COMMON SENSE INSTITUTE

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# DOLLARS AND DATA 2026

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# ABOUT THE AUTHOR

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Erik Gamm is a Senior Research Analyst with CSI. Erik joined CSI in 2019 and has led research for CSI reports covering the topics of taxation, education, workforce and health care. He graduated from the University of Michigan in 2020 with a Bachelor of Arts in Economics, and has experience from Washington, D.C., where he was an intern for the natural resources lobbying firm American Capitol Group.

## ABOUT COMMON SENSE INSTITUTE

**Common Sense Institute** is a non-partisan research organization dedicated to the protection and promotion of Colorado's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Coloradans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so Coloradans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the economy and individual opportunity.

## TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit of academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

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# INTRODUCTION

Now mostly free from the specter of COVID-19, Colorado's public education system is still struggling: in 2026, enrollment fell for the sixth-straight year while student performance remains disappointing. School finances belie these trends, which endure despite years of record-high district revenue and spending.

Schools in Colorado continue to benefit from public munificence even after exhausting billions of dollars of one-time federal relief funding, the absence of which has already been compensated for by high property taxes and state policy changes. Since 2020, total public education revenue from all sources has exploded by 48%, from $14.5 billion to $21.4 billion, while total spending has climbed by 33%, from $14.6 to $19.4 billion.

Student populations continue to decline in almost every school district. 134 of the state's 178 districts lost enrollment in the 2025–26 school year and 131, including the state's ten largest, serve fewer students than they did six years ago. Across the state, public-school enrollment was just over 4.6% below its peak in 2020. The combination of funding increases and enrollment declines means that total expenditure on instruction and support per student has grown by 59% since 2018, from $11,248 to $17,904.

Student achievement, as measured by Colorado Measures of Academic Success (CMAS) results, fell from its post-pandemic high in 2025 and produced mixed results in 2026. Now, third-grade reading scores are back below pre-pandemic levels while math proficiency rates remain just above. More than half of Colorado's third-graders are still unable to read, write, and perform math at grade-level, but 62% of schools for which the state has sufficient data earn the highest performance rating under the present framework.[i]

Each year, the Colorado Department of Education releases new sets of data on the finances, administration, and performance of Colorado's PreK–12 public education system.[ii iii iv v vi] This report analyzes those data and shows key trends in how education funding, spending, and outcomes have changed over time.

# KEY FINDINGS

**K–12 enrollment in Colorado has fallen for six consecutive years.**

- After losing more than 30,000 students in 2021, Colorado's K–12 schools lost another 18,356 students between 2022 and 2026, including 11,489 in the last year alone.
- In 2025–26, 134 of Colorado's 178 districts lost enrollment, and 131 districts, including the state's ten largest, enrolled fewer students than in 2020.
- Since 2020, kindergarten enrollment has fallen 10.3% and first-grade enrollment has fallen 8.1%, suggesting statewide declines may deepen as these smaller classes advance.

**Public education funding keeps breaking records even as enrollment falls.**

- From 2020 to 2025, total public education revenue rose 48%, from $14.5 billion to $21.4 billion, while enrollment fell 3.5%.
- Revenue per funded student reached $25,026 in 2025, up 54.2% from 2020 and 22.2% from 2024.
- School revenue increased by nearly $3.8 billion in 2025, including $1.66 billion in bond-sale proceeds from four large districts.

**Education spending growth has favored administration over instruction, but both spending categories have outpaced enrollment growth and inflation.**

- Total education spending reached a record $19.36 billion in 2025, up $5.44 billion, or 39.1%, since 2019.
- Instruction's share of total spending fell from 45.9% in 2014 to 41.2% in 2025, while the share devoted to support services rose from 35.5% to 37.8%.
- From 2007 to 2025, per-pupil funding grew 108%, compared with 68% growth in the average teacher salary (Figure 2).
- From 2007 to 2025, inflation-adjusted instruction and support spending grew 38.5%, nearly three times the 13.4% growth in the funded pupil count.

**Adding non-instructional staff while raising teacher salaries has not coincided with better academic outcomes.**

- From 2009 to 2026, the number of administrators grew 32.5% and non-teacher instructional and support staff grew 36.8%, while enrollment grew only 6.4% (Figure 1).
- Colorado's average teacher salary reached $74,909 in 2026, up 36.3% since 2019 and faster than inflation.
- In 2026, fewer than half of Colorado third-graders were proficient in English language arts, and fewer than half were proficient in math.
- Low-income students' proficiency rates trailed those of their peers by 32.6 percentage points in math and 30.6 points in English language arts.

**FIGURE 1.**

**Public Education Staff and Student Growth since 2009**

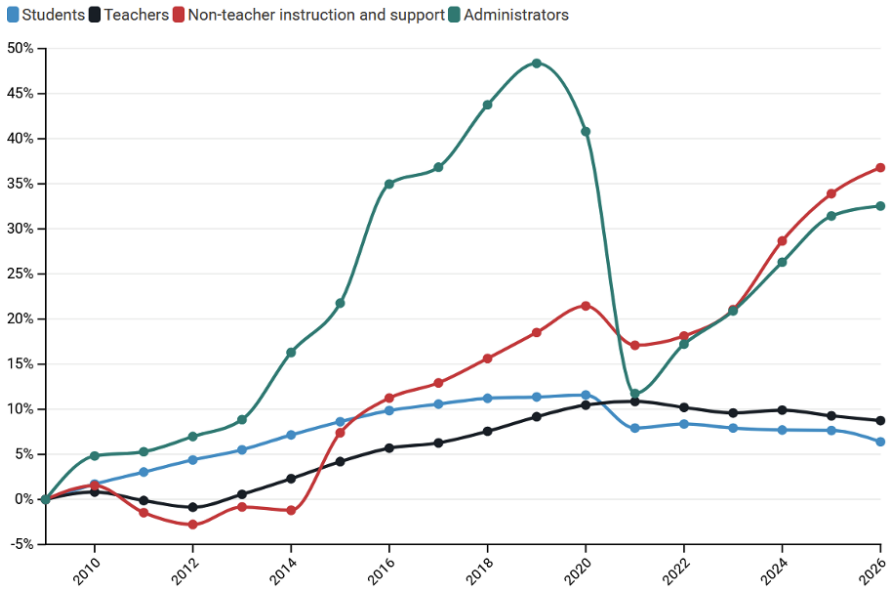
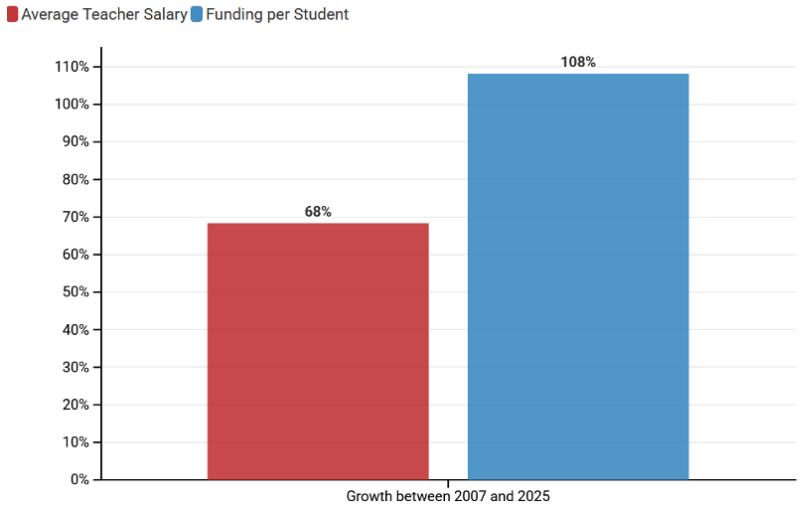



**FIGURE 2.**

**Growth of Teacher Salaries and Per-pupil Education Funding in Colorado from 2007 through 2025**

Over the last 18 years, education revenue per pupil has doubled while the average teacher salary has grown by 68%.



# PART 1: ENROLLMENT

Colorado's K–12 enrollment has now fallen for six straight years. The COVID-19 pandemic caused the initial fall between 2020 and 2021, but continued decline cannot be explained by the pandemic alone: the loss of enrollment between the 2025 and 2026 school years, years after pandemic-related disruptions ended, is the largest since 2021 and perhaps the second-biggest in state history. Although Colorado's school-age population is falling in general, issues of choice, parental satisfaction, and other demographic patterns may be responsible as well.

