

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 496

AN ACT

To repeal section 173.1003, RSMo, and to enact in lieu thereof one new section relating to higher education.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

Section A. Section 173.1003, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 173.1003, to read as follows:

173.1003. 1. Beginning with the 2008-09 academic year, each approved public institution, as such term is defined in section 173.1102, shall submit its percentage change in the amount of tuition from the current academic year compared to the upcoming academic year to the coordinating board for higher education by July first preceding such academic year.

2. For institutions whose tuition is greater than the average tuition, the percentage change in tuition shall not exceed the percentage change of the consumer price index plus a percentage of not more than five percent that would produce an increase in net tuition revenue no greater than the dollar amount by which the state operating support was reduced for the prior fiscal year, if applicable.

3. For institutions whose tuition is less than the average tuition, the dollar increase in tuition shall not exceed the product of the percentage change of the consumer price index

times the average tuition, plus a percentage of not more than five percent that would produce an increase in net tuition revenue no greater than the dollar amount by which the state operating support was reduced for the prior fiscal year, if applicable.

4. If a tuition increase exceeds the limits set forth in subsection 2 or 3 of this section, then the institution shall be subject to the provisions of subsection 5 of this section.

5. Any institution that exceeds the limits set forth in subsection 2 or 3 of this section shall remit to the board an amount equal to five percent of its current year state operating support amount which shall be deposited into the general revenue fund unless the institution appeals, within thirty days of such notice, to the commissioner of higher education for a waiver of this provision. The commissioner, after meeting with appropriate representatives of the institution, shall determine whether the institution's waiver request is sufficiently warranted, in which case no fund remission shall occur. In making this determination, the factors considered by the commissioner shall include but not be limited to the relationship between state appropriations and the consumer price index and any extraordinary circumstances. If the commissioner determines that an institution's tuition percent increase is not sufficiently warranted and declines the waiver request, the commissioner shall recommend to the full coordinating board that the institution shall remit an amount up to five percent of its current year state operating appropriation to the board, which shall deposit the amount into the general revenue fund. The coordinating board

shall have the authority to make a binding and final decision, by means of a majority vote, regarding the matter.

6. The provisions of subsections 2 to 5 of this section shall not apply to any community college unless any such community college's tuition for any Missouri resident is greater than or equal to the average tuition. If the provisions of subsections 2 to 5 of this section apply to a community college, subsections 2 to 5 of this section shall only apply to out-of-district Missouri resident tuition.

7. For purposes of this section, the term "average tuition" shall be the sum of the tuition amounts for the previous academic year for each approved public institution that is not excluded under subsection 6 of this section, divided by the number of such institutions. The term "consumer price index" shall mean the Consumer Price Index for All Urban Consumers (CPI-U), 1982-1984 = 100, not seasonally adjusted, as defined and officially recorded by the United States Department of Labor, or its successor agency, from January first of the current year compared to January first of the preceding year. The term "state appropriation" shall mean the state operating appropriation for the prior year per full-time equivalent student for the prior year compared to state operating appropriation for the current year per full-time equivalent student for the prior year. The term "tuition" shall mean the amount of tuition and required fees, excluding any fee established by the student body of the institution, charged to a Missouri resident undergraduate enrolled in fifteen credit hours at the institution. The term "state operating support" shall mean the funding actually

disbursed from state operating appropriations to approved public institutions and shall not include appropriations or disbursement for special initiatives or specific program additions or expansions. The term "net tuition revenue" shall mean the net amount of resident undergraduate tuition and required fees reduced by institutional aid only. "Institutional aid" includes all aid awarded to the student by the student's institution of higher education only from such institution's funds.

Institutional aid does not include the following: Pell Grants; state awards such as the Missouri higher education academic scholarship program, the A+ schools program, and the access Missouri financial aid program; foundation scholarships; third-party scholarships; employee and dependent fee waivers; and student loans.

8. Beginning with the 2021-22 academic year, each approved public institution, as such term is defined in 173.1102, shall submit the percentage change in any supplementary fee, course fee, laboratory fee, or any other fee not included as a required fee under subsection 7 of this section, excluding any fee established by the student body of the institution, from the current academic year compared to the upcoming academic year to the coordinating board for higher education by July first preceding such academic year.

9. The percentage increase in any fee under subsection 8 of this section shall not exceed the percentage change in the consumer price index, as defined in subsection 7 of this section.

10. Any institution that exceeds the limits set forth in subsection 9 of this section shall be subject to the provisions

of subsection 5 of this section.

11. Nothing in this section shall be construed to usurp or preclude the ability of the governing board of an institution of higher education to establish tuition or required fee or other fee rates.