3%
 <u>Revenue Gap per Pupil:</u>					
FY1996 vs. CY1989	\$290	\$454	\$559	\$525	\$733
FY1997 vs. CY1989	\$318	\$438	\$541	\$477	\$740
FY1998 vs. CY1989	\$179	\$278	\$537	\$436	\$745
FY1999 vs. CY1989	\$169	\$171	\$631	\$385	\$647
FY2000 vs. CY1989	\$205	\$153	\$630	\$268	\$613
FY2001 vs. CY1989	\$119	\$124	\$502	\$198	\$673
 <u>Assessed Valuation</u>					
2000-01 per Pupil % Change	\$49,004 44.5%	\$59,952 8.9%	\$68,351 3.9%	\$72,983 30.6%	\$80,401 1.1%

**TABLE 8**

**PROFILE OF SCHOOL FINANCE CHANGE, 1988-89 TO 2000-01  
DISTRICTS GROUPED BY PROPERTY WEALTH PER PUPIL**

	Property Wealth Category				
	Less Than \$41,515	\$41,516- \$57,440	\$57,441- \$61,700	\$61,701- \$91,000	More Than \$91,001
<u>Group Characteristics</u>					
Number of Districts:	39	48	10	31	48
2000-01 Enrollment:	137,986	140,208	136,484	140,057	138,909
Average Enrollment	3,538	2,921	13,648	4,518	2,894
<u>Change in Pupils 1988-89 to 2000-01:</u>					
Change in Total Enroll. <i>% Change</i>	26,899	31,980	17,021	52,405	29,143
% Spec. Ed. 1988-89	10.0%	10.1%	9.0%	8.5%	10.0%
% Spec. Ed. 2000-01	12.3%	11.7%	10.0%	11.0%	12.0%
% Free Lunch 1988-89	25.2%	20.5%	9.1%	10.1%	25.0%
% Free Lunch 2000-01	27.2%	24.0%	12.2%	12.1%	32.0%
<u>Teachers</u>					
2000-01 Tchrs./1,000 Pupils	60.0	61.0	55.4	60.2	65.0
<i>Change in Tchrs./1,000</i>	2.5	1.7	2.4	2.2	1.0
2000-01 Average Salary	\$38,012	\$36,499	\$41,933	\$40,368	\$39,508
<i>Change in Salary</i>	29.2%	35.0%	25.0%	34.5%	33.5%
<u>Years of Experience</u>					
1988-89	13.2	12.1	14.1	12.3	13.5
2000-01	11.1	10.0	10.0	12.0	10.2
<u>% with Masters or More</u>					
1988-89	42.3%	40.1%	60.0%	44.0%	50.2%
2000-01	44.0%	40.0%	48.1%	49.0%	45.0%

**TABLE 8 (Continued)**

	Property Wealth Category				
	Less Than \$41,515	\$41,516- \$57,440	\$57,441- \$61,700	\$61,701- \$91,000	More Than \$91,001
<u>Spending</u>					
FY2001 Total "Central" Per Pupil	\$5,471	\$5,458	\$5,766	\$5,806	\$6,154
<i>% Change CY1989 to FY2001 (Denver-Boulder CPI = 52.0%)</i>					
	49.2%	43.6%	45.4%	41.1%	34.5%
<u>Percentage of Total "Central" by Function:</u>					
<u>Instruction</u>					
CY1989	66.9%	65.6%	65.7%	65.5%	67.0%
FY2001	66.7%	65.9%	65.7%	66.0%	64.9%
<u>Administration</u>					
CY1989	9.4%	10.1%	8.3%	9.2%	10.1%
FY2001	9.0%	9.2%	9.1%	8.4%	9.1%
<u>Plant M&amp;O</u>					
CY1989	12.0%	11.7%	11.7%	12.5%	11.0%
FY2001	10.0%	10.2%	9.9%	9.8%	9.9%
<u>Pupil/Staff/ Other Support</u>					
CY1989	11.7%	12.7%	14.3%	12.9%	11.9%
FY2001	14.2%	14.7%	15.3%	15.8%	16.1%
<u>Revenue</u>					
Total "Central" Spending as a Percent of Total <u>Operating Revenue</u>					
CY1989	87.7%	87.1%	88.2%	88.2%	84.3%
FY2001	88.4%	85.2%	89.9%	88.3%	83.3%

**TABLE 8 (Continued)**

	Property Wealth Category				
	Less Than \$41,515	\$41,516- \$57,440	\$57,441- \$61,700	\$61,701- \$91,000	More Than \$91,001
<u>Revenue (Continued)</u>					
FY2001 Percent of Total Operating Revenue:					
Local	30.1%	37.0%	49.1%	55.0%	67.2%
State	62.0%	56.1%	46.0%	41.1%	25.5%
Federal	7.5%	7.1%	4.3%	3.8%	7.1%
Change in Operating Revenue per Pupil CY1989 to FY2001:					
Local	29.6%	24.0%	33.4%	19.2%	15.4%
State	57.4%	65.3%	51.5%	80.1%	128.5%
Federal	92.2%	71.1%	92.2%	86.4%	62.3%
Revenue Gap per Pupil					
FY1996 vs. CY1989	\$352	\$375	\$641	\$623	\$749
FY1997 vs. CY1989	\$310	\$381	\$545	\$653	\$778
FY1998 vs. CY1989	\$266	\$236	\$491	\$611	\$851
FY1999 vs. CY1989	\$224	\$304	\$396	\$519	\$948
FY2000 vs. CY1989	\$155	\$313	\$435	\$454	\$868
FY2001 vs. CY1989	\$101	\$320	\$263	\$449	\$799
<u>Assessed Valuation</u>					
2000-01 per Pupil	\$34,377	\$47,126	\$59,027	\$70,007	\$137,410
% Change	12.2%	8.8%	7.6%	3.1%	19.3%