
HOUSE BILL No. 1587

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-12.

Synopsis: Guaranteed price option for tuition. Requires Indiana University, Purdue University, Ball State University, Indiana State University, and the University of Southern Indiana, including their regional campuses and satellite locations, to offer to resident undergraduate students a guaranteed price option under which tuition cannot be increased, with certain exceptions, during four academic years, beginning with the academic year in which the student first enrolls in the institution. Allows the state educational institution to grant the guaranteed price option to nonresident undergraduate students. Specifies that the work papers containing the assumptions, methodology, and computations on which a guaranteed price option is based are public records.

Effective: July 1, 2007.

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January 23, 2007, read first time and referred to Committee on Education.

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Introduced

First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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HOUSE BILL No. 1587

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 20-12-23-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The board of
3 trustees of the state university shall be nine (9) in number.
4 (b) This subsection does not apply to the student trustee appointed
5 under IC 20-12-24-3.5. Not more than:
6 (1) one (1) of the trustees elected under IC 20-12-24-2; and
7 (2) two (2) of the trustees appointed under IC 20-12-24-3;
8 may reside in the same county.
9 (c) The trustees and their successors shall be a body politic, with the
10 style of "The Trustees of Indiana University"; in that name to sue and
11 be sued; to elect one (1) of their number president; to elect a treasurer,
12 secretary, and such other officers as they may deem necessary, to
13 prescribe the duties and fix the compensation of such officers; to
14 possess all the real and personal property of such university for its
15 benefit; to take and hold, in their corporate name any real or personal
16 property for the benefit of such institution; to expend the income of the
17 university for its benefit; to declare vacant the seat of any trustee who



1 shall absent himself from two (2) successive meetings of the board, or
 2 be guilty of any gross immorality or breach of the bylaws of the
 3 institution; to elect a president, such professors and other officers for
 4 such university as shall be necessary, and prescribe their duties and
 5 salaries; to employ other persons as necessary; to establish programs
 6 of fringe benefits and retirement benefits for the university's officers,
 7 faculty, and other employees that may be supplemental to or in lieu of
 8 state retirement programs established by statute for public employees;
 9 to prescribe the course of study and discipline and, **subject to section**
 10 **2.5 of this chapter, the price of tuition in such university; and to make**
 11 **all bylaws necessary to carry into effect the powers hereby conferred.**

12 SECTION 2. IC 20-12-23-2.5 IS ADDED TO THE INDIANA
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2007]: **Sec. 2.5. Beginning with the 2008-2009**
 15 **academic year, in setting tuition prices under section 2 of this**
 16 **chapter, the board of trustees:**

17 (1) shall offer to resident undergraduate students in the first
 18 year they enroll in the institution a guaranteed price option
 19 for tuition under which tuition cannot be increased during the
 20 number of academic years specified under IC 20-12-78,
 21 beginning with the academic year in which the student first
 22 enrolls in the institution; and

23 (2) may offer to nonresident undergraduate students in the
 24 first year they enroll in the institution a guaranteed price
 25 option for tuition under which tuition cannot be increased
 26 during the number of academic years specified under
 27 IC 20-12-78, beginning with the academic year in which the
 28 student first enrolls in the institution.

29 **The guaranteed price option must be calculated and offered in the**
 30 **manner provided in IC 20-12-78.**

31 SECTION 3. IC 20-12-36-4 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. From and after the
 33 date of the location made as aforesaid, the corporate name of the
 34 trustees of the Indiana Agricultural College shall be "The Trustees of
 35 Purdue University"; and they shall take in charge, have, hold, possess
 36 and manage, all and singular, the property and money comprehended
 37 in said donations, as also the fund derived from the sale of the land
 38 scrip donated under said act of Congress, and the increase thereof, and
 39 all money or other property which may hereafter at any time be donated
 40 to and for the use of said institution. They shall also have power to
 41 organize said university in conformity with the purposes set forth in
 42 said act of Congress, holding their meetings at such times and places

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1 as they may agree on, a majority of their number constituting a quorum.
 2 They shall provide a seal; have power to elect all professors and
 3 teachers, removable at their pleasure; fix and regulate compensations,
 4 including programs of fringe benefits and retirement benefits that may
 5 be supplemental to or in lieu of state retirement programs established
 6 by statute for public employees; do all acts necessary and expedient to
 7 put and keep said university in operation; ~~and~~ make all bylaws, rules,
 8 and regulations required or proper to conduct and manage the same;
 9 **and, subject to section 4.5 of this chapter, set tuition rates for**
 10 **students of the university.**

11 SECTION 4. IC 20-12-36-4.5 IS ADDED TO THE INDIANA
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2007]: **Sec. 4.5. Beginning with the 2008-2009**
 14 **academic year, in setting tuition rates under section 4 of this**
 15 **chapter, the board of trustees:**

16 (1) shall offer to resident undergraduate students in the first
 17 year they enroll in the institution a guaranteed price option
 18 for tuition under which tuition cannot be increased during the
 19 number of academic years specified under IC 20-12-78,
 20 beginning with the academic year in which the student first
 21 enrolls in the institution; and

22 (2) may offer to nonresident undergraduate students in the
 23 first year they enroll in the institution a guaranteed price
 24 option for tuition under which tuition cannot be increased
 25 during the number of academic years specified under
 26 IC 20-12-78, beginning with the academic year in which the
 27 student first enrolls in the institution.

