

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6582
BILL NUMBER: HB 1071

NOTE PREPARED: Dec 14, 2024
BILL AMENDED:

SUBJECT: Resident Tuition Rate.

FIRST AUTHOR: Rep. Harris
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that an individual who meets certain conditions is eligible for the resident tuition rate as determined by the state educational institution (SEI). The bill requires such an individual to verify that the individual meets the criteria to receive the resident tuition rate.

Effective Date: July 1, 2025.

Explanation of State Expenditures: *State Educational Institution (SEI) Funding:* Under the current higher education performance funding formula, changes to enrollment could affect higher education appropriations for operations in future biennia. The impact is probably minor and also depends on any changes to the higher education formula used in the future. [SEIs receive state funding through General Fund appropriations.]

Commission for Higher Education (CHE): The CHE may adopt rules to implement the changes in the bill. This can be accomplished with existing resources.

Explanation of State Revenues: *Tuition Fee Revenue:* SEIs could experience changes in enrollment which could impact tuition fee revenue. The bill will decrease tuition revenue for SEIs received from students currently paying non-resident rates. However, these losses would likely be offset due to increased enrollment from students newly-eligible to pay the resident rate. The difference in resident and nonresident tuition and fee rates for full-time students for the 2024-2025 academic year ranged from approximately \$2,400 (Ivy Tech) to \$30,000 (IU Bloomington) depending on the SEI.

Additional Information: The Higher Ed Immigration Portal reports 4,809 undocumented students in higher education in Indiana, this estimate includes students in private and public institutions. They also report an estimated 1,645 Deferred Action for Childhood Arrivals (DACA) eligible students in higher education, and 2,000 additional undocumented students graduating high school annually. Additionally, the Migration Policy Institute reports that, as of June 2024, there are 7,600 active recipients of DACA statewide, out of 12,000 potentially eligible individuals. Undocumented students are not eligible for federal student aid such as Pell

Grants and subsidized loans or for Indiana's state financial aid programs. The average statewide difference between resident and non-resident tuition is approximately \$10,000.

A decrease in the cost of enrollment is likely to produce an increase in enrollment among eligible students. Furthermore, granting DACA recipients eligibility for resident tuition rates could shift where the recipients enroll, as SEIs with a large difference between resident and non-resident tuition would become substantially more affordable under the bill. Future total enrollment changes for most SEIs will be impacted to a greater extent by other factors including economic, population, and migration trends.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Commission for Higher Education, State Educational Institutions.

Local Agencies Affected:

Information Sources:

Higher Ed Immigration Portal: <https://www.higheredimmigrationportal.org/state/indiana/>

Migration Policy Institute:

<https://www.migrationpolicy.org/programs/data-hub/deferred-action-childhood-arrivals-daca-profiles>

State Educational Institutions, online posted tuition and fees.

Fiscal Analyst: Alexander Raggio, 317-234-9485.