

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 7, 2011)

Drafting Number: LLS 11-0398	Date: February 22, 2011
Prime Sponsor(s): Sen. Giron; Johnston	Bill Status: Senate Finance
Rep. Miklosi; Williams A.	Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING CLASSIFICATION AS AN UNSUBSIDIZED IN-STATE STUDENT FOR TUITION PURPOSES AT STATE INSTITUTIONS OF HIGHER EDUCATION.

Fiscal Impact Summary	FY 2011-12	FY 2012-13
State Revenue* Cash Funds Tuition	\$770,715 - \$1,284,525	
State Expenditures* Cash Funds Tuition	\$770,715 - \$1,284,525	
FTE Position Change		
Effective Date: The bill is effective upon signature of the Governor or upon becoming law without his signature.		
Appropriation Summary for FY 2011-12: None required.		
Local Government Impact: None.		

* The range of revenue and expenditures is based on 150 to 250 additional students admitted evenly between two-year community colleges and four-year colleges. Actual revenue and expenses may be different. For details, please reference the State Revenue and State Expenditure sections.

This fiscal note is being revised to correct data errors.

Summary of Legislation

This bill creates a new classification of students at state supported institutions of higher education: "unsubsidized in-state student for tuition purposes." A student meeting the following criteria shall be eligible for classification as an unsubsidized in-state student:

- ▶ 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 minor who has graduated from high school and has not been admitted to college within one year following graduation, but who otherwise satisfies the requirements in the bill, may be classified as an unsubsidized in-state student beginning with the 2011-12 academic year. This provision of the bill is repealed effective July 1, 2012.

The bill requires that students who do not have documentation of lawful immigration or nationality status, and apply for classification as an unsubsidized in-state student, must file an affidavit with the institution of higher education stating that he or she has applied for lawful status, or will file an application as soon as he or she is eligible to do so.

A student who is classified as an unsubsidized in-state student for tuition purposes is not eligible to receive stipends from the College Opportunity Fund or to receive state-funded, need-based financial aid. Such students shall not be counted as residents or deemed to have established domicile based on the tuition classification.

State Revenue

Increase in Higher Education 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 SB11-126. 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 somewhat 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, \$10,529 per student at four-year colleges).

Currently, U.S. citizens who graduate from a high school in Colorado following three years of attendance are eligible for the in-state tuition rate. For FY 2011-12 only, SB11-126 allows students who graduated in each year since 2008 to be eligible for the tuition classification. This provision increases the potential pool of new students in the first year of the bill only. It is estimated that in FY 2011-12, approximately 2,700 students without documentation of lawful residence will be eligible for the new tuition classification as a result of this bill; however, not all of these students will attend an institution of higher education. Beginning FY 2012-13, approximately 700 students each year will be eligible for the classification. This fiscal note assumes that a minimum of 150 students will take advantage of the new classification. Table 1 presents ranges of new tuition revenue based on an average resident tuition rate of \$4,748 at community colleges and \$5,528 at four-year colleges per semester.

Students	New Tuition Revenue Community Colleges	New Tuition Revenue 4-Year Universities
150	\$712,200	\$829,230
250	\$1,187,000	\$1,382,050
350	\$1,661,800	\$1,934,870
450	\$2,136,600	\$2,487,690

This analysis is based on the data and assumptions listed below.

- ▶ The large majority of students in Colorado without documentation of lawful status 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.
- ▶ 63 percent of Colorado high school graduates enroll at institutions of higher education. In 2009-10, of the approximately 35,500 students who graduated from high school following 3 continuous years of enrollment, 13,000 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 13,000 graduates who did not attend higher education, an estimated 2,233 are Hispanic, but only 737 are undocumented.
- ▶ Approximately 2,000 minors who have not been admitted to higher education within 12 months of graduation have until July 1, 2012, to be classified as an unsubsidized in-state student for tuition purposes.

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