


Colorado Legislative Council Staff
STATE
REVISED FISCAL IMPACT
(replaces fiscal impact dated January 10, 2004)

Drafting Number: LLS 04-0263	Date: February 3, 2004
Prime Sponsor(s): Rep. Hefley Sen. McElhany	Bill Status: House Appropriations
	Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING THE CLASSIFICATION OF A DEPENDENT OF A MEMBER OF THE ARMED FORCES FOR PURPOSES OF DETERMINING TUITION AT PUBLIC INSTITUTIONS OF HIGHER EDUCATION.

Fiscal Impact Summary	FY 2004/2005	FY 2005/2006
State Revenues		
General Fund		
Cash Fund - Tuition Reduction	(\$405,334)	(\$426,608)
State Expenditures		
General Fund	\$0	\$135,775
FTE Position Change	0.0 FTE	0.0 FTE
Other State Impact: TABOR Impact		
Effective Date: Upon signature of the Governor.		
Appropriation Summary for FY 2004/2005: None		
Local Government Impact: None		

Summary of Legislation

As amended, this bill expands the conditions under which the dependent of a member of the armed forces of the United States will qualify for and retain in-state tuition status at a Colorado public institution of higher education. Currently, the governing board of such institutions **may** grant in-state tuition status for members or their dependents if the member has lived in Colorado for twelve continuous months or has moved to Colorado on a permanent change-of-station basis.

This amended bill stipulates that a person who attends a Colorado public institution of higher education within 12 months after graduating from a Colorado high school, while a dependent of a member of the United States armed forces on active duty in Colorado during the dependent's last year in high school **shall** qualify for in-state tuition, unless the dependent as attended an institution of higher education outside of Colorado before attending such an institution within Colorado. The amended bill specifies that a dependent includes but is not limited to a spouse. In addition, the bill stipulates that after qualifying for in-state tuition and while continuously enrolled as an undergraduate

or graduate in a Colorado public institution of higher education, a dependent shall not lose his or her in-state tuition status if the member is later transferred outside of Colorado.

State Revenues

This bill is projected to decrease tuition revenue of public institutions of higher education by \$405,334 in FY 2004-05 and by \$426,608 in FY 2005-06. Last year, there were 10 to 15 students in the University of Colorado (CU) system and 10 to 40 students in the Community College system that are dependents of U.S. armed forces members on active duty and either (1) enrolled in a Colorado public institution of higher education within 12 months of graduating from a Colorado high school or (2) have been continuously enrolled as an undergraduate or graduate in a Colorado public institution of higher education after initially qualifying for in-state tuition. Within the CU system, 80 percent of these students were enrolled at UCCS, and the remaining twenty percent split evenly between CU-Boulder and UCD. Within the Community College system, no information on individual institutions was provided. This fiscal note makes the following assumptions:

- 15 eligible students are enrolled in the CU system and 40 eligible students are enrolled in the Community College system;
- the adopted amendments reduce the number of affected students by 10 percent;
- the current number of eligible students will remain enrolled over the next two fiscal years, and no new students will enroll as a result of this bill;
- the affected students will not change educational institutions;
- the average annual tuition loss per UCCS student is \$10,436 in FY 2004-05;
- the average annual tuition loss per UCD student is \$11,664 in FY 2004-05;
- the average annual tuition loss per CU-Boulder student is \$16,557 in FY 2004-05;
- the average annual tuition loss per Community College student is \$7,142 in FY 2004-05; and
- the average annual resident and non-resident tuition at institutions in the CU system and the Community College system will grow by 6.2 percent and 4.7 percent respectively between FY 2004-05 and FY 2005-06 based on tuition growth estimates from Colorado: Gaining Ground in Access - 2002.

State Expenditures

Institutions of higher education do not receive General Fund monies for non-resident students; therefore, additional resident FTE will increase the General Fund appropriation to the Department of Higher Education. General Fund tuition support is appropriated to the Department of Higher Education based on the resident student FTE count at public institutions of higher education for the prior year. The increase in the resident student count for FY 2004-05 will therefore, result in the need for an increase in state General Fund support beginning in FY 2005-06. This increase is forecast to be \$135,775 annually for the amended bill.

State Appropriations

Because there is a one year lag in funding for higher educational students, this fiscal note implies that the Department of Higher Education will require no new General Fund appropriations in 2004-05, but will require an additional General Fund appropriation in the amount of \$135,775 for FY 2005-06. This total assumes that state funding of resident higher education students will continue at current levels.

Departments Contacted

Higher Education

Military Affairs