



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 26-067: TUITION WAIVER FOR DEPENDENTS OF VETERANS

**Prime Sponsors:**

Sen. Sullivan  
Rep. Clifford

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**Fiscal note status:** The fiscal note reflects the introduced bill.

### Summary Information

**Overview.** The bill creates a waiver of tuition and fees at state institutions of higher education for dependents of certain veterans.

**Types of impacts.** The bill is projected to affect the following areas beginning in FY 2026-27:

- State Expenditures
- State Revenue
- Institutions of Higher Education

**Appropriations.** For FY 2026-27, the bill requires an appropriation of \$140,662 to the Department of Military and Veterans’ Affairs. The General Assembly may also choose to appropriate funding to institutions of higher education to offset lost tuition revenue. See the State Expenditures and State Appropriations sections for more detail.

**Table 1  
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue (Higher Education Tuition and Fees)	-\$58.6 million	-\$58.6 million
State Expenditures	\$181,205	\$167,205
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	2.0 FTE	2.0 FTE

State expenditure impacts above reflect costs in the Department of Military and Veterans Affairs only.

**Table 1A  
State Revenue**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$0	\$0
Cash Funds (Higher Education Tuition and Fees)	-\$58.6 million	-\$58.6 million
<b>Total Revenue</b>	<b>-\$58.6 million</b>	<b>-\$58.6 million</b>

**Table 1B  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$140,662	\$126,662
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$40,543	\$40,543
<b>Total Expenditures</b>	<b>\$181,205</b>	<b>\$167,205</b>
<b>Total FTE</b>	<b>2.0 FTE</b>	<b>2.0 FTE</b>

## Summary of Legislation

The bill requires the Colorado Commission of Higher Education to develop a policy that requires institutions of higher education (IHEs) to waive all tuition, fees and other required charges for dependents of qualified veterans. A qualified veteran fulfills one of the following conditions:

- was killed in action;
- died while in active service from other causes;
- is missing in action;
- is a prisoner of war;
- died as a result of a disability incurred during war; or,
- is or was prior to death determined to be unemployable as a result of a service-connected disability (TIDU).

Dependents of qualified veterans must complete either the Colorado Application for State Financial Aid (CASFA) or the Free Application for Federal Student Aid (FAFSA), be accepted by an IHE for admission, and remain in satisfactory academic standing. The waiver is valid for six years. The Department of Military and Veterans Affairs (DMVA) must certify eligibility for the waiver at the request of a dependent of a qualified veteran.

## **Assumptions**

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The bill does not specify whether the tuition waiver is calculated after all other financial aid is awarded (“last-dollar”) or if the waiver applies before other financial aid is awarded (“first-dollar”). The fiscal note assumes that the bill creates a “first-dollar” waiver that applies before any other aid is awarded. If the waiver is applied after all other financial aid is awarded, the decrease in revenue to institutions will be smaller than estimated.

The bill does not specify whether the waiver applies to undergraduate students, graduate students, or both. The fiscal note assumes that the waiver may be offered to undergraduate students, but not graduate students. If the waiver is available to graduate students, the decrease in revenue to institutions will be larger than estimated. The bill is also assumed to apply to both resident and nonresident students.

The number of students estimated to qualify for the waiver was provided to Legislative Council Staff by some IHEs. These estimates were based on the number of students that qualify for the Federal Fry Scholarship, which is awarded to students whose parent or spouse died in service or students who qualify for the Federal Survivors’ and Dependents’ Educational Assistance Program, also known as Chapter 35 benefits.

Some institutions were not able to estimate the number of students who qualified for either Fry or Chapter 35 benefits. For these institutions, the fiscal note assumes that the number of students who will qualify for the waiver is 1.43 percent of all undergraduate students, which is the average rate of those qualifying students for institutions for whom data was available. A total of 4,451 students annually are estimated to qualify for the waiver.

Tuition and fee estimates in Table 2 assumed a weighted average of in-state and out-of-state tuition and fee rates reported to the Federal Government. Tuition and fee rates use 2024 data, the most recent available, and apply a 7 percent increase to account for inflation to estimate 2026 tuition and fee rates.

**State Revenue**

The bill is expected to decrease undergraduate tuition and fee revenue to institutions of higher education by a total of \$58.6 million per year beginning in FY 2026-27. Estimated impacts to individual institution are shown in Table 2. Tuition and fee revenue to IHEs is exempt from TABOR.<sup>1</sup>

