

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

LS 6713
BILL NUMBER: HB 1173

NOTE PREPARED: Dec 30, 2024
BILL AMENDED:

SUBJECT: Ban on University Practices.

FIRST AUTHOR: Rep. Teshka
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a state educational institution (SEI) may not investigate, threaten disciplinary action regarding, punish, or solicit the reporting of certain student speech. The bill also provides that the race, color, or ethnicity of a student or applicant of a postsecondary educational institution may not be used in certain decision making processes or provided to specified individuals, and establishes a cause of action for a violation of these provisions.

Effective Date: July 1, 2025.

Explanation of State Expenditures: *Admissions and Financial Aid:* SEIs will have to review and revise admissions practices to ensure compliance with the bill's provisions concerning disclosure of race, color or ethnicity during admissions and the awarding of scholarships or other financial aid. The bill does not prohibit third parties from providing scholarships to students based on racial or ethnic considerations. These requirements should be completed with existing staff and resources. *[SEIs receive General Fund appropriations.]*

Civil Actions: The bill provides that an applicant or student may bring an action concerning violations of admission and financial aid provisions by an institution or its employees. If additional civil action are filed, SEIs may have workload and/or additional legal fees associated with such cases. A court may also award damages, which would be paid by the SEI. Such instances are likely to be minimal and any associated costs should be met within existing resources.

Student Speech: SEIs will have to review and revise standards of student conduct and associated programs to ensure compliance with the bill's provisions on disciplining or soliciting the reporting of certain student speech. Any increase in workload or direct costs associated with these provisions should be met within existing resources.

Explanation of State Revenues: *Civil Actions:* If additional civil actions occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a

municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

Explanation of Local Expenditures:

Explanation of Local Revenues: *Civil Actions:* If additional actions occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Agencies Affected: State educational institutions.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual;
<https://www.thefire.org/research-learn/unprotected-speech-synopsis>;
<https://www.uscourts.gov/about-federal-courts/educational-resources/about-educational-outreach/activity-resources/what-does-free-speech-mean>;
<https://communitystandards.stanford.edu/resources/protected-speech-discrimination-and-harassment>

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