Only the northeast region has bucked this trend and grown in every year since 2021. Most of the total enrollment decline comes from the Denver metro region, which has lost 7.9% of its student population since 2020—from 477,355 to 439,532. Signs of partial

**FIGURE 3: COLORADO K–12 ENROLLMENT OVER TIME**

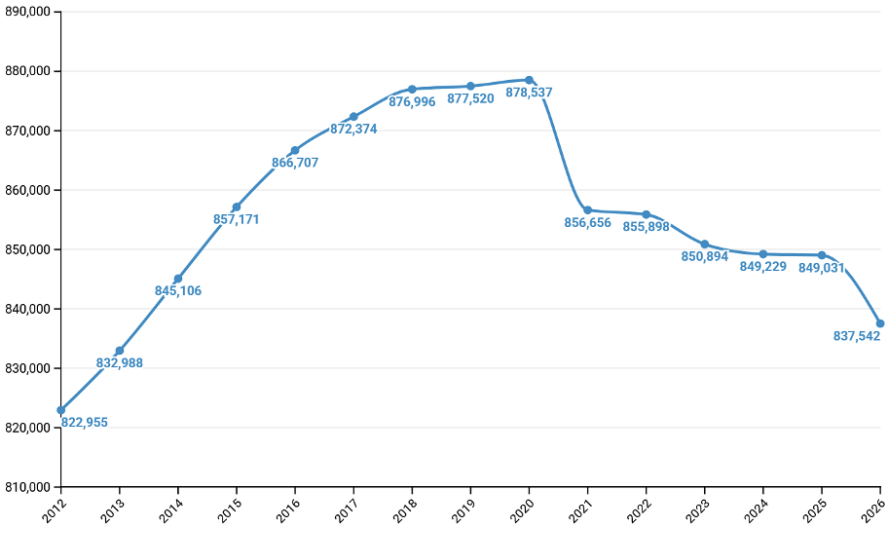
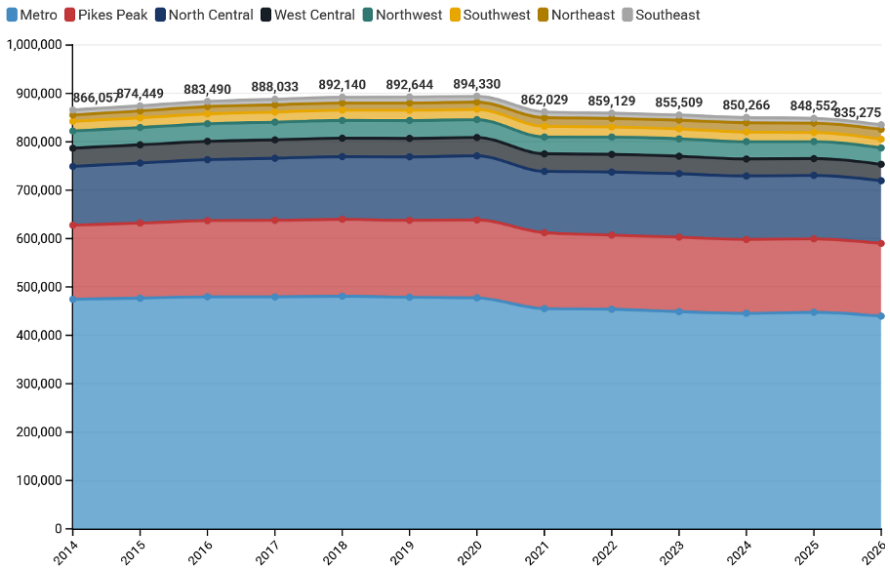



**FIGURE 4: PREK–12 ENROLLMENT BY REGION**



recovery in 2025, when the region added about 2,000 students, proved fleeting after a loss of nearly 8,200 in 2026.

Declining enrollment is especially an issue among younger children. Enrollment has increased since 2020 only in grades 11 and 12, which implies that the statewide loss has mostly been caused by departures of young students and decreased enrollment of kids reaching school age. Steep enrollment declines in the earliest grades continued in 2026 (down 10.3% in kindergarten and 8.1% in 1st grade compared to 2020) even as the state has expanded their funding. As this enrollment trend filters through higher grade levels, the overall decline should look even more pronounced in the future.

Only the northeast region's enrollment is higher now than it was in 2020. The northeast is the third-smallest region by enrollment, spends the third-least per pupil on instruction and support, pays its teachers the second-lowest average salary, and has the lowest graduation rate among all regions.

**FIGURE 5: ENROLLMENT CHANGES BY REGION BETWEEN THE 2020 AND 2026 SCHOOL YEARS**

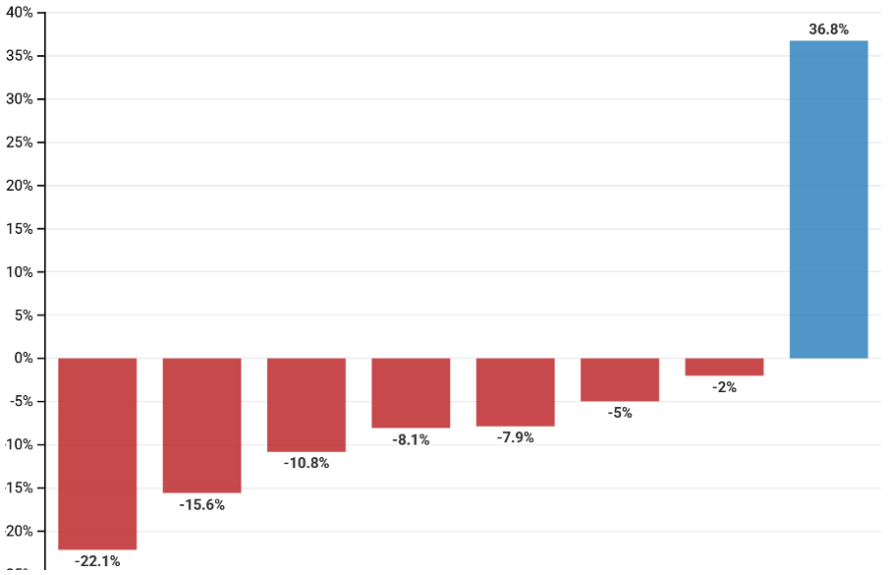
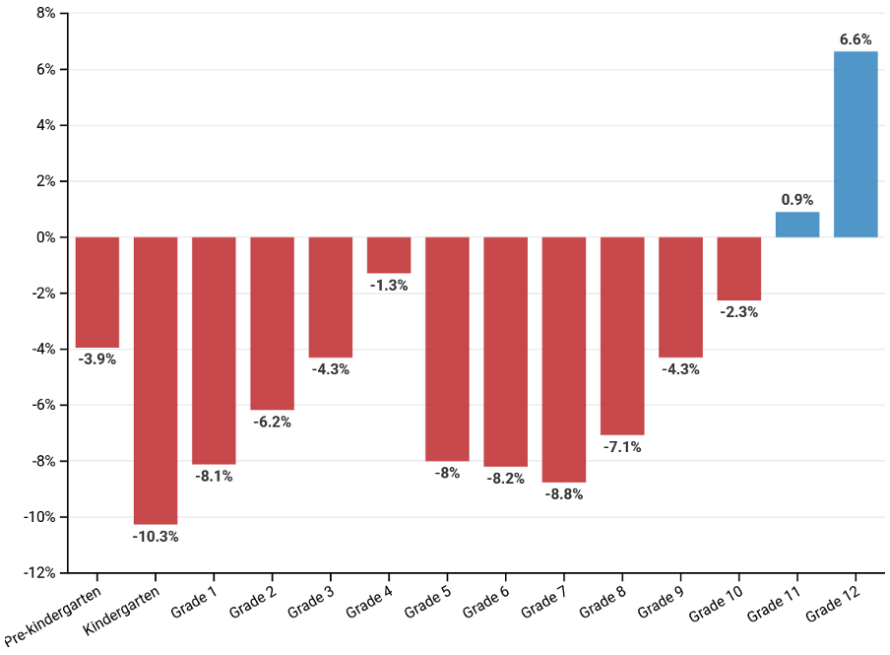



