

Colorado Legislative Council Staff Fiscal Note

**FINAL
FISCAL NOTE**

Drafting Number: LLS 15-0029
Prime Sponsor(s): Rep. Salazar
 Sen. Guzman

Date: June 24, 2015
Bill Status: Postponed Indefinitely
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BILL TOPIC: IN-STATE TUITION AMERICAN INDIAN TRIBES HISTORICAL TIES TO CO

Fiscal Impact Summary*	FY 2015-16	FY 2016-17
State Revenue		
<i>Revenue Change**</i>		
Institutional Tuition Revenue	(Up to \$2,684,866)	(Up to \$2,684,866)
State Expenditures		
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

** Institutional tuition revenue decreases for each student reclassified from nonresident to resident; institutional tuition revenue increases for each new Native American student who chooses to enroll in higher education in Colorado and would not have otherwise without the bill. See the State Revenue section.

Summary of Legislation

Beginning with the 2015-16 academic year, this bill extends in-state tuition classification to any Native American student who is a registered member of a federally recognized American Indian tribe with historical ties to Colorado. Students classified for in-state tuition may be counted as a resident for other purposes, including eligibility for state-funded financial aid; however, these students are not eligible for stipends from the College Opportunity Fund (COF). The bill applies to all state institutions of higher education except Fort Lewis College, which already provides free tuition for any Native American.

Background

According to the Colorado Commission on Indian Affairs and History Colorado, 48 federally recognized American Indian tribes have historical ties to Colorado. Almost every state-supported institution of higher education enrolls Native American students who are residents of other states and pay non-resident tuition in Colorado. It is unknown how many of these students are also members of tribes with historical ties to Colorado.

Enrollment data from 2013 shows that Colorado enrolled 208 non-resident students who identified themselves ethnically as "Native American or Alaskan Native." Of this amount, 19 students were graduate students, 77 were undergraduates attending a four-year research institution, 25 were undergraduates attending a four-year institution, and 87 were enrolled in community colleges.

State Revenue

Tuition revenue — institutions of higher education. The bill both increases and decreases tuition revenue for institutions of higher education. The bill increases revenue from tuition for each new Native American student who chooses to enroll in higher education in Colorado who would not have otherwise chosen Colorado, but for this bill. The bill decreases revenue from tuition by reclassifying current non-resident students as resident students and reducing the amount of tuition those students will be required to pay. Tuition revenue to the schools is not appropriated by the General Assembly and is under the control and discretion of the governing body managing the higher education institution.

Tuition decrease. *This bill reduces revenue from tuition for state institutions of higher education by at least \$2,684,866 per year beginning in FY 2015-16.* Non-resident students attending higher education in Colorado typically pay a tuition rate higher than the amount charged to residents; reclassifying these students as residents for tuition purposes reduces tuition revenue by the difference between the two rates. Table 1 provides an estimate of anticipated revenue loss.

Table 1. Annual Tuition Revenue Loss under House Bill 15-1027			
Institution Type	Average Tuition Differential	Non-resident Native American Students	Tuition Loss*
Graduate School Institutions	\$16,794	19	\$319,086
Four Year Research Institutions	\$14,571	77	\$1,121,967
Four Year Institutions	\$11,041	25	\$276,025
Community Colleges	\$11,124	87	\$967,788
			TOTAL \$2,684,866

* Tuition loss assumes non-resident students who self identify as Native American will be eligible for the reduced tuition rate, and that each non-resident student is enrolled full time.

Assumptions. Although the Department of Higher Education collects data on which non-resident students self identify as Native American, it is unknown how many of these students will qualify for resident classification due to historical ties to Colorado. This fiscal note assumes that the students who self identify as Native American are from tribes with historical ties to Colorado; however, if better data becomes available, these estimates may change.

Tuition increase. The reduction in tuition revenue will be partially offset by increased tuition revenue for each new student who, as a result of the tuition reduction, chooses to enroll in a Colorado institution of higher education. As the decision to attend higher education cannot be predicted based only on the cost of tuition, no estimate is provided for the number of students likely to choose Colorado for postsecondary education as a result of this bill. Table 2 identifies the tuition increase to state institutions of higher education for variable numbers of new students. For example, if 50 additional students take advantage of the bill and enroll in four-year schools, tuition revenue increases by \$308,450.

Table 2. Potential Tuition Increases under House Bill 15-1027		
New Native American Students	Four-Year Schools New Revenue	Two-Year Schools New Revenue
50	\$324,700	\$179,250
100	\$649,400	\$358,500
250	\$1,623,500	\$896,250
850	\$5,519,900	\$3,047,250

** Assumes 30 credit hours at an average four-year school tuition rate of \$6,494 and an average two-year school tuition rate of \$3,585.*

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, & Military Affairs Committee on May 4, 2015

State and Local Government Contacts

Higher Education