



THE STOUFFER REPORT

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Missouri Working to Make it Easier for Families to Afford College

College tuition is not what it was when I graduated from the University of Missouri College of Agriculture years ago. Paying for a quality education has become more difficult than ever for working Missouri families. And while your Missouri government does not pretend to have all the answers for spiking tuition costs, there are initiatives underway to counter the problem.

The Missouri Savings for Tuition Program, or MOST, is a qualified tuition program designed to help people save for the costs of education after high school. Essentially, families can invest in a MOST account and receive tax deductions for their contributions. Each Missouri taxpayer can receive up to \$8,000 per year in income tax credits. When it is time for your child to go to college, withdrawals used for higher education, including any earnings your investments might have yielded, also will be exempt from federal and Missouri income taxes.

In other words, this program allows families to invest in their children's future while taxes they would otherwise be paying can be redirected to their children's college education. With an average state income tax rate of up to 6 percent, and federal income tax rates that can exceed 30 percent, these investments can make a significant difference in your college savings.

University of Missouri President Elson Floyd also has developed a plan designed to make it easier for Missouri families to pay for college. The proposed plan would guarantee tuition rates throughout a student's four-year undergraduate career. Under the plan, students would pay the same rate for their senior year as they did for their freshmen term.

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Some families support the plan because it will allow them more predictability in what they will be paying over four years. Families are better able to budget over that time period when they know what they will have to pay. President Floyd has stated this plan will make college more affordable and increase graduation rates.

However, the proposed plan is not a guaranteed fix. Many have pointed out Missouri's unstable financial state does not lend itself to a fixed-tuition program, which could lead to even greater tuition increases for each new freshman class. Nevertheless, President Floyd's idea is proof that those involved in higher education are working to reduce tuition fees.

Although these plans to reduce tuition rates are not cure-alls, I urge everyone in the 21st District who is working to send their children through college to investigate these and other means of financial assistance.

If you have questions or comments about this issue or any other issue please call toll free (866) 768-3987 or by email at bstouffer@senate.mo.gov. For more information on MOST, call (800) 414-6678 or visit www.missourimost.org. For more on financial aid opportunities, contact the Missouri Department of Higher Education at (573) 526-7958 or online at www.dhe.mo.gov/financialaidprofessionals.shtml.

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