

STATE
REVISED CONDITIONAL FISCAL IMPACT

(replaces fiscal note dated April 13, 2009)

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

Date: April 21, 2009
Bill Status: Senate Appropriations
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
State Revenue*		
Cash Funds		
Tuition Revenue (Reduction)	(up to \$2.0 million)	(up to \$2.0 million)
State Expenditures		
FTE Position Change		
Effective Date: 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).		
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 reengrossed bill, as amended by the Senate State, Veterans, and Military Affairs Committee, 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).

Under current law, enlisted members of the military stationed in Colorado receive the resident tuition rate for themselves or their dependents. This bill requires that these students continue receiving the resident tuition rate if the enlisted member separates from the military but remains in Colorado.

Background

Under current law, only persons who have been Colorado residents for at least 12 months and plan to remain in the state indefinitely 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.

Similarly, an enlisted member of the military who is stationed in Colorado receives the resident tuition rate for themselves or their dependents; however, if the person leaves the military while receiving the resident rate, he or she is reclassified as a nonresident and must wait 12 months to reestablish residency.

State Revenue

Discharged Veterans. This bill may reduce state tuition revenue. Currently, there are 162 honorably discharged veterans who attend state schools but pay nonresident tuition. These individuals separated from the military prior to enrolling in higher education in the state. 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. The actual reduction is conditioned on which schools choose to extend the benefit. Table 1 illustrates the maximum reduction for each school, and is based on the 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.

Enlisted Personnel. This bill permits currently enlisted military personnel who separate from service to continue receiving resident tuition rates. Under current practice, these individuals are reclassified as nonresidents. When military personnel are reclassified, it is unknown if they choose to pay the higher rate for one year, postpone their education for one year, or discontinue their education in the state altogether. For this reason, the fiscal impact on tuition revenue cannot be quantified.

Departments Contacted

Higher Education

Military Affairs