**Table 2  
State Revenue Impacts to IHEs**

<b>Institution</b>	<b>Eligible Students</b>	<b>Tuition and Fees Waived Per Student</b>	<b>Total Revenue Change</b>
Adams State University	29	\$12,872	-\$377,538
Aims Community College	144	\$2,510	-\$361,440
Colorado Community College System	1,070	\$5,156	-\$5,516,920
Colorado Mesa University	200	\$12,546	-\$2,509,200
Colorado Mountain College	112	\$4,277	-\$477,889
Colorado School of Mines	91	\$33,038	-\$3,006,458
Colorado State University - Global	238	\$9,145	-\$2,176,510
Colorado State University - Pueblo	82	\$11,022	-\$903,804
Colorado State University - Fort Collins	978	\$20,392	-\$19,943,376
Emily Griffith Technical College	97	\$7,729	-\$749,202
Fort Lewis College	16	\$17,395	-\$278,320
Metropolitan State University of Denver	292	\$12,466	-\$3,636,886
Pickens Technical College	16	\$5,500	-\$85,648
Technical College of the Rockies	5	\$3,501	-\$16,656
University of Colorado - Boulder	255	\$28,127	-\$7,172,385
University of Colorado - Colorado Springs	482	\$13,692	-\$6,599,544
University of Colorado - Denver/Anschutz	151	\$12,239	-\$1,848,089
University of Northern Colorado	118	\$14,189	-\$1,674,302
Western Colorado University	76	\$16,793	-\$1,272,259
<b>Total</b>	<b>4,451</b>		<b>-\$58,606,425</b>

Tuition and Fees Waived Per Student represents a weighted average of in-state and out-of-state tuition and fee rates based on the enrollment mix of IHEs. Data comes from the Integrated Postsecondary Education Data System (IPEDS).

<sup>1</sup> IHEs are enterprises (state-run businesses) under TABOR and their revenue is exempt from the state's revenue and spending limit. However, in previous years, some smaller institutions' revenue has become subject to TABOR after they were disqualified as an enterprise. Disqualifications usually happen because the institution receives more than 10 percent of its revenue from state funding. Therefore, while all institutions are currently expected to be TABOR exempt, this could change from year to year.

## State Expenditures

The bill increases state expenditures in the Department of Military and Veterans Affairs by about \$181,000 in FY 2026-27 and by about \$167,000 in FY 2027-28 and future years. These costs, paid from the General Fund, are summarized in Table 3 and discussed below. The bill also impacts expenditures for institutions of higher education, as explained below, and minimally impacts workload for the Department of Higher Education.

### Department of Military and Veterans Affairs

The DMVA will require 2.0 FTE, including one Program Assistant and one Administrative Assistant to determine eligibility of dependents for expense waivers at IHEs. These staff will coordinate with veteran communities, institutions of higher education, and process applications for the estimated 4,451 students annually. Costs are based on administration of similar programs and assumes the DMVA will certify all eligible dependents. Standard operating and capital outlay costs are included.

**Table 3**  
**State Expenditures**  
**Department of Military and Veterans Affairs**

<b>Cost Component</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Personal Services	\$124,102	\$124,102
Operating Expenses	\$2,560	\$2,560
Capital Outlay Costs	\$14,000	\$0
Centrally Appropriated Costs	\$40,543	\$40,543
<b>Total Costs</b>	<b>\$181,206</b>	<b>\$167,206</b>
<b>Total FTE</b>	<b>2.0 FTE</b>	<b>2.0 FTE</b>

### Institutions of Higher Education

Absent an increase in state funding or change in tuition policy, waiving tuition and fees for the dependents of qualified veterans will decrease state expenditures by IHEs. To the extent the bill increases enrollment by dependents of qualified veterans, expenditures will increase to educate those students without a corresponding tuition and fee increase. If enrollment remains steady, institutions may need to reduce expenditures or increase tuition and fees paid by other students. However, changes to IHE expenditures and potential tuition and fee increases depend on policy decisions made by the General Assembly. Specifically:

- The General Assembly could increase state funding, either through specific appropriations or the higher education funding formula, to each institution in the amounts listed in Table 2 to offset the lost revenue;

- The General Assembly could adjust the limit on tuition and fee increases, allowing IHEs to raise tuition and fees for other students to offset the lost revenue. In FY 2025-26, the Long Bill allowed IHEs to raise their tuition by 3.5%; or
- State expenditures for existing programs and services at IHEs will decrease. The exact impacts will vary by institution and will be at the discretion of individual boards of IHEs.

## **Department of Higher Education**

Workload will increase for the Department of Higher Education to support the work of the Commission of Higher Education to adopt the policy for tuition waivers. Based on administration of similar programs, this is estimated to be minimal and absorbable within existing appropriations.

## **Centrally Appropriated Costs**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2 above.

## **Effective Date**

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

## **State Appropriations**

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For FY 2026-27, the bill requires a General Fund appropriation of \$140,662 to the Department of Military and Veterans' Affairs and 2.0 FTE.

As discussed above, the General Assembly may choose to increase state appropriations for institutions of higher education by up to \$58.6 million or adjust the cap on IHE tuition and fees to allow institutions to the option of offsetting the revenue decrease.

## **State and Local Government Contacts**

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Higher Education

Military Affairs

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).