



[HF 2362](#) – Regents Universities, Tuition Guarantee (LSB5835HV)
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Fiscal Note Version – As amended and passed by the House

Description

[House File 2362](#) requires the State Board of Regents (BOR) to limit any increase in tuition charged for resident undergraduate students to the most recent three-year average of the Higher Education Price Index (HEPI). The Bill also directs each Regents institution to establish an opt-in tuition policy for resident undergraduate students under which the tuition rate charged in a student's first academic year of enrollment is guaranteed and will not increase during the student's subsequent academic years of undergraduate enrollment if the student pays an enrollment fee not greater than 10.0% of the base tuition upon enrollment.

The tuition guarantee applies to resident undergraduate students whose first academic year of enrollment begins in or after academic year 2027-2028 (FY 2028) and is limited to up to three consecutive academic years following the first year of enrollment. The Bill does not alter tuition rates for nonresident, graduate, or professional students. If a resident undergraduate student transfers to another Regents institution after the student's first academic year, the receiving institution may charge the higher first-year tuition rate for that institution.

The Bill includes limitations on the duration of the tuition guarantee, particularly for students who enter with advanced standing through transfer credits, and does not extend the guarantee beyond three consecutive academic years following a student's first year of enrollment.

Background

Iowa's three public universities governed by the BOR — the University of Iowa (SUI), Iowa State University (ISU), and the University of Northern Iowa (UNI) — establish undergraduate tuition rates pursuant to policies approved by the BOR. The BOR maintains a policy that limits the annual increase to the base undergraduate resident tuition to an amount that does not exceed the average of the three most recently established [HEPI](#) values. Tuition increases are typically reviewed and approved in June of the preceding academic year. Over the last 10 years, SUI has raised tuition by an average of 3.7% per year, ISU 3.4%, and UNI 2.6%.

The BOR also released a [Tuition Guarantee Impact Study](#) in November 2025 that examined the cost and feasibility of a tuition guarantee program.

In April 2025, the BOR adopted a policy stipulating that any tuition increase is not to exceed the average of the three most recently published HEPI inflation rates. The most recent HEPI inflation rates include FY 2023 with a rate of 4.0%, FY 2024 with 3.4%, and FY 2025 with 3.6%.

Assumptions

- For purposes of this estimate, all eligible freshman students are expected to opt in to the tuition guarantee program.
- The first-year enrollment numbers for fall 2025 will remain constant for future years, with SUI having a cohort of 2,722 eligible students, ISU having 2,445 students, and UNI having 1,245 students.

- Sophomores, juniors, seniors, and transfer students are excluded from this estimate.
- The calculations are based on the full tuition rate, which does not account for any tuition discounts.
- The tuition guarantee fee equals 10.0% of the tuition amount for the student’s first academic year of enrollment.
- The three-year HEPI average inflation rate was 3.7%. Under current law, resident undergraduate tuition is assumed to increase by 3.0% for all universities and for all future years. **Figure 1** shows the estimated cost of tuition for undergraduate students through FY 2031.

Figure 1 — Estimated Cost of Tuition

	SUI	ISU	UNI
Actual FY 2026	\$ 9,565	\$ 9,530	\$ 8,792
10-Year Average Increase	3.7%	3.4%	2.6%
Est. FY 2027	\$ 9,917	\$ 9,853	\$ 9,017
Est. FY 2028	10,282	10,215	9,248
Est. FY 2029	10,660	10,591	9,485
Est. FY 2030	11,052	10,980	9,728
Est. FY 2031	11,458	11,384	9,977

- The calculations use the estimated tuition in FY 2028 as the base tuition for the first year of enrollment.
- This estimate does not consider the tuition differential charged for high-cost programs such as engineering, business, nursing, or health sciences, which could result in additional reduced revenues.
- One-time technology and programming costs will be incurred in the first year of the implementation of the tuition guarantee program (FY 2028).
- No adjustments are made for student attrition, dropout, delayed completion, or transfers among Regents institutions; students who would otherwise extend enrollment beyond the guarantee period are assumed to revert to the current-year tuition rate.

Fiscal Impact

The total fiscal impact of House File 2362 is unknown and will depend on the number of students who opt in to the tuition guarantee. **Figure 2** illustrates the revenue impact if 100.0% of freshman students enter the tuition guarantee program across a four-year degree program beginning in fall 2027 (FY 2028) by university.

Figure 2 — Revenue Impact (in Millions)

Regents Institutions	FY 2029	FY 2030	FY 2031	Total
SUI Fee Revenue	\$ 2.8	\$ 2.9	\$ 3.0	\$ 8.7
SUI Tuition Revenue Reduction	-1.0	-3.2	-6.5	-10.5
SUI Total	\$ 1.8	\$ -0.3	\$ -3.5	\$ -2.0
ISU Fee Revenue	\$ 2.5	\$ 2.6	\$ 2.7	\$ 7.7
ISU Tuition Revenue Reduction	-0.8	-2.6	-5.3	-8.7
ISU Total	\$ 1.6	\$ 0.0	\$ -2.6	\$ -1.0
UNI Fee Revenue	\$ 1.2	\$ 1.2	\$ 1.2	\$ 3.5
UNI Tuition Revenue Reduction	-0.3	-0.9	-1.8	-3.0
UNI Total	\$ 0.9	\$ 0.3	\$ -0.6	\$ 0.5
Total Net Revenue Impact	\$ 4.3	\$ 0.0	\$ -6.7	\$ -2.4

Totals may not sum due to rounding.

The Bill will also require one-time technology and programming costs to modify tuition billing and receivable systems. This includes \$250,000 for SUI, \$315,000 for ISU, and \$85,000 for UNI incurred in FY 2028.

Sources

Board of Regents
 Legislative Services Agency calculations

 /s/ Jennifer Acton

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The Fiscal Note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this Fiscal Note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
