



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

**Drafting Number:** LLS 22-0033  
**Prime Sponsors:** Rep. Benavidez

**Date:** February 7, 2022  
**Bill Status:** House SCMVA  
**Fiscal Analyst:** Annie Scott | 303-866-5851  
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**Bill Topic:** FUND INDIAN ECONOMIC CONDITION IMPROVEMENT

**Summary of Fiscal Impact:**

- |  |  |
|--|--|
| <input type="checkbox"/> State Revenue                                       | <input type="checkbox"/> TABOR Refund            |
| <input checked="" type="checkbox"/> State Expenditure ( <i>conditional</i> ) | <input type="checkbox"/> Local Government        |
| <input type="checkbox"/> State Transfer                                      | <input type="checkbox"/> Statutory Public Entity |

Conditional upon the federal government providing funding to pay tuition for qualified Native American students attending Fort Lewis college, the bill requires that the same amount of General Fund be appropriated to the Colorado Commission on Indian Affairs to contract for programs that improve economic conditions for Native Americans. This bill shifts General Fund expenditures, but results in no net change in state expenditures.

**Appropriation Summary:**

Conditional upon the receipt of federal funds for FY 2022-23, the bill requires a shift in General Fund appropriations of up to \$24.8 million from the Department of Higher Education to the Governor's Office. See State Appropriations section.

**Fiscal Note Status:**

The fiscal note reflects the introduced bill.

## Summary of Legislation

Conditional upon the federal government providing funding to pay tuition for qualified Native American students attending Fort Lewis College, the bill requires that the same amount of General Fund be appropriated to the Colorado Commission on Indian Affairs (CCIA) for economic development purposes.

The bill requires that the CCIA use the funds to contract with a nonprofit organization to support programs and grants that improve economic conditions for Native Americans in Colorado. The CCIA may also use appropriated funds to pay costs incurred due to procuring and administering the contract. The nonprofit organization will report to the CCIA regarding the implementation of the contract and will provide and make public a report detailing how the funds have been spent.

The bill specifies the following requirements for the nonprofit organization, which must:

- be headquartered in Colorado;
- have a primary mission of improving economic conditions for Native Americans;
- have a demonstrated history of improving economic conditions for Native Americans through granting, technical, educational, and programmatic assistance to Native Americans; and
- be highly rated by a nationally recognized charity evaluator based on factors including financial health and transparency and accountability.

## Background

Under current law, tuition for Native American students at Fort Lewis College is paid from the General Fund. The tuition waiver is the result of an agreement between the state and the federal government in 1910, under which the state received property for the college from the federal government, and this property was required to remain an educational center, be inclusive of Native American students who would be admitted tuition-free, and offered an education equal to that of other students.

## State Expenditures

Conditional upon the receipt of federal funds to pay for the tuition of Native American students at Fort Lewis College, the bill will shift up to \$24.8 million in General Fund from tuition payments to the grant program created under the bill. On net, the bill results in no net change in state expenditures. Potential changes in expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 22-1054<sup>1</sup>**

<b>Cost Components</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
Tuition Payments for Native American Students	(\$24,803,434)	(\$24,803,434)
Programs and Grants	\$24,303,434	\$24,303,434
Third-Party Monitoring	\$500,000	\$500,000
<b>Total</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> These changes in expenditures are conditional upon the receipt of federal funds to pay for the Native American tuition waiver at Fort Lewis College. Federal funds may also be used for a portion of these costs, which would adjust available funding for programming, grants, and monitoring accordingly.

**Tuition payments.** Conditional upon the receipt of federal funds for this purpose, the bill will reduce state General Fund payments for Native American student tuition at Fort Lewis by up to \$24.8 million per year. The bill allows for federal funding to pay for all or a portion of the costs of supporting the tuition waiver; there would be no net change in tuition revenue or expenditures for Fort Lewis Colorado.

**Programs and grants.** Conditional upon the receipt of federal funds for funding the Fort Lewis Native American tuition waiver, an equal amount of funding, up to \$24.8 million, will be used to support grants and programming offered by a nonprofit organization meeting the requirements specified in the bill. It is assumed that the Governor’s Office will require up to \$500,000 to hire a third-party monitoring service if the maximum amount of funding is provided. After accounting for these expenses, up to \$24.3 million would be available for the CCIA to contract with an eligible nonprofit organization to provide grants and programming specified in the bill. Other workload and costs for the Governor’s Office and the CCIA can be accomplished within existing resources.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

Generally, it is assumed that receipt of federal funds and the corresponding shift in state expenditures to support grants and programming under the bill will be accounted for through the annual budget process for any fiscal year in which such funding is available.

Should it become known that federal funding for the tuition waiver is available for FY 2022-23, the bill may require the following changes in General Fund appropriations:

- a decrease of up to \$24,803,434 to the Department of Higher Education for the Fort Lewis Native American tuition waiver; and
- an increase of up to \$24,803,434 to the Governor’s Office for use by the Colorado Commission on Indian Affairs.

## State and Local Government Contacts

Governor  
OEDIT

Higher Education  
Treasury

Information Technology