

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 820**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:**

Allows nonresident veterans discharged under honorable conditions to pay tuition and fees at Oregon resident rates.

**Government Unit(s) Affected:**

Department of Community Colleges and Workforce Development, Oregon University System (OUS)

**Summary of Expenditure Impact:**

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:** This bill would allow nonresident veterans to pay resident tuition and fees. This applies to any veteran who is discharged under honorable conditions.

The overall fiscal effect of the bill is indeterminate. Under current law, a nonresident veteran pays resident tuition and fees plus 50% of the difference between resident and nonresident tuition and fees. In 2013, a resident student pays \$7,877 tuition and fees, a nonresident veteran pays \$14,938 in tuition and fees and a nonresident student pays \$21,998 in tuition and fees. There are currently 193 nonresident veterans enrolled in the university system.

For each nonresident veteran currently paying resident plus 50%, converted to resident tuition and fees, the universities would need to enroll one more veteran to offset the loss in tuition revenue. There are currently 19 other states that offer this benefit to nonresident veterans. Some of these states have seen substantive increases in veteran enrollment. Generating a reliable estimate in the increased enrollment of nonresident veterans eligible for instate tuition is complicated because Oregon has limited military installations, unlike Washington and California with substantial military installations, but Oregon's instate tuition is lower than either Washington or California which could serve to attract more veterans. It is anticipated that additional veterans will be attracted to Oregon to enroll in a university, but the exact amount is unknown. The Oregon University System estimates that the bill would be fiscal and revenue neutral at worst, but more likely to be revenue positive. It is unknown if the increase in enrollment would require additional staff.

The Community College and Workforce Development Department anticipates a minimal fiscal impact because the residency requirements for community colleges are more lenient than at the university level. Community colleges require 90 days to establish residency and universities require substantively more time to establish residency.