

**C P E C**  
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**Teacher's Salaries in Colorado:  
Reasons, Consequences, and Alternatives for Below Average Compensation**

Colorado's average teacher salary ranked 25<sup>th</sup> in the United States for the 1999-2000 school year. Using salary as a percentage of per capita income, Colorado dropped to 46<sup>th</sup>. Looking at the rankings does not help explain the entire situation surrounding teacher salaries, either in Colorado or in the U.S. Many factors must be considered. Understanding where the money comes from to pay Colorado teachers is the first step in understanding this complex issue. Each year the Colorado legislature determines the total amount of funding a school district may collect in tax revenues to support public education either from local sources or from state sales and use taxes. The average school district in 2001-2002 received 58% of its funding from the state. The range was as high as 93% and as low as 2%.

Using statistical analysis to explain the differences in teacher salaries across the state of Colorado demonstrated that between the five economic and geographic areas (rural, urban, suburban, mountain and resort) there were significant differences. The majority of the rural and mountain teacher salaries were ranked in the lower half of all Colorado teachers. The majority of urban and resort teachers ranked in the top 25%. 96% of suburban districts ranked in the upper half of all Colorado teacher salaries. In order to compare the factors that influence the Total Program Funding and understand where the differences arise, a regression analysis and an analysis of variance were used to explain differences across Colorado. Results showed that factors, such as cost of living and geographic/economic location of the school district, explained some of the variances in teacher salaries.

A small-scale quantitative survey was performed to gain insight into school districts' perceptions surrounding the issues of teacher's salaries. Of the 12 responding districts, 50% felt there is a problem with teacher salaries in the state of Colorado. Of those surveyed, 42% indicated difficulties attracting quality teachers and 17% responded they are affected by high turnover of teachers.

To provide the reader with an understanding of some "best practices" across the United States, methodologies of the top five states on a per capita ranking were assessed and presented. These states provide different perspectives on how to fund public education and how to determine teachers' salaries.

Colorado has a very complex relationship with the tax revenue system and the voting taxpayer. No single solution will solve all problems that Colorado is facing today in funding public education. This report provides the reader with a more thorough understanding of the issues surrounding teacher salaries and possible alternatives that could be incorporated to continuously improve the funding situation.