**FIGURE 6: ENROLLMENT CHANGES BY GRADE BETWEEN THE 2020 AND 2026 SCHOOL YEARS**



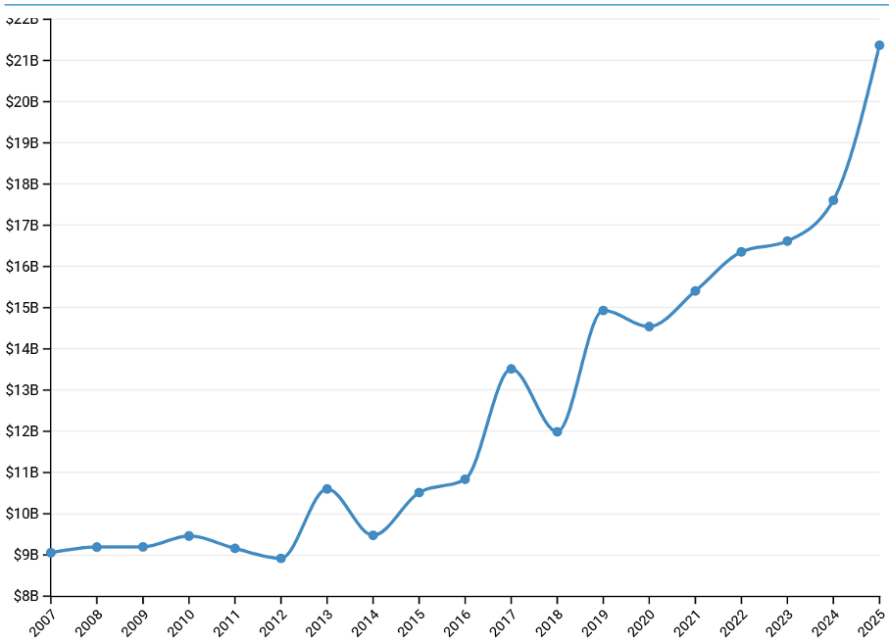

- High-school enrollment was least affected by pandemic-related losses but has started to manifest the declines that hit younger grades. Curiously, though, grades 10, 11, and 12 grew in population between 2025 and 2026. Several years must still pass before the full impact of the pandemic on Colorado's high schools becomes evident.

# PART 2: REVENUE

Public schools' revenue comes from three main funding sources: local, state, and federal governments. Some other sources, like bond-sale proceeds, also contribute substantially, if inconsistently, to funding. Local revenue comes from property tax, specific ownership tax, and other funds generated within a school district's territory for public education. This category includes mill levy overrides and mills for bonded indebtedness. State revenue includes all funds collected by the state government that are appropriated to school districts, including per-pupil contributions from the State Education Fund through its funding formula, program funding, and other state grants and projects. Federal revenue is any money distributed to school districts from the federal government, whether directly or through an intervening agency like the Colorado Department of Education. Federal money is typically earmarked for specific spending purposes, like educational services for students with disabilities and English-language learners and programs at schools with large shares of low-income students.

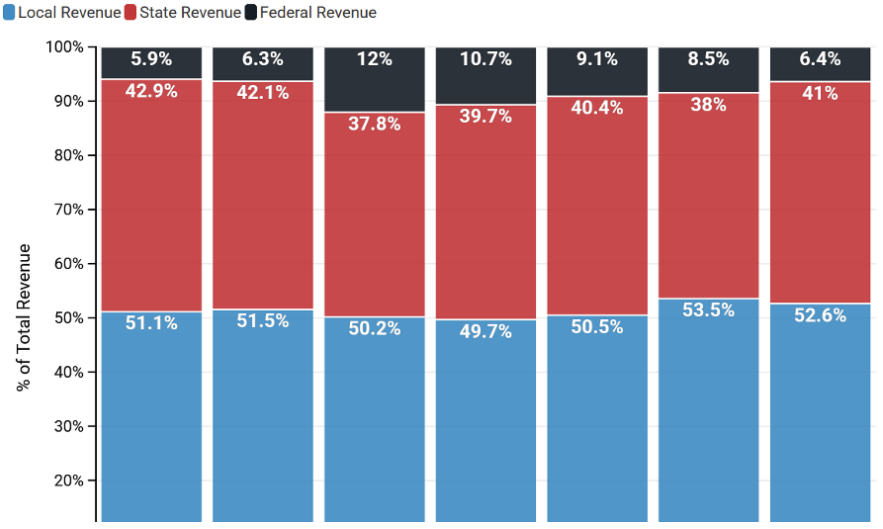
**Figure 7** shows consistent increases in funding for Colorado schools despite six straight years of declining enrollment. Record-breaking revenue growth in 2025, approaching $3.8 billion, was propelled by a massive wave of bond sales in several large districts: together, the Denver, St. Vrain, Cherry Creek, and Mesa County Valley school districts contributed $1.66 billion to this amount to finance construction projects and equipment upgrades.

**FIGURE 7: HISTORY OF TOTAL DISTRICT REVENUE (INCLUDING OTHER SOURCES)**



Massive infusions of federal relief funding, the last remnants of which are reflected in last year's data, ensured that the pandemic did not produce a long-term funding shortfall. Now, beyond the scope of that spending, state and local revenue has resumed its usual rapid growth. Much of that process was achieved by the state's elimination of the budget stabilization factor during the 2024 legislative session and steep property-tax increases that came into force in 2024. When the budget stabilization factor was repealed, total state and local funding for public schools was projected to increase by more than $500 million and the state share of total program funding was projected to reach $9.7 billion, though the latter will take several years to realize.

**FIGURE 8: MAJOR REVENUE SOURCES FOR K–12 PUBLIC EDUCATION AS SHARES OF TOTAL (EXCLUDING OTHER SOURCES)**




As **Figure 8** shows, the federal share of district revenue was inflated by the U.S. government's response to the pandemic but has recently returned to its historical norm. The local share, meanwhile, continues to exceed its long-term average on the strength of a $1.2 billion revenue increase from property taxes in 2024.

