


Colorado Legislative Council Staff Fiscal Note
STATE
REVISED FISCAL IMPACT
(replaces fiscal note dated March 2, 2009)

Drafting Number: LLS 09-0472	Date: March 18, 2009
Prime Sponsor(s): Rep. McNulty Sen. Kopp	Bill Status: House Appropriations
	Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING IN-STATE TUITION CLASSIFICATION FOR HONORABLY DISCHARGED MILITARY VETERANS.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue*		
Cash Funds		
Tuition Revenue (Reduction)	(\$2.0 million)	(\$2.0 million)
State Expenditures	\$0	\$0
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: The bill is effective 90 days following final adjournment of the General Assembly unless a referendum petition is filed (August 4, 2009, if final adjournment is May 6, 2009).		
Appropriation Summary for FY 2009-2010: None required.		
Local Government Impact: None.		

* *The reduction in tuition revenue is based on up to 162 students paying a lesser rate than the one currently charged. For details, please reference the State Revenue section.*

Summary of Legislation

This bill, as amended by the House State, Veterans, and Military Affairs Committee, the House Appropriations Committee, and by the House Committee of the Whole, requires state institutions of higher education to charge an honorably discharged member of the armed forces, or a dependent of the member, resident tuition rates. The member must maintain his or her sole residence in the state to be eligible for the benefit. Students who receive resident tuition classification as a result of the bill are not counted as resident students for any other purpose (e.g., the College Opportunity Fund).

Background

Under current law, only persons who have been Colorado residents for at least 12 months and plan to remain in the state are classified as residents for tuition purposes. An honorably discharged veteran who moves into the state after leaving the armed forces must wait 12 months after relocating to obtain the resident rate and to qualify for other state benefits in higher education.

State Revenue

In FY 2009-10, this bill will reduce tuition revenue by approximately \$2.0 million. Currently, there are 162 veterans who attend state schools and pay nonresident tuition. Granting the lower rate to these veterans will reduce tuition revenue by the difference between resident and nonresident rates. This reduction in tuition revenue may be minimally offset if the bill creates an incentive for additional students to relocate to the state. Tuition rates for residents and nonresidents vary across schools. For example, the difference between rates at Aims Community College is approximately \$4,000, whereas the difference between rates at the University of Colorado at Boulder is approximately \$19,000. Table 1 illustrates these rate differences, and the maximum reduction for each school based on 162 veterans currently attending state schools and paying nonresident tuition.

Table 1. Tuition Revenue Reduction under HB09-1039					
School	Undergrad Students	Tuition Difference	Graduate Students	Tuition Difference	Total Loss of Tuition Revenue
Adams State College	4	\$7,896	1	\$6,786	\$38,370
Aims Cmty. College ¹	25	4,170	0	0	104,250
Arapahoe Cmty. College ¹	2	5,428	0	0	10,856
School of Mines	2	14,010	1	14,004	42,024
CO State Univ. ¹	28	15,716	14	19,416	711,872
CO State Univ.-Pueblo ¹	1	10,121	0	0	10,121
Fort Lewis College	16	12,316	0	0	197,056
Mesa State College	8	8,773	0	0	70,184
Metropolitan State Univ.	7	8,708	0	0	60,956
Univ. of CO-Boulder ¹	20	19,291	1	12,582	398,402
Univ. of CO-Denver ¹	5	12,651	2	10,696	84,647
Univ. of CO-CO Springs ¹	24	10,127	0	0	243,048
Western State College	1	8,976	0	0	8,976
Totals	143		19		\$1,980,762

¹ Tuition rate calculated as an average of the different rates charged by schools within the institution.

Departments Contacted

Higher Education

Military Affairs