



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1386: CO NATIONAL GUARD TUITION WAIVER FUNDING

Prime Sponsors:

Rep. Brown; Taggart
Sen. Bridges; Kirkmeyer

Fiscal Analyst:

John Armstrong, 303-866-6289
john.armstrong@coleg.gov

Published for: House Appropriations

Drafting number: LLS 26-0898

Version: Initial Fiscal Note

Date: April 2, 2026

Fiscal note status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2026-27 Long Bill budget package.

Summary Information

Overview. The bill reduces reimbursement to institutions of higher education from the Department of Military and Veterans Affairs for the National Guard Tuition Waiver Program from the full amount of the tuition waived to 50 percent of this amount.

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

- State Revenue
- State Expenditures
- Institutions of Higher Education

Appropriations. No appropriation is required. See State Expenditures section.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue (Higher Education Tuition)	up to -\$1.77 million	up to -\$1.77 million
State Expenditures (Institutions of Higher Education)	up to -\$1.77 million	up to -\$1.77 million
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Actual state expenditure impacts will depend on future decisions by the General Assembly and institutions of higher education.

Summary of Legislation

Under current law, the Department of Military and Veterans' Affairs (DMVA) administers a tuition waiver program for members of the Colorado National Guard to attend Colorado institutions of higher education (IHEs). DMVA pays 100 percent of tuition costs for eligible students to IHEs from the Colorado National Guard Tuition Fund, until available funding is exhausted. This fund is subject to annual appropriations from the General Assembly.

The bill reduces the DMVA reimbursement to IHEs from 100 percent of the tuition waived to 50 percent this amount. IHEs are required to waive the remainder of the eligible student's tuition.

Background and Assumptions

In FY 2025-26, DMVA approved \$2.5 million in funding for students for the program and distributed \$1.8 million to the IHEs to reimburse waived tuition. Demand for the program is estimated to have exceeded the available funding by approximately \$800,000. The fiscal note assumes that the cost sharing mechanism in the bill will allow the program to serve additional students, rather than reducing state funding for the program.

For FY 2026-27, the DMVA is expected to be appropriated \$1.77 million for the program. If every dollar appropriated to DMVA is used, institutions would lose revenue equal to the amount spent by DMVA. Revenue and expenditure losses estimated in this fiscal note represent an upper bound of state fiscal impacts.

State Revenue

The bill is expected to decrease undergraduate tuition and fee revenue to institutions of higher education by up to \$1.77 million per year beginning in FY 2026-27. Estimated impacts to individual institutions are shown in Table 2, based on the portion of the FY 2025-26 costs incurred at each institution. Tuition and fee revenue to IHEs is exempt from TABOR.¹

¹ 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.

Table 2
State Revenue Impacts to IHEs

Institution	Revenue Change
University of Colorado - Boulder	-\$409,676
Colorado State University - Fort Collins	-\$312,186
Metropolitan State University	-\$197,802
University of Colorado - Denver	-\$190,836
University of Colorado - Colorado Springs	-\$181,043
Colorado State University - Global	-\$167,798
Colorado School of Mines	-\$105,077
Front Range Community College	-\$37,559
Western Colorado University	-\$29,528
University of Northern Colorado	-\$26,247
Pikes Peak State College	-\$24,998
Colorado Mesa University	-\$18,303
Community College of Aurora	-\$13,132
Adams State University	-\$12,107
Arapahoe Community College	-\$10,910
Trinidad State College	-\$8,934
Red Rocks Community College	-\$8,808
Community College of Denver	-\$8,632
Pueblo Community College	-\$7,407
Total	up to -\$1,770,985

Data are based the percentage of distributions of current program recipients and assuming demand for the tuition waiver is enough to spend every dollar appropriated. Actual revenue impacts will depend on future enrollment decisions of eligible students.

State Expenditures

Department of Military and Veterans Affairs

As discussed in the Assumptions section above, the fiscal note assumes that the bill does not reduce state expenditures in DMVA for the program. Workload will be adjusted in the DMVA to adopt rules to administer the program with a 50 percent waiver contribution. This workload is expected to be minimal and no change in appropriations is required.

Institutions of Higher Education

Absent an increase in state funding or change in tuition policy, requiring institutions to waive 50 percent of tuition and fees for the eligible Colorado National Guard Members participating in the tuition waiver program will decrease state expenditures by IHEs. As a result, IHEs may adjust tuition and fee rates, within the parameters set by the General Assembly, or may reduce expenditures for existing programs and services. The exact impacts will vary by institution and will be at the discretion of individual boards of IHEs.

Effective Date

The bill takes effect July 1, 2026.

State and Local Government Contacts

Higher Education

Military and Veterans Affairs

Joint Budget Committee Staff

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](#).