



**Colorado
Legislative
Council
Staff**

HB16-1178

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0111
Prime Sponsor(s): Rep. Salazar
Sen. Ulibarri

Date: February 25, 2016
Bill Status: House Education
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BILL TOPIC: IN-STATE TUITION AMERICAN INDIAN TRIBES TIES TO CO

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
<i>Revenue Change*</i>		
Institutional Tuition Revenue	(up to \$3,094,067)	(up to \$3,094,067)
State Expenditures		
General Fund	at least \$510,750	at least \$510,750
Appropriation Required: \$510,750 - College Opportunity Fund (FY2016-17)		
Future Year Impacts: Ongoing state expenditures and institutional tuition revenue impact.		

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

Summary of Legislation

The bill extends in-state tuition classification to any Native American who is a registered member of a federally recognized American Indian Tribe with historical ties to Colorado, beginning in the 2016-17 academic year. Students who are classified for in-state tuition may be counted as a resident student for any purpose, including eligibility for state-funded financial aid and the College Opportunity Fund (COF) stipend. The bill applies to all state institutions of higher education except Fort Lewis College, which already provides free tuition to any Native American.

Background

According to the Colorado Commission on Indian Affairs and History Colorado, 47 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 2014 shows that Colorado enrolled 250 non-resident students who identified themselves as "Native American or Alaskan Native." Of those students, 23 were graduate students, 96 were undergraduates attending a four-year research institution, 32 were undergraduates attending a four-year institution, and 99 were attending community colleges.

State Revenue

The bill both increases and decreases tuition revenue for institutes of higher education. Tuition revenue is collected by the schools and is under the control of each institution's governing board. The bill increases revenue from tuition for each new Native American student who chooses to enroll in a Colorado institution of higher education as a result of the bill. The bill decreases revenue from tuition by reclassifying current non-resident students as resident students, reducing the amount those students are required to pay.

Assumptions. Although the Department of Higher Education collects data on non-resident students who self identify as Native American, it is unknown how many of these students are members of American Indian tribes with historical ties to Colorado and thus, will qualify for resident classification under the bill. The fiscal note assumes that the students who self identify as Native American are from tribes with historical ties to Colorado.

Tuition decrease. This bill reduces revenue from tuition for state institutions of higher education by at least \$3,094,067 per year beginning in FY 2016-17. Reclassifying current non-resident students as residents for tuition purposes reduces tuition revenue by the difference between resident and non-resident tuition. Table 1 provides an estimate of the anticipated revenue loss based on tuition rates for the 2015-16 academic year.

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	\$13,468	23	\$309,755
Four Year Research Institutions	\$15,302	96	\$1,468,944
Four Year Institutions	\$10,532	32	\$337,024
Community Colleges	\$9,882	99	\$978,344
TOTAL			\$3,094,067

* 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.

Tuition increase. The reduction in tuition revenue will be partially offset by increased tuition revenue from each student who would not have enrolled in Colorado institution of higher education without the bill. Because the decision to pursue higher education cannot be predicted based only on the cost of tuition, the number of students likely to choose Colorado for postsecondary education as a result of the bill cannot be determined. Table 2 identifies the tuition increase to state institutions of higher education for different scenarios for the number of new students. For example, if 50 additional students enroll in four-year schools, tuition revenue increases by \$384,953.

Table 2. Potential Tuition Increases Under HB16-1178		
New Native American Students	Four-Year Schools Revenue	Two-Year Schools Revenue
50	\$384,953	\$125,767
100	\$769,906	\$251,533
250	\$1,924,766	\$628,833
850	\$6,544,203	\$2,138,033

State Expenditures

The bill increases expenses for the College Opportunity Fund by at least \$510,750 beginning in FY 2016-17. For FY 2015-16, the COF stipend is \$75 per credit hour, or \$2,250 for 30 credit hours. The COF stipend for FY 2016-17 has not been set. The bill increases expenditures by at least \$2,250 for each full-time Native American student who is either currently enrolled at the non-resident rate or chooses to attend an institution of higher education in Colorado due to paying the resident tuition rate.

Based on 2015 data, there are 227 undergraduate non-resident students currently attending state institutions of higher education who self-identify as Native American. Assuming that all of these students qualify for COF stipends and enroll in 30 credit hours, state expenditures increase by \$510,750 annually.

In addition, some students will likely choose Colorado for postsecondary education as a result of the bill's tuition reduction; however, this number cannot be determined. Table 3 identifies the COF stipend amount the state would need to appropriate for different scenarios for the number of new students. For example, if 50 additional students enroll in four-year schools, state expenditures increase by an additional \$112,500.

Table 3. Potential COF Increases for New Students under HB16-1178	
New Native American Students	COF Stipends*
50	\$112,500
100	\$225,000
250	\$562,000
850	\$1,912,500

* \$2,250 for 30 credit hours

Effective Date

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

State Appropriations

For FY 2016-17, this bill requires a General Fund appropriation of \$510,750 to the Colorado Opportunity Fund.

State and Local Government Contacts

Higher Education