

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6365**

**BILL NUMBER:** HB 1402

**NOTE PREPARED:** Apr 14, 2011

**BILL AMENDED:**

**SUBJECT:** Prohibiting Resident Tuition for Illegal Aliens.

**FIRST AUTHOR:** Rep. Karickhoff

**FIRST SPONSOR:** Sen. Kruse

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that an individual who is not lawfully in the United States is not eligible to pay the resident tuition rate that is determined by the state educational institution.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** The bill defines that an unlawfully present individual is considered ineligible for resident tuition status. The provisions of this bill could decrease state expenditures on higher education benefits to the extent these benefits were administered to unlawfully present aliens and they are not diverted to other qualifying individuals.

The state currently provides an adjustment for state institutions with a history of growth. The adjustment is based on a four-year rolling average. The adjustment for enrollment change is about \$1,300 for FY 2011. This enrollment change calculation does not apply to the following institutions: Indiana University at Bloomington, Purdue University at West Lafayette, Indiana State University, or Ball State University. The reduction in expenditures is expected to be minor.

**Explanation of State Revenues:** Universities could experience an increase in tuition fee revenue by requiring unlawfully present aliens to pay nonresident tuition. This revenue will increase to the extent that unlawfully present aliens (1) attend post-secondary institutions and (2) previously paid resident tuition rates instead of nonresident rates. The difference in resident and nonresident tuition ranges from \$3,500 to \$18,700, depending on the state institution. Increases in tuition paid to post-secondary institutions is expected to be minor.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State educational institutions.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.