**FIGURE 9: LOCAL, STATE, AND FEDERAL REVENUE AS SHARES OF TOTAL REVENUE BY REGION**

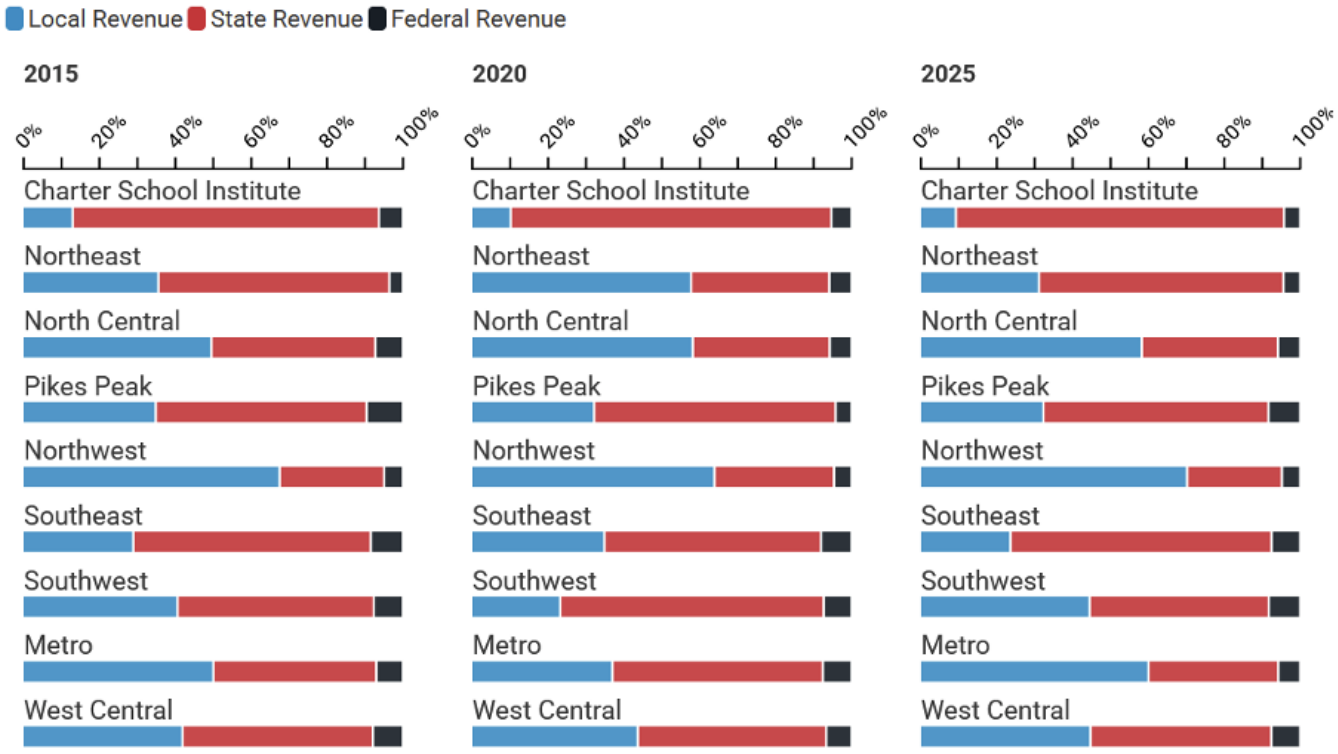


**Figure 9** illustrates how reliant each of the state's eight geographical regions, plus the Charter School Institute, is on local revenue (primarily from property taxes) and the statewide school funding formula. A large red bar indicates either relatively low property-tax rates or low property values.

There are significant regional variations in the relative distribution of local, state, and federal funds to school districts. The rural southeast region receives the lowest share of local funding, presumably due to shrinking revenue from property taxes. Notwithstanding the Charter School Institute, the local share of regional revenue is a strong indicator of the relative affluence of the regions' school districts.

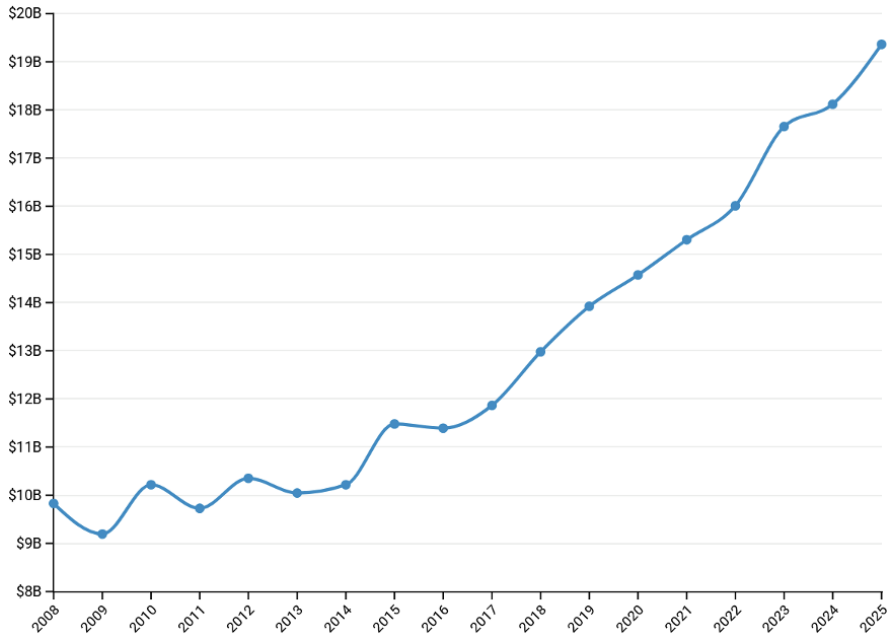
# PART 3: EXPENDITURES

Public education spending generally reaches the following ends: instructional services (staff salaries and benefits, supplies and materials, purchased services, and capital outlays), support services (district and school administration, operations and maintenance, pupil transportation, food services), community services, and "other" spending. Once again, in 2025, public education spending hit its highest level in Colorado's history at $19.4 billion. The share of spending on instruction has fallen slightly in the last 10 years while spending on support services has risen.

In 2025, instructional services accounted for 41.2% of total spending, while support services comprised 37.8% and other spending accounted for the remainder. The Colorado Department of Education's definition of "other expenditures" is "amounts paid for all expenditures other than instruction, support services, and community services."

Colorado defines enrollment (sometimes realized as "pupil membership") as the simple headcount of students who attend public schools. The funded pupil count, which controls how much state funding schools receive through the School Finance Act, is determined by a formula based on current enrollment and previous years' enrollment trends. The formula guarantees that the funded pupil count declines at a slower rate than the headcount during periods of falling enrollment, presumably to help prevent underfunding struggling schools.

**FIGURE 10: TOTAL PUBLIC EDUCATION EXPENDITURE**



Spending growth between 2023 and 2024 was relatively modest, but still large, at $460 million. In 2025, however, total public education spending grew by more ($1.24 billion) than in all but two other years for which data are available, despite a large decline in enrollment. Even the end of record-high inflation, which lasted roughly from 2021 through 2023, has not visibly slowed the pace of public-school spending growth in Colorado.

Between 2007 and 2025, inflation-adjusted instruction and support expenditure grew by 38.5% while the funded pupil count increased by only 13.4%. Adjusted spending rose at similar high rates in 2023 and 2024, even though the funded pupil count, which affects state funding, declined across that period; as a result, the difference between the two growth rates is now far higher than it's been at any point across the scope of Figure 12. The sudden increase in the funded-pupil count between 2019 and 2020 occurred because full-day kindergarten students began receiving full-time funding under the school finance formula.

**FIGURE 11: MAJOR SHARES OF EXPENDITURE ON PUBLIC EDUCATION**

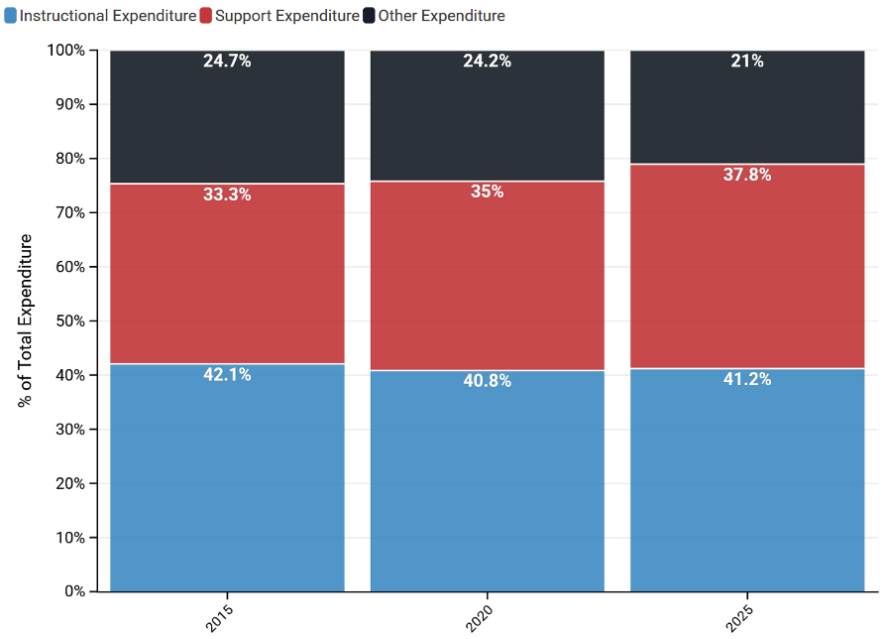
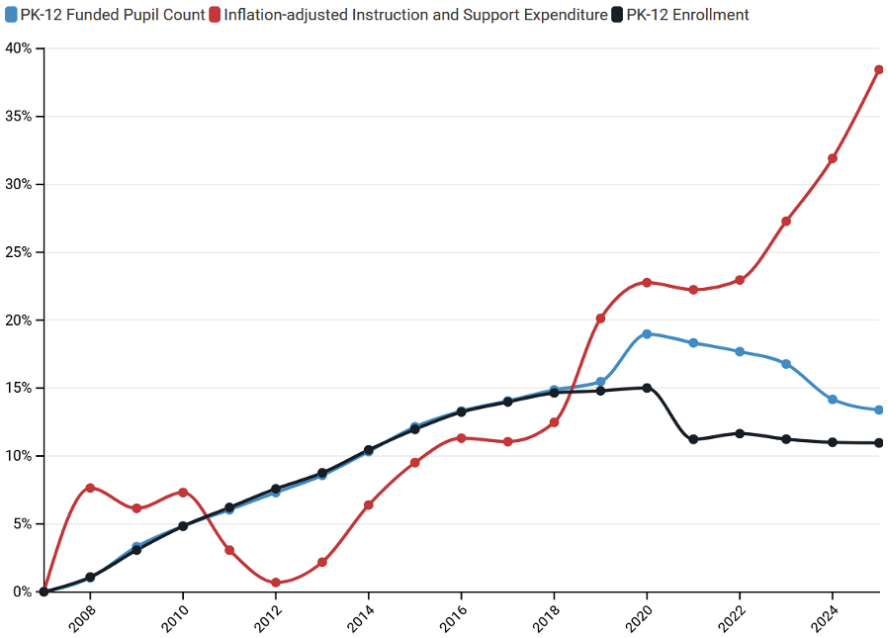



