

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

**LS 6590**  
**BILL NUMBER: HB 1136**

**NOTE PREPARED:** Dec 15, 2025  
**BILL AMENDED:**

**SUBJECT:** Tuition Caps.

**FIRST AUTHOR:** Rep. Harris  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

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

**IMPACT:** State

**Summary of Legislation:** This bill provides that the Commission for Higher Education shall determine a tuition rate and mandatory fee cost of living adjustment for specified postsecondary educational institutions. It requires that, except for cost of living adjustments, the tuition rate and mandatory fees at specified postsecondary educational institutions may not increase from the time the student initially enrolls until the student graduates for an undergraduate student who is an Indiana resident.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** *State Financial Aid:* The tuition and fee cap would have an indeterminate effect on expenditures for state financial aid programs that cover full tuition and fees at Indiana's public colleges and universities for eligible Indiana students. The impact would begin in FY 2028 and is anticipated to be minor. These programs include the 21st Century Scholars Program, National Guard Tuition Supplement Program, and educational fee exemptions for Children and Spouses of Veterans and Public Safety Officers (CVO).

*State Educational Institutions:* The bill's requirements impact workload at specified State Educational Institutions (SEIs) in order to change their tuition pricing system and track whether students are eligible for the tuition caps. This should be able to be accomplished with existing resources. [SEIs receive state funding through General Fund appropriations.]

*Commission for Higher Education (CHE):* CHE is currently required to recommend "non-binding tuition and mandatory fee increase targets" for Indiana's public postsecondary institutions per IC 21-14-2-12.5. Current practice at the CHE has involved recommendations that are based on several inflation indices, including CPI. CHE should be able to meet the requirements of this bill with existing resources.

**Additional Information** – Beginning with FY 2027, tuition and fee increases for in-state undergraduate students who are enrolled in a degree program at one of the specified public universities would be limited to a cost of living adjustment. However, all universities specified in the bill have already agreed to freeze tuition and fees for in-state undergraduate students through the 2026-2027 school year.

Any decrease in tuition revenue due to tuition caps would likely be offset in the future by tuition increases for students not covered by the tuition freeze. This group includes new students, graduate students, out-of-state students, transfer students, and students who withdraw and later re-enroll. Larger tuition increases for new students may impact expenditures for certain state financial aid programs in the future.

**Explanation of State Revenues:** The bill could impact tuition and fee revenue for specified SEIs. The impact is anticipated to be minor. Tuition and fee revenue from eligible students would decrease if the SEI had intended to set a higher tuition rate than the CHE determined cost of living adjustment. However, any decrease in revenue may be offset over time by higher tuition rates for new students, graduate students, out-of-state students, transfer students, and students who withdraw and later re-enroll.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Commission for Higher Education; Ball State University; Indiana University; Indiana State University; Purdue University; University of Southern Indiana

**Local Agencies Affected:**

**Information Sources:**

<https://events.in.gov/event/release-all-indiana-public-higher-education-institutions-announce-tuition-freezes>;  
<https://www.in.gov/che/budget-and-finance/current-and-historic-budgets>.

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