

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

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FISCAL IMPACT STATEMENT

LS 6369
BILL NUMBER: SB 106

NOTE PREPARED: Dec 11, 2023
BILL AMENDED:

SUBJECT: Resident Tuition Rate.

FIRST AUTHOR: Sen. Niezgodski
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **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. It requires such an individual to verify that the individual meets the criteria to receive the resident tuition rate.

Effective Date: July 1, 2024.

Explanation of State Expenditures: 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 would depend on the higher education formula used in the future. [SEIs receive state funding through General Fund appropriations.]

Explanation of State Revenues: SEIs could experience changes in enrollment which could impact tuition fee revenue. This 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 full impact depends on the administrative decisions of SEIs if enrollments are at capacity. The difference in resident and nonresident tuition and fee rates for full-time students for the 2020-2021 academic year ranged from \$4,290 (Ivy Tech) to \$27,019 (IU Bloomington) depending on the SEI.

Additional Information – The current number of undocumented students is unknown. The Migration Policy Institute reports that, as of June 2022, there are 8,350 active recipients of the Deferred Action for Childhood Arrivals (DACA) program in Indiana, of which an estimated 1,250 (15%) are enrolled in public or private post-secondary institutions. 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 \$16,600.

The current enrollment rate of approximately 15% of DACA recipients is below the national average of 18%. A decrease in the cost of enrollment is likely to produce an increase in enrollment among eligible people. 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 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: National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS); Migration Policy Institute, *Deferred Action for Childhood Arrivals Data Tools*, <https://www.migrationpolicy.org/programs/data-hub/deferred-action-childhood-arrivals-daca-profiles>, <https://www.migrationpolicy.org/research/profile-current-daca-recipients-education-industry-and-occupation>

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