**FIGURE 12: GROWTH IN ENROLLMENT, FUNDED PUPIL COUNTS, AND CLASSROOM SPENDING SINCE 2007**




In 2025, enrollment was the lowest it had been since 2014; since 2020, when enrollment was at its peak, inflation-adjusted spending on instruction and support has increased at three times the rate of enrollment's decline.

**Figure 13** shows total expenditure by region across the last decade. Significant rises in the latter halves of all trendlines reflect the infusion of COVID-19 relief dollars, which ceased in 2024 but was substituted with large revenue increases from local sources and bond sales. Although spending declined in two regions last year, expenditure has grown consistently in every region across the last 10 years, over which period it has nearly tripled among charter schools and nearly doubled in the north-central and southeast regions.

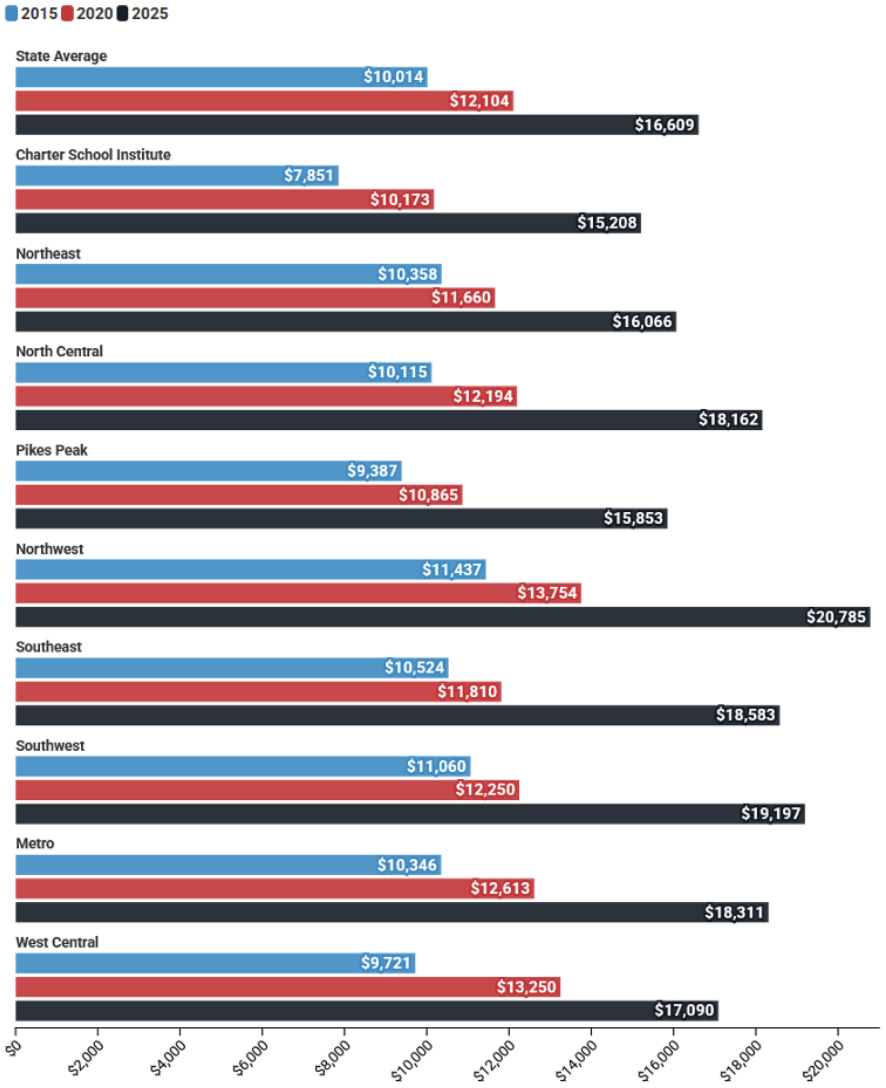
**Figure 14** shows per-pupil spending on instruction and support by region in three years: 2015, 2020, and 2025. Figure 15 offers a detailed look at spending by region just in 2025. Variations by region are modest but illustrate many of the trends discussed elsewhere in this report.

- The largest share of the metro region's instruction/support spending goes to teacher salaries and benefits. The same is also true of every other geographical region except the northeast.

## FIGURE 13: HISTORY OF TOTAL SPENDING BY REGION

| Region | Trend | FY 2015 | FY 2020 | FY 2025 |
|---|---|---|---|---|
| Charter School Institute | | $130M | $265M | $387M |
| Metro | | $6,300M | $7,885M | $10,180M |
| North Central | | $1,569M | $2,029M | $2,965M |
| Northeast | | $206M | $244M | $336M |
| Northwest | | $557M | $749M | $935M |
| Pikes Peak | | $1,739M | $2,170M | $2,923M |
| Southeast | | $128M | $186M | $240M |
| Southwest | | $318M | $343M | $453M |
| West Central | | $455M | $626M | $828M |
| Total | | $11,402M | $14,498M | $19,247M |

## FIGURE 14: INSTRUCTION AND SUPPORT EXPENDITURE PER PUPIL BY REGION



- Rural districts devote large shares of their instruction/support spending to matters other than compensation and direct student/staff support, largely due to high transportation and material costs.
- Average spending levels across the state's eight regions generally correspond to their reliance on local revenue (an effective proxy for relative affluence). The Pikes Peak region is notable for having one of the slowest rates of spending growth despite high population growth.

