

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**REVISED FISCAL IMPACT**  
(replaces fiscal note dated March 18, 2009)

**Drafting Number:** LLS 09-0472  
**Prime Sponsor(s):** Rep. McNulty  
 Sen. Kopp

**Date:** April 13, 2009  
**Bill Status:** Senate SVMA  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING IN-STATE TUITION CLASSIFICATION FOR HONORABLY DISCHARGED MILITARY VETERANS, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
<b>State Revenue*</b>		
Cash Funds		
Tuition Revenue (Reduction)	(\$2.0 million)	(\$2.0 million)
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill is effective 90 days following final adjournment of the General Assembly unless a referendum petition is filed (August 5, 2009, if final adjournment is May 6, 2009).		
<b>Appropriation Summary for FY 2009-2010:</b> See State Appropriations section.		
<b>Local Government Impact:</b> 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 reengrossed bill permits 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**

***Potential Reduction of Tuition Revenue.*** This bill may reduce state tuition revenue. Currently, there are 162 veterans who attend state schools but pay nonresident tuition. Granting the resident rate to these veterans will reduce tuition revenue by the difference between resident and nonresident rates. Since the bill does not require that state schools offer the lower rates, the reduction in revenue could range between \$0 to \$2.0 million. Table 1 illustrates the maximum reduction for each school, and is based on the 162 veterans currently attending state schools and paying nonresident tuition.

<b>Table 1. Tuition Revenue Reduction under HB09-1039</b>					
<b>School</b>	<b>Undergrad Students</b>	<b>Tuition Difference</b>	<b>Graduate Students</b>	<b>Tuition Difference</b>	<b>Total Loss of Tuition Revenue</b>
Adams State College	4	\$7,896	1	\$6,786	\$38,370
Aims Cmty. College <sup>1</sup>	25	4,170	0	0	104,250
Arapahoe Cmty. College <sup>1</sup>	2	5,428	0	0	10,856
School of Mines	2	14,010	1	14,004	42,024
CO State Univ. <sup>1</sup>	28	15,716	14	19,416	711,872
CO State Univ.-Pueblo <sup>1</sup>	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 <sup>1</sup>	20	19,291	1	12,582	398,402
Univ. of CO-Denver <sup>1</sup>	5	12,651	2	10,696	84,647
Univ. of CO-CO Springs <sup>1</sup>	24	10,127	0	0	243,048
Western State College	1	8,976	0	0	8,976
<b>Totals</b>	<b>143</b>		<b>19</b>		<b>\$1,980,762</b>

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

**State Appropriations**

The bill currently contains an appropriation clause reducing stipends for the College Opportunity Fund (COF). This fiscal note indicates that no appropriation clause is necessary.

**Departments Contacted**

Higher Education                      Military Affairs