28 **The guaranteed price option must be calculated and offered in the**
 29 **manner provided in IC 20-12-78.**

30 SECTION 5. IC 20-12-56-5 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) All powers,
 32 rights, privileges, duties, and obligations, statutory, contractual, or of
 33 whatever kind, conferred by law upon the State Teachers College board
 34 or Indiana State College board for the operation, maintenance, and
 35 financing of Indiana State University and its properties and facilities,
 36 or otherwise pertaining thereto, are hereby transferred and shall apply
 37 to the Indiana State University board of trustees created by this chapter
 38 and shall remain in full force and unchanged, notwithstanding the
 39 change of name of said college.

40 (b) All laws of a general nature referring to Indiana State Normal
 41 School, the board of trustees of Indiana State Normal School, Indiana
 42 State Teachers College, the State Teachers College Board, Indiana

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1 State College, the Indiana State College board, and to any public state
2 normal school of the state apply to Indiana State University and the
3 Indiana State University board of trustees with equal force and effect.

4 **(c) Beginning with the 2008-2009 academic year, in setting**
5 **tuition rates, the board of trustees:**

6 **(1) shall offer to resident undergraduate students in the first**
7 **year they enroll in the institution a guaranteed price option**
8 **for tuition under which tuition cannot be increased during the**
9 **number of academic years specified under IC 20-12-78,**
10 **beginning with the academic year in which the student first**
11 **enrolls in the institution; and**

12 **(2) may offer to nonresident undergraduate students in the**
13 **first year they enroll in the institution a guaranteed price**
14 **option for tuition under which tuition cannot be increased**
15 **during the number of academic years specified under**
16 **IC 20-12-78, beginning with the academic year in which the**
17 **student first enrolls in the institution.**

18 **The guaranteed price option must be calculated and offered in the**
19 **manner provided in IC 20-12-78.**

20 SECTION 6. IC 20-12-57.5-11 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. ~~(Board: Body~~
22 ~~Corporate; Powers)~~ **(a)** The board of trustees shall constitute a
23 perpetual body corporate with power to:

- 24 ~~(a)~~ **(1)** manage, control, and operate Ball State University;
- 25 ~~(b)~~ **(2)** sue and be sued;
- 26 ~~(c)~~ **(3)** let contracts;
- 27 ~~(d)~~ **(4)** borrow money and issue bonds as authorized by the
- 28 ~~Indiana~~ general assembly;
- 29 ~~(e)~~ **(5)** prescribe conditions for admission;
- 30 ~~(f)~~ **(6)** grant degrees and issue diplomas or certificates;
- 31 ~~(g)~~ **(7) subject to subsection (b),** fix laboratory, contingent, and
- 32 other fees and charges;
- 33 ~~(h)~~ **(8)** set fines and penalties;
- 34 ~~(i)~~ **(9)** define the duties and provide compensation for faculty and
- 35 staff of the university, including authority to establish fringe
- 36 benefit programs, including retirement benefits which may be
- 37 supplemental to, or in lieu of, state retirement programs for
- 38 teachers or other public employees as authorized by law;
- 39 ~~(j)~~ **(10)** receive and administer all donations, bequests, grants,
- 40 funds, and property which are given to or provided for the
- 41 university;
- 42 ~~(k)~~ **(11)** promulgate rules and regulations pursuant to this chapter;

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1 (†) (12) exercise all powers, rights, privileges, and duties
 2 conferred upon the board by other laws of the general assembly;
 3 and
 4 (†) to (13) possess all other power in order to efficiently operate
 5 the affairs of Ball State University.

