

Colorado Legislative Council Staff Fiscal Note

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated March 4, 2009)

Drafting Number: LLS 09-0331	Date: March 6, 2009
Prime Sponsor(s): Sen. Romer	Bill Status: Senate Second Reading
Rep. Miklosi	Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING NONDISCRIMINATION IN DETERMINING THE AMOUNT PAID FOR HIGHER EDUCATION.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue* Cash Funds Tuition	\$165,300 - \$661,200	
State Expenditures* Cash Funds Tuition	\$165,300 - \$661,200	
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: The bill is effective upon signature of the Governor or upon becoming law without his signature.		
Appropriation Summary for FY 2009-2010: None.		
Local Government Impact: None.		

* The range of revenue and expenditures is based on 50 to 100 additional students admitted evenly between two-year community colleges and four-year universities. Actual revenue and expenses may be different. For details, please reference the State Revenue and State Expenditure sections.

This fiscal note is revised to acknowledge higher education expenditures omitted from the first fiscal note dated March 4, 2009.

Summary of Legislation

This bill, as amended by the Senate Education Committee, establishes that, regardless of immigration status, a student meeting the following criteria shall be charged resident tuition rates at institutions of higher education:

- ▶ the student attended high school in the state for at least 3 years; and
- ▶ the student is admitted to a school of higher education within 1 academic year following graduation or earning a general education equivalent degree (GED).

A high school graduate who has not been admitted to college within 1 year following graduation, but who otherwise satisfies the requirements in the bill, may receive resident tuition only in the 2009-10 academic year. This provision of the bill is repealed effective July 1, 2010.

The bill specifies that any person granted resident tuition pursuant to this bill may not receive state financial assistance from the College Opportunity Fund or from need based financial aid.

Finally, the bill requires that students who are classified as residents as a result of this bill shall remain so classified as long they are under 21. If the student is 21 or older, he or she must provide an affidavit indicating that an application for permanent residency has been filed, or that he or she will file an application when eligible to do so.

State Revenue

Increase in Tuition Revenue. This bill will increase state tuition revenue based on the assumption that more students will attend state institutions of higher education than would without SB09-170. There is limited data on the number of students who will be directly affected by the bill and changing assumptions will affect the fiscal analysis. It should be noted that tuition increases could be minimally offset by tuition reductions for any affected student who is currently paying nonresident tuition. Allowing such students to pay the resident rate will reduce tuition by the difference between nonresident and resident tuition (on average, \$10,822 per student at 4 year universities).

Under current law, U.S. citizens who graduate from a high school in Colorado are eligible for the resident tuition rate. Approximately 900 non citizen students will be eligible for resident tuition as a result of this bill; however, not all of these students will attend an institution of higher education. This fiscal note assumes that a minimum of 50 students will take advantage of the new benefit. Table 1 presents ranges of new tuition revenue based on an average resident tuition rate of \$1,944 at community colleges and \$4,668 at 4 year universities per semester.

Students	New Tuition Revenue Community Colleges	New Tuition Revenue 4 Year Universities
50	\$97,200	\$233,400
200	\$388,800	\$933,600
350	\$680,400	\$1,633,800
500	\$972,000	\$2,334,000

This analysis is based on the following data and assumptions:

- ▶ The large majority of students in Colorado with immigration issues are Hispanic and this analysis is based primarily on this population.
- ▶ Approximately 70 percent of undocumented immigrants live at or below the poverty level, and thus will not attend state institutions of higher education at the nonresident tuition rate.

- ▶ Students who attend higher education as a result of SB09-170 are more likely to attend community colleges.
- ▶ 63 percent of Colorado high school graduates enroll at institutions of higher education. In FY 2006-07, of the approximately 43,000 students who graduated from high school following 3 continuous years of enrollment, 16,000 students did not attend an institution of higher education.
- ▶ 17 percent of the graduates who did not attend higher education are Hispanic but less than 33 percent are themselves undocumented immigrants. Therefore, of the 16,000 graduates who did not attend higher education, an estimated 2,720 are Hispanic, but only 897 are not U.S. citizens.

State Expenditures

Increase in Higher Education Expenses. Any new revenue generated by more students attending state institutions of higher education will be spent by the schools for the instructional costs associated with providing a higher education to new students.

Departments Contacted

Education

Higher Education

Regulatory Agencies