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Fiscal Note

Drafting Number:	LLS 21-0539	Date:	February 16, 2021
Prime Sponsors:	Sen. Fenberg Rep. Garnett; Benavidez	Bill Status:	Senate Education
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Bill Topic: COLORADO AMERICAN INDIAN TRIBES IN-STATE TUITION

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires that institutions of higher education adopt policies to charge resident tuition to Native American students whose tribes have historical ties to Colorado. The bill reduces tuition revenue and increases state appropriations beginning FY 2021-22.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$240,000 to the College Opportunity Fund.

Fiscal Note Status: This fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under SB 21-029**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	Institutional Revenue*	(up to \$3,068,800)	(up to \$3,068,800)
Expenditures	General Fund	\$240,000	\$240,000
Transfers		-	-
TABOR Refund		-	-

**Institutional revenue is from student tuition to institutions of higher education.*

Summary of Legislation

Beginning with the 2021-22 academic year, this bill requires that institutions of higher education adopt policies to charge in-state tuition 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 resident tuition may not be counted as a resident for other purposes, but are eligible for participation in the College Opportunity Fund (COF), and may be eligible for certain financial aid. 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. The Department of Higher Education estimates that between 2016 and 2020, an average of 200 nonresident students self-identify as Native American. It is unknown how many of these students are also members of tribes with historical ties to Colorado.

State Revenue

The bill both increases and decreases tuition revenue for institutions of higher education. The bill decreases revenue from tuition by reclassifying current nonresident students as resident students, and reducing the amount of tuition those students will be required to pay. The bill increases revenue from tuition for each new Native American student who chooses to enroll in Colorado's higher education system who would not have otherwise chosen to do so. State tuition revenue to institutions of higher education is exempt from TABOR.

Tuition decrease. The bill reduces revenue from tuition for state institutions of higher education by up to \$3.0 million beginning with the 2021-22 academic year. Nonresident students in Colorado pay a tuition rate higher than the amount charged to residents; reclassifying these students as residents reduces tuition revenue by the difference between the two rates. For the 2020-21 academic year, the average tuition for a full time resident student at a four year school is \$8,884, and the average nonresident student tuition is \$24,288, for a tuition difference of \$15,344. If 200 native students system wide are reclassified from nonresident to resident, the average loss in tuition revenue is \$3,068,800.

Tuition increase. The reduction in tuition revenue will be partially offset by increased tuition revenue for each new student who, as a result of a reduced price, chooses to enroll in a Colorado school. Since the decision to attend higher education cannot be predicted based only on cost, no estimate is provided for the number of students likely to choose Colorado as a result of the bill.

State Expenditures

This bill increases expenses for the College Opportunity Fund by at least \$240,000 beginning in FY 2021-22. In the current FY 2020-21, the COF stipend is \$40 per credit hour, or \$1,200 for 30 credit hours. The COF stipend for FY 2021-22 has not been set. The appropriation for COF is increased by at least \$1,200 for each student currently enrolled at the nonresident rate, and for each additional student who chooses to attend higher education in Colorado due to the reduced tuition rate. If 200 native students system wide are made eligible to participate in COF, state expenditures increase by \$240,000.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2021-22, the bill requires a General Fund appropriation of \$240,000 to the College Opportunity Fund.

State and Local Government Contacts

Higher Education