**FIGURE 15: REGIONAL SHARES OF TOTAL INSTRUCTIONAL AND SUPPORT EXPENDITURE BY ITEM IN 2025**

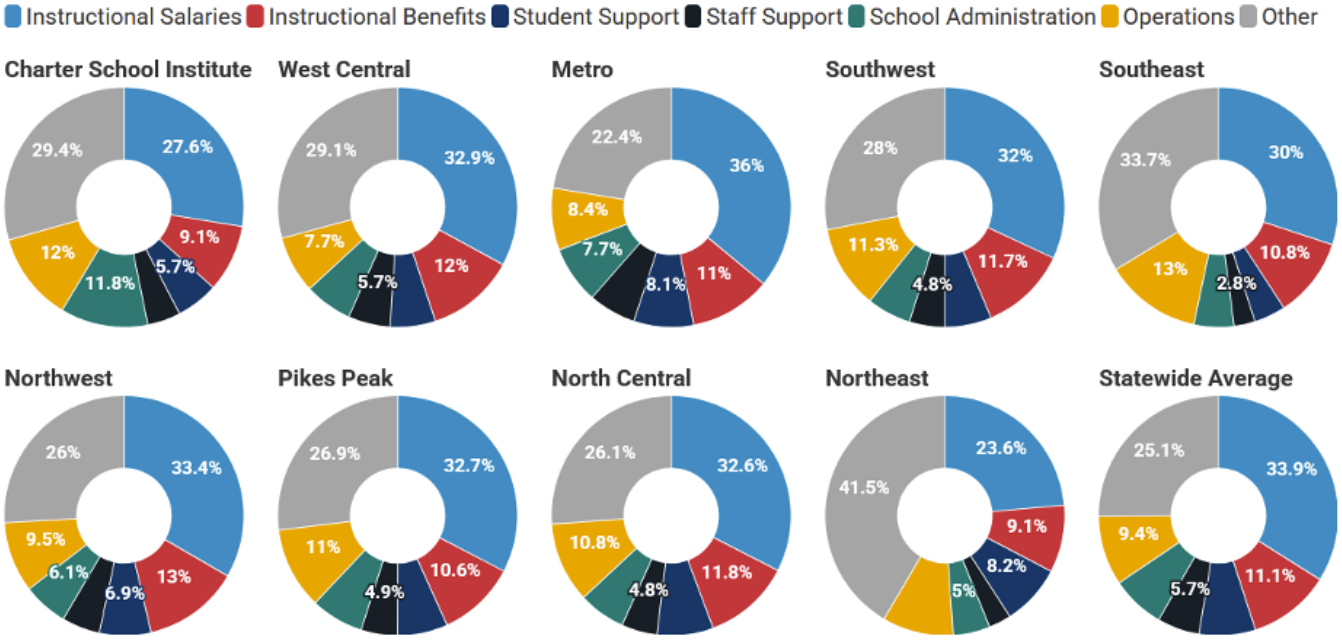
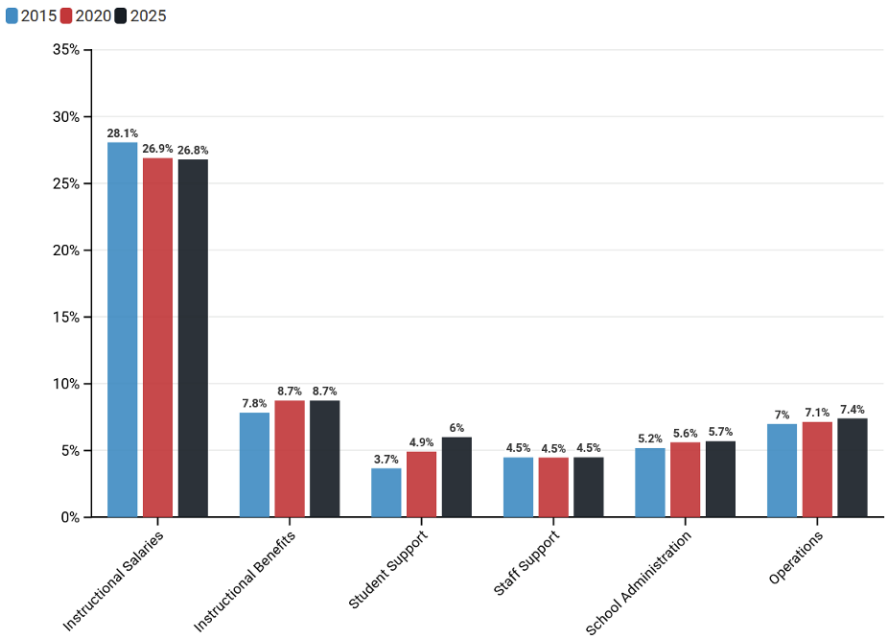



**Figure 16** demonstrates that, though instructional salaries have risen quickly, they've demanded smaller shares of spending over the last decade. This indicates the potential for some crowding-out by spending priorities like administration and operations, both of which occupy larger shares of district budgets than they did previously, though that threat is somewhat diminished since 2024. In 2023, districts devoted just 25.3% of their instruction/support spending to teacher salaries.

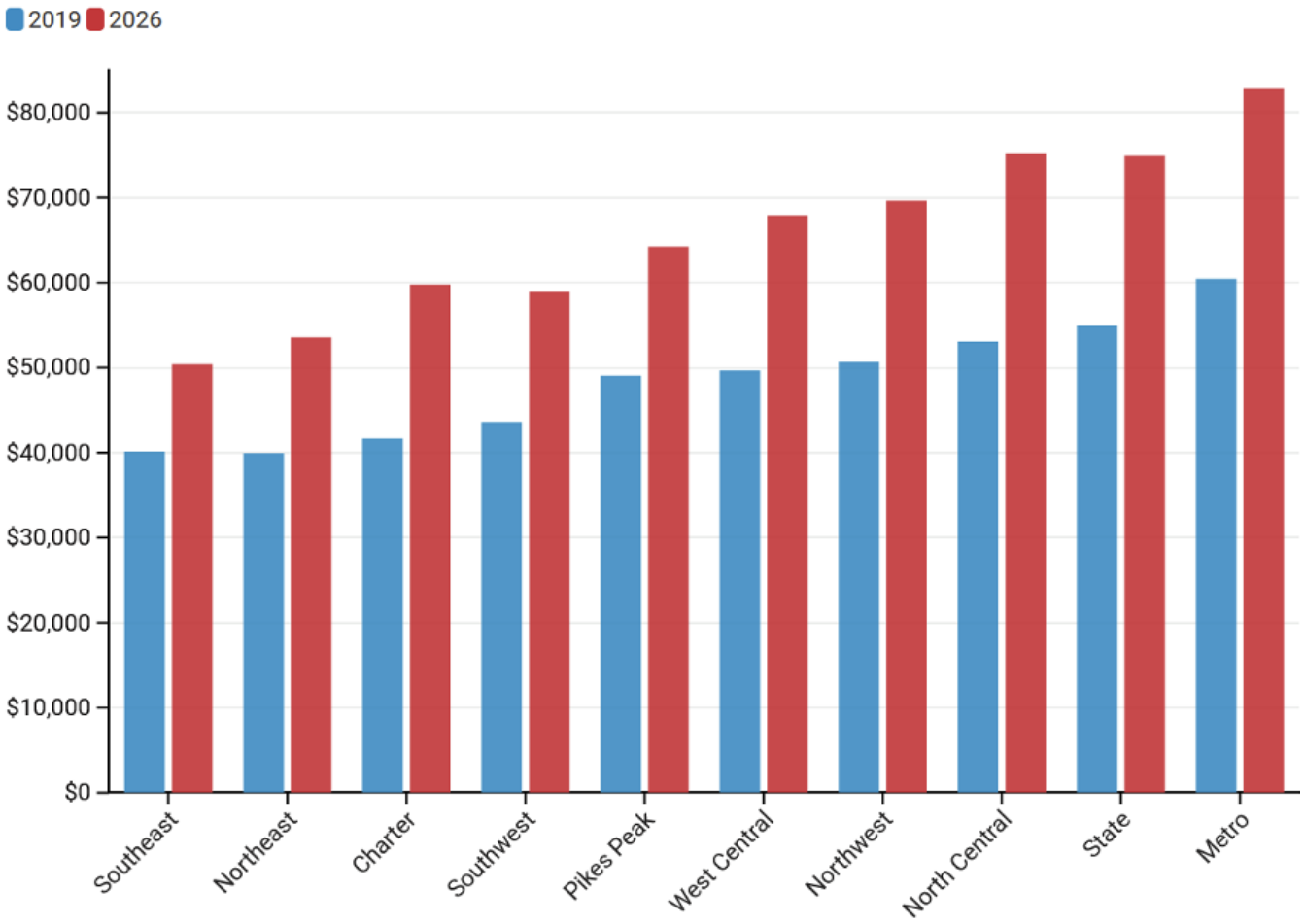
**FIGURE 16: STATEWIDE SHARES OF TOTAL EXPENDITURE BY INSTRUCTION/SUPPORT ITEM**



# PART 4: TEACHER SALARIES AND TURNOVER

The average teacher's salary in Colorado reached $74,909 in 2026, an increase of 36.3% since 2019. There remain significant regional disparities: the average salary in the southeast is just $50,397 (up 25.6% since 2019), while the metro region's reached $82,823 (up 37%). In general, salaries have grown at lower rates in regions with lower absolute averages.