6 **(b) Beginning with the 2008-2009 academic year, in setting**
 7 **tuition rates, the board of trustees:**

8 **(1) shall offer to resident undergraduate students in the first**
 9 **year they enroll in the institution a guaranteed price option**
 10 **for tuition under which tuition cannot be increased during the**
 11 **number of academic years specified under IC 20-12-78,**
 12 **beginning with the academic year in which the student first**
 13 **enrolls in the institution; and**

14 **(2) may offer to nonresident undergraduate students in the**
 15 **first year they enroll in the institution a guaranteed price**
 16 **option for tuition under which tuition cannot be increased**
 17 **during the number of academic years specified under**
 18 **IC 20-12-78, beginning with the academic year in which the**
 19 **student first enrolls in the institution.**

20 **The guaranteed price option must be calculated and offered in the**
 21 **manner provided in IC 20-12-78.**

22 SECTION 7. IC 20-12-64-5 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The university
 24 may do the following:

- 25 (1) Sue and be sued.
- 26 (2) Let contracts.
- 27 (3) Enter into cooperative agreements with other educational
- 28 institutions, including agreements leading to the use of the
- 29 university as a host site for an educational program administered
- 30 by another college or university.
- 31 (4) Prescribe conditions for admission.
- 32 (5) Grant degrees and issue diplomas or certificates signifying
- 33 that a course of postsecondary study has been completed or a
- 34 degree has been conferred.
- 35 (6) **Subject to subsection (b),** fix laboratory, contingent, and
- 36 other fees and charges.
- 37 (7) Set fines and other sanctions for noncompliance with a
- 38 university contract or rule.
- 39 (8) Employ a faculty and staff for the university, define the duties
- 40 of the faculty and staff, and provide compensation for the faculty
- 41 and staff, including a program of fringe benefits and a program of
- 42 retirement benefits that may supplement or supersede the state

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- 1 retirement programs established by statute for teachers or other
- 2 public employees.
- 3 (9) Receive, administer, and dispose of all donations, bequests,
- 4 grants, funds, and other property that may be given to the
- 5 university or otherwise acquired by the university.
- 6 (10) Engage in research or public service that furthers an
- 7 educational purpose.
- 8 (11) Exercise all powers, rights, privileges, and duties conferred
- 9 upon the university or the board by any statute enacted by the
- 10 general assembly.
- 11 (12) Adopt rules to carry out this chapter.
- 12 (13) Exercise all other powers necessary to conduct efficiently the
- 13 affairs of the university.

14 **(b) Beginning with the 2008-2009 academic year, in setting**
 15 **tuition rates, the board:**

- 16 (1) shall offer to resident undergraduate students in the first
- 17 year they enroll in the institution a guaranteed price option
- 18 for tuition under which tuition cannot be increased during the
- 19 number of academic years specified under IC 20-12-78,
- 20 beginning with the academic year in which the student first
- 21 enrolls in the institution; and
- 22 (2) may offer to nonresident undergraduate students in the
- 23 first year they enroll in the institution a guaranteed price
- 24 option for tuition under which tuition cannot be increased
- 25 during the number of academic years specified under
- 26 IC 20-12-78, beginning with the academic year in which the
- 27 student first enrolls in the institution.

28 **The guaranteed price option must be calculated and offered in the**
 29 **manner provided in IC 20-12-78.**

30 SECTION 8. IC 20-12-78 IS ADDED TO THE INDIANA CODE
 31 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2007]:

33 **Chapter 78. Computation of Maximum Allowable Tuition Rates**

34 **Sec. 1. As used in this chapter, "academic year" refers to all**
 35 **semesters, quarters, trimesters, summer sessions, or other similar**
 36 **periods of course work beginning after June 30 of a year and**
 37 **before July 1 of the immediately following year.**

38 **Sec. 2. As used in this chapter, "covered state educational**
 39 **institution" refers to the main campus, the regional campuses, and**
 40 **the satellite locations of the following:**

- 41 (1) Indiana University.
- 42 (2) Purdue University.

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1 **(3) Indiana State University.**

2 **(4) Ball State University.**

3 **(5) University of Southern Indiana.**

4 **Sec. 3. As used in this chapter, "tuition" refers to any**
 5 **mandatory tuition, including any separately stated lab or**
 6 **technology fees, charged in an academic year by a covered state**
 7 **educational institution to a resident student or nonresident student**
 8 **to attend, participate in, or receive academic credit for one (1) or**
 9 **more classes, seminars, or independent studies or other course**
 10 **work for which the covered state educational institution offers**
 11 **credit toward an undergraduate degree, excluding mandatory fees**
 12 **that are only incidentally related to the operating and capital**
 13 **expenses of providing the course work, such as a student activity**
 14 **fee, health center charge, or transportation charge.**

15 **Sec. 4. Beginning with the 2008-2009 academic year, a covered**
 16 **state educational institution:**

17 **(1) shall offer to resident undergraduate students a**
 18 **guaranteed price option for tuition under which tuition**
 19 **cannot be increased during the number of academic years**
 20 **determined under sections 5 through 8 of this chapter,**
 21 **beginning with the academic year in which the student first**
 22 **enrolls in the institution; and**

23 **(2) may offer to nonresident undergraduate students a**
 24 **guaranteed price option for tuition under which tuition**
 25 **cannot be increased during the number of academic years**
 26 **determined under sections 5 through 8 of this chapter,**
 27 **beginning with the academic year in which the student first**
 28 **enrolls in the institution.**

