
HOUSE BILL No. 1118

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-14-2.

Synopsis: University tuition and fees. Provides that the commission for higher education shall establish the maximum amount by which tuition and mandatory fees may increase for each state educational institution. Provides that the budget committee may review the amounts established by the commission for higher education. Requires a state educational institution to submit a report to the commission for higher education concerning the financial and budgetary factors considered by the board of trustees of the state educational institution in determining the amount of the increase. (Current law provides that the state educational institution must submit a report concerning the financial and budgetary factors considered to the budget committee.) Provides that tuition and mandatory fee rate increases approved by a state educational institution for the state fiscal year beginning July 1, 2012, and ending June 30, 2013, are void and may not go into effect. Provides that the commission for higher education shall establish the amount by which a state educational institution may increase its tuition and mandatory fees for the state fiscal year beginning July 1, 2012, and ending June 30, 2013. Makes a technical correction.

Effective: Upon passage; July 1, 2012.

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January 9, 2012, read first time and referred to Committee on Ways and Means.

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Second Regular Session 117th General Assembly (2012)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1118



A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 21-14-2-6, AS ADDED BY P.L.234-2007,
2 SECTION 270, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2012]: Sec. 6. Subject to section ~~12~~ **12.5** of this
4 chapter, a state educational institution shall set tuition and fee rates for
5 a two (2) year period.

6 SECTION 2. IC 21-14-2-8, AS AMENDED BY P.L.229-2011,
7 SECTION 233, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2012]: Sec. 8. A state educational institution
9 shall hold a public hearing before adopting a proposed tuition and fee
10 rate increase. The state educational institution shall give public notice
11 of the hearing at least ten (10) days before the hearing. The public
12 notice must include the specific proposal for the tuition and fee rate
13 increase and the expected uses of the revenue to be raised by the
14 proposed increase. The hearing must be held not later than thirty (30)
15 days after the commission for higher education has established the
16 ~~recommended maximum~~ **recommended maximum** tuition and mandatory fee increase ~~targets~~
17 **amounts** for each state educational institution under section 12.5 of



1 this chapter.

2 SECTION 3. IC 21-14-2-12.5, AS AMENDED BY P.L.229-2011,
3 SECTION 234, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2012]: Sec. 12.5. ~~(a) This section applies to~~
5 ~~tuition and mandatory fees that a board of trustees of a state~~
6 ~~educational institution votes to increase under section 7 of this chapter.~~

7 ~~(b) (a)~~ Not later than thirty (30) days after the enactment of a state
8 budget, the commission for higher education shall ~~recommend~~
9 ~~nonbinding~~ **establish the maximum amount by which** tuition and
10 ~~mandatory fee increase targets fees may increase~~ for each state
11 educational institution **for each school year in the ensuing biennium.**
12 **State educational institutions may not adopt tuition and mandatory**
13 **fee increases that exceed the maximum tuition and mandatory fee**
14 **increase amounts established by the commission under this**
15 **subsection unless the budget director authorizes a modification**
16 **under subsection (c).**

17 ~~(c) (b)~~ The state educational institution shall submit a report to the
18 ~~state budget committee~~ **commission for higher education** concerning
19 the financial and budgetary factors considered by the board of trustees
20 in determining the amount of the increase.

21 ~~(d) (c)~~ The state budget committee shall ~~may~~ review the ~~targets~~
22 ~~recommended maximum tuition and mandatory fee increase~~
23 ~~amounts established~~ under subsection ~~(b) (a)~~ and reports received
24 under subsection ~~(c) and (b)~~ **for one (1) or more state educational**
25 **institutions. To facilitate a review, the budget committee** may
26 request that a state educational institution appear at a public meeting
27 of the state budget committee concerning the report. **Upon**
28 **recommendation by the budget committee, the budget director**
29 **may increase or decrease one (1) or more maximum tuition and**
30 **mandatory fee increase amounts established by the commission. A**
31 **maximum tuition and mandatory fee increase amount established**
32 **under this subsection replaces the amount established by the**
33 **commission. State educational institutions may not adopt tuition**
34 **and mandatory fee increases that exceed the maximum tuition and**
35 **mandatory fee increase amounts established by the budget director**
36 **under this subsection.**

37 **(d) If a state educational institution implements a tuition and**
38 **mandatory fee increase that exceeds the applicable maximum**
39 **tuition and mandatory fee increase amounts set under this section,**
40 **the budget director may withhold from the operating**
41 **appropriation to the state educational institution an amount equal**
42 **to the amount by which revenue generated by the tuition and**

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1 mandatory fee increases adopted by the state educational
 2 institution exceeds the revenue that would have been generated by
 3 imposing tuition and mandatory fee increases equal to the
 4 applicable maximum tuition and mandatory fee increase amounts
 5 established under this section.

6 SECTION 4. [EFFECTIVE UPON PASSAGE] (a) This SECTION
 7 applies to the tuition and mandatory fees charged by a state
 8 educational institution for the state fiscal year beginning July 1,
 9 2012, and ending June 30, 2013.

10 (b) As used in this SECTION, "commission" refers to the
 11 commission for higher education established under IC 21-18-2-1.

12 (c) Notwithstanding IC 21-14-2, or any other law, tuition and
 13 mandatory fee rate increases adopted by a state educational
 14 institution under IC 21-14-2-6 for the state fiscal year beginning
 15 July 1, 2012, and ending June 30, 2013, are void and may not go
 16 into effect.

17 (d) Not later than April 30, 2012, the commission shall establish
 18 the amounts by which each state educational institution's tuition
 19 and mandatory fees may increase for the state fiscal year beginning
 20 July 1, 2012, and ending June 30, 2013.

21 (e) The commission may not establish a tuition or mandatory fee
 22 rate increase amount for a state educational institution under
 23 subsection (d) that exceeds the allowable increase percentage
 24 described in this subsection. The percentage by which a state
 25 educational institution's tuition or mandatory fees may be
 26 increased from the tuition and mandatory fee rates charged by the
 27 state educational institution for the state fiscal year beginning July
 28 1, 2012, and ending June 30, 2013, may not exceed:

29 (1) the combined tuition and mandatory fee increase target
 30 percentages recommended by the commission for the state
 31 educational institution for the state biennium beginning July
 32 1, 2011, and ending June 30, 2013; minus

33 (2) the actual percentage increase for tuition and mandatory
 34 fees, as determined by the commission, that was adopted by
 35 the state educational institution for the state fiscal year
 36 beginning July 1, 2011, and ending June 30, 2012.

37 (f) If a state educational institution implements a tuition and
 38 mandatory fee increase that exceeds the applicable tuition and
 39 mandatory fee increase amount set under this SECTION, the
 40 budget director shall withhold from the operating appropriation
 41 to the state educational institution an amount equal to the amount
 42 by which revenue generated by the tuition and mandatory fee

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1 **increases adopted by the state educational institution exceeds the**
2 **revenue that would have been generated by imposing tuition and**
3 **mandatory fee increases equal to the applicable maximum tuition**
4 **and mandatory fee increase amount established under this**
5 **SECTION.**

6 **(g) This SECTION expires July 1, 2013.**
7 **SECTION 5. An emergency is declared for this act.**

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