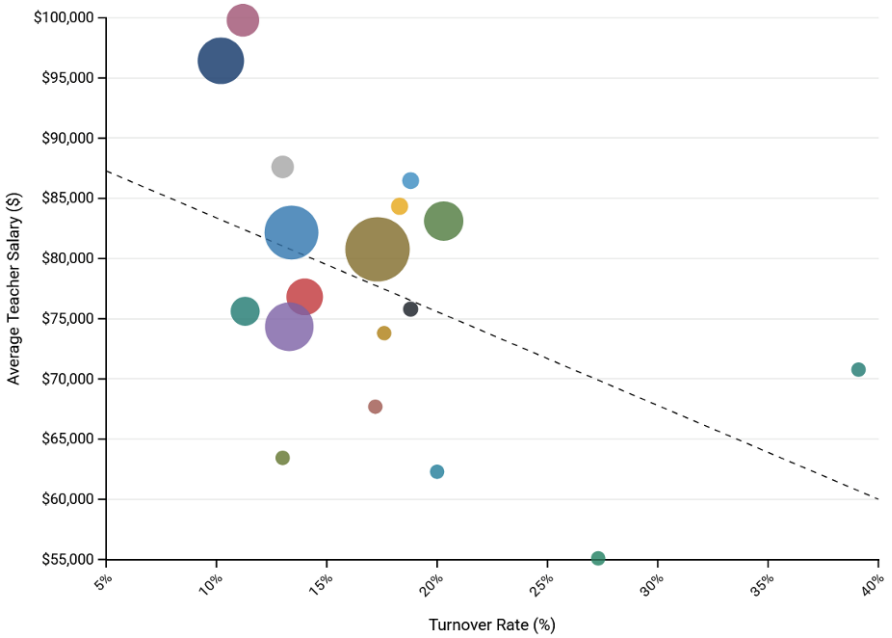
**FIGURE 17: AVERAGE TEACHER SALARY OVER TIME BY REGION**



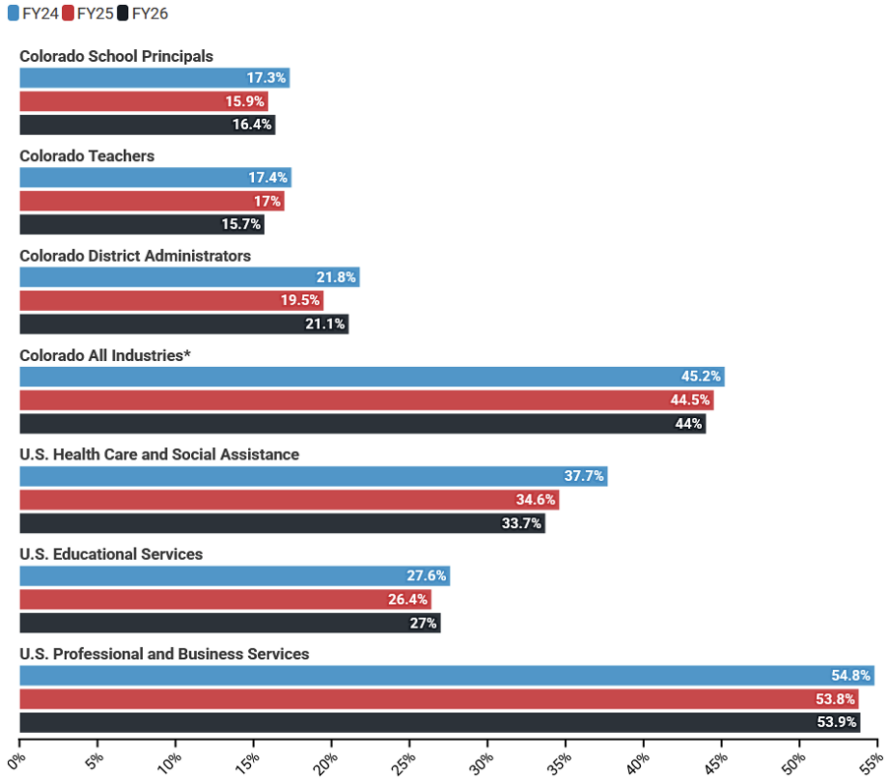
The scatterplot in **Figure 18** shows that teacher turnover in the metro region is negatively correlated, albeit moderately (-.46), with average pay. In the Boulder Valley school district, where the average salary is $99,797, teacher turnover was just 11.2%. In the rural Elizabeth school district, where average pay is $55,092, turnover was 27.3%.

Despite some localized angst over teacher turnover, the fact remains that turnover is much lower among public-education workers in Colorado than it is in most other industries. This may be because education jobs are generally more stable and less mobile than private-sector jobs or because of the sense of duty that some teachers feel to remain in place. Turnover among public-education workers is on the decline, too: after spiking beyond 19% in 2023, teacher turnover in Colorado fell to 17% in 2025 and again to just 15.7% in 2026.

## FIGURE 18: AVERAGE TEACHER SALARIES AND TURNOVER RATES IN THE METRO REGION




## FIGURE 19: AVERAGE TURNOVER IN EDUCATION COMPARED TO OTHER INDUSTRIES




Sources: CDE and JOLTS
* Excludes the second half of FY26, for which data are still unavailable

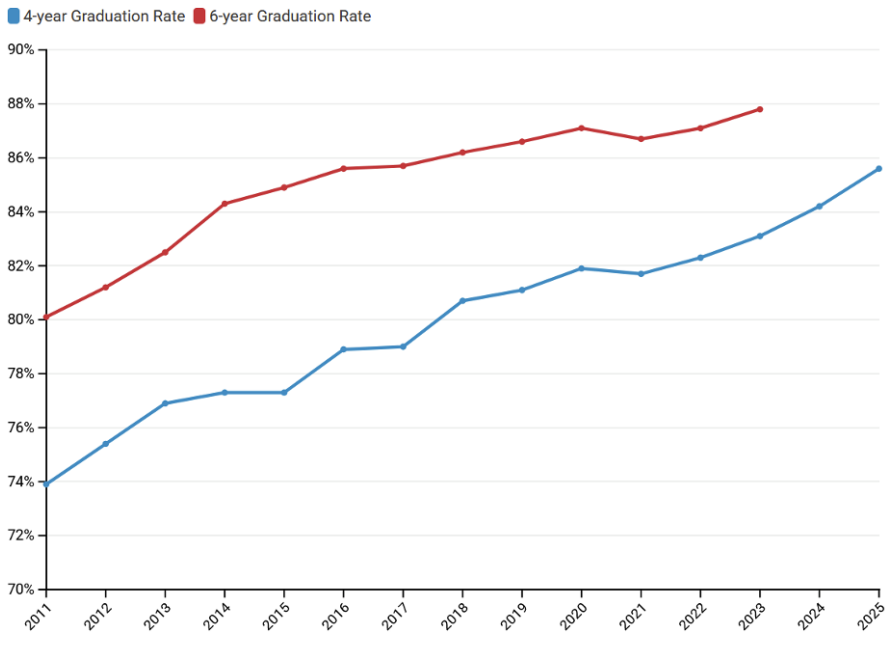
# PART 5: STUDENT PERFORMANCE

Colorado's graduation rate is measured by the share of students entering 9th grade who progress through 12th grade, completing all academic requirements, in either four or six years. Apart from a small decline in 2021, probably associated with the pandemic, both four- and six-year rates continue to tick upward across the state. Whether this is essentially a product of improved academic performance among high-schoolers or diminishing academic standards is beyond the scope of this report.

Colorado's four-year graduation rate continued to rise steadily and reached a new all-time high of 85.6% in 2025. The six-year graduation rate dropped by four-tenths of a percentage point among those expected to graduate in 2021, as expected, but rebounded to match its previous high among the 2022 cohort and exceed it among the 2023 cohort (the most recent for which data are available). There remain large disparities between the best- and worst-performing regions, across which there appears to be some correlation between graduation rates and instruction/support spending per pupil. As the statewide rate rose, the 4-year graduation rate fell from 69.3 to 67.7% in the northeast region.

Third-grade reading and math scores finally exceeded pre-pandemic levels in 2024 after previously leveling-out or declining after 2019. A slight decline in 2025 and mixed results in 2026, however, have produced recent scores similar to those recorded before 2020's lapse in standardized testing. More than half of Colorado's third-graders are still unable to read, write, or perform basic math at grade-level; research shows

**FIGURE 20: FOUR- AND SIX-YEAR GRADUATION RATES IN COLORADO**



that students not reading proficiently by the end of the third grade have major problems ever catching up.

The achievement gap between low-income students and their middle-/high-income peers shrank slightly in 2025 due to larger declines in proficiency among the latter group then grew again in 2026 amid a partial reversal of that trend. Students eligible through low family income for free or reduced-price school meals now perform 32.6 percentage points worse at math and 30.6 percentage points worse at English language arts than their more affluent classmates.