29 **Sec. 5. A student who enrolls in a covered state educational**
 30 **institution with transferred credit of less than:**

31 **(1) eight (8) credit hours of course work on a semester system;**
 32 **or**

33 **(2) the equivalent of eight (8) credit hours for any period of**
 34 **study that is longer or shorter than a semester, as determined**
 35 **under the rules of the covered state educational institution;**

36 **is eligible to elect to apply the current guaranteed price option to**
 37 **four (4) consecutive academic years, beginning with the academic**
 38 **year in which the student first enrolls in the covered state**
 39 **educational institution.**

40 **Sec. 6. The four (4) consecutive academic year period specified**
 41 **in section 5 of this chapter is increased by one-half (1/2) of a fifth**
 42 **consecutive academic year if, in the first academic year the student**

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1 enrolls in the covered state educational institution, the student
2 enrolled after December 31 in the academic year.

3 **Sec. 7. If section 5 of this chapter does not apply to a student**
4 **and the student transfers to a covered state educational institution**
5 **from:**

- 6 (1) a postsecondary educational institution that is not a
7 covered state educational institution;
8 (2) another covered state educational institution; or
9 (3) another campus or satellite location maintained by the
10 covered state educational institution;

11 the guaranteed price option is the option in effect in the academic
12 year in which the student transfers. However, the four (4)
13 consecutive academic year period over which tuition is guaranteed
14 is decreased by the total number of semesters or other academic
15 periods that the student was enrolled in the other covered state
16 educational institution.

17 **Sec. 8. For purposes of this chapter and IC 20-12-23-2.5,**
18 **IC 20-12-36-4.5, IC 20-12-56-5, IC 20-12-57.5-11, and**
19 **IC 20-12-64-5, a student is considered first enrolled in a covered**
20 **state educational institution in the first semester or other period of**
21 **course work when:**

- 22 (1) under the rules of the covered state educational institution,
23 the student has been admitted as an undergraduate student
24 eligible to receive a degree awarded by the covered state
25 educational institution; and
26 (2) the student enrolls in at least:
27 (A) eight (8) credit hours of course work for the semester;
28 or
29 (B) the equivalent of eight (8) credit hours for any period
30 of study that is longer or shorter than a semester, as
31 determined under the rules of the covered state
32 educational institution.

33 **Sec. 9. (a) A covered state educational institution may offer**
34 **more than one (1) guaranteed price option for tuition. The unit to**
35 **which the price applies may be an academic year, a credit hour, a**
36 **semester, or another unit designated by the covered state**
37 **educational institution.**

38 (b) At least one (1) of the guaranteed price options offered to
39 students must be denominated in the units that are ordinarily used
40 at the covered state educational institution to bill tuition to
41 students.

42 (c) The present value of the guaranteed price option offered to

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1 students may not exceed the present value of the covered state
 2 educational institution's best estimate of the projected annual
 3 tuition costs over the period that the guaranteed price option
 4 applies, using the discount rate established by the covered state
 5 educational institution. A covered state educational institution
 6 must use a discount rate that reflects reasonable assumptions about
 7 the investment opportunities available to the covered state
 8 educational institution over the period that the guaranteed price
 9 option applies.

10 (d) The guaranteed tuition price applicable to an academic year
 11 during the period in which the guaranteed price option applies
 12 must be the same as the guaranteed tuition price applicable to each
 13 of the other academic years during the period in which the
 14 guaranteed price option applies.

15 Sec. 10. A guaranteed price option must apply both to courses
 16 of study that are offered by the covered state educational
 17 institution in the year that the student first enrolls in the covered
 18 state educational institution and courses of study that are added
 19 after the student first enrolls in the covered state educational
 20 institution.

21 Sec. 11. If a covered state educational institution has a regional
 22 campus or another satellite location, the covered state educational
 23 institution may offer a different guaranteed price rate for the main
 24 campus and each regional campus or other satellite location.

25 Sec. 12. The guaranteed price option plan must include
 26 procedures for refunding part or all of a prepaid amount in the
 27 event that the student is no longer enrolled in the covered state
 28 educational institution.

29 Sec. 13. (a) A covered state educational institution shall create
 30 sufficient work papers to identify the assumptions used and
 31 demonstrate the methodology and calculations used to establish the
 32 guaranteed tuition price offer by the covered state educational
 33 institution.

34 (b) The covered state educational institution shall format the
 35 work papers prepared under subsection (a) in a form that allows
 36 a reasonably informed reader to readily confirm that the
 37 guaranteed tuition price offered by the covered state educational
 38 institution is consistent with the assumptions and methodology
 39 used by the covered state educational institution and the
 40 calculations are accurate.

41 (c) The work papers described in this section are public records.

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