**FIGURE 21: FOUR-YEAR HIGH SCHOOL GRADUATION RATES BY REGION (2025)**

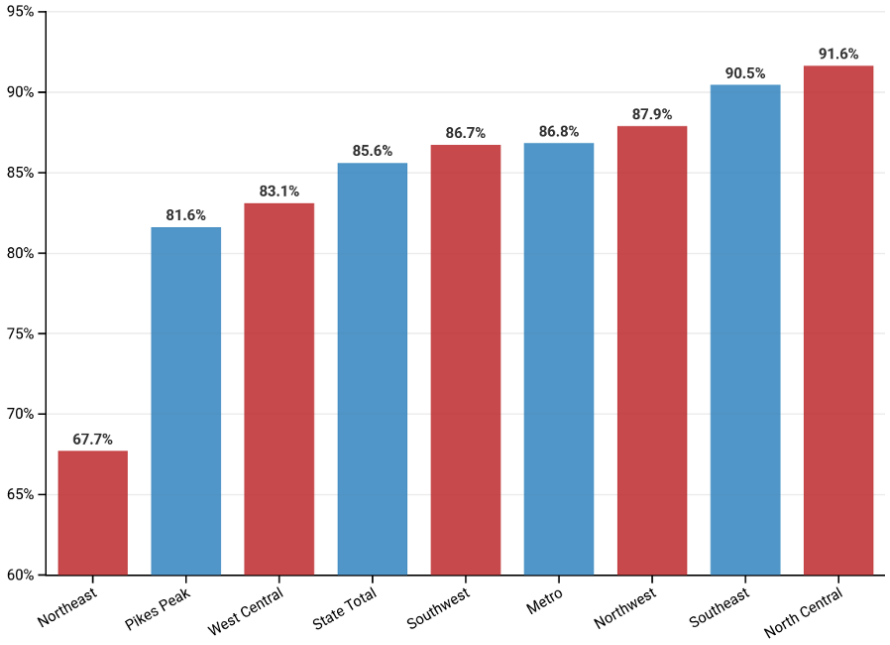
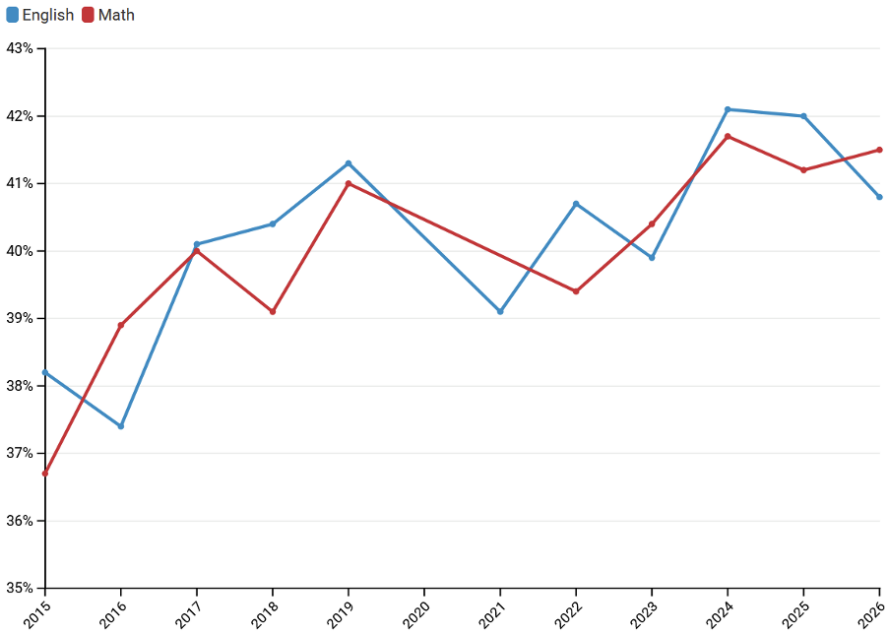
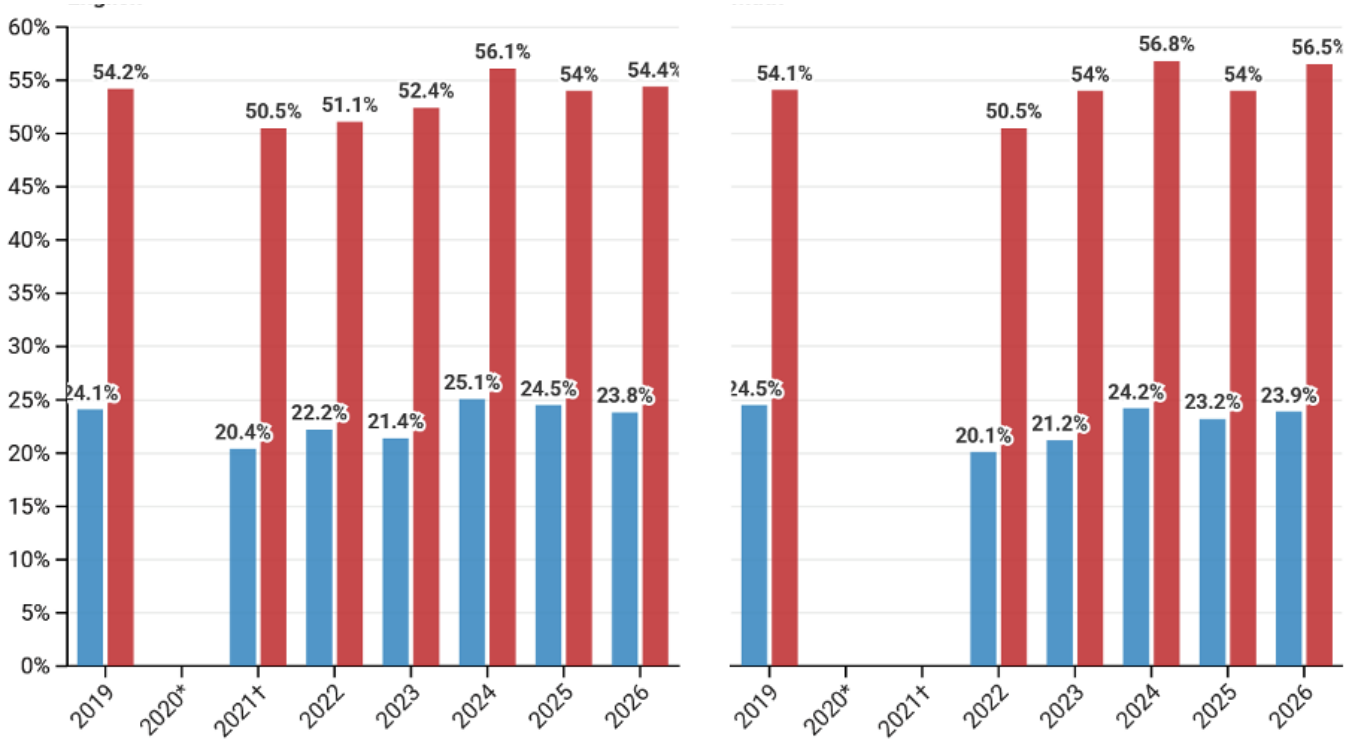



**FIGURE 22: THIRD-GRADE READING AND MATH PROFICIENCY RATES**



## FIGURE 23: THIRD-GRADE READING AND MATH PROFICIENCY RATES BY FREE OR REDUCED-PRICE LUNCH ELIGIBILITY




* Students were not tested during the 2019–2020 school year

† 3rd-grade students were not tested at mathematics during the 2020–2021 school year

# CONCLUSION

Public education in Colorado continues to post disappointing results as its funding levels increase and its enrollment falls. Although standardized test scores have returned to and occasionally surpassed pre-pandemic levels, troubling achievement gaps have widened and low proficiency rates persist. The elimination of the state's budget stabilization factor and ever-rising property taxes mean that, even though pandemic relief funding is gone, the rapid increase in education expenditure that began more than half a decade ago will continue. Colorado taxpayers might reasonably wonder whether all that spending really benefits them and demand better from the state's public-school districts.

## SOURCES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