

FIRST REGULAR SESSION

# SENATE BILL NO. 601

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR O'LAUGHLIN.

2703S.01H

ADRIANE D. CROUSE, Secretary

## AN ACT

To repeal section 173.1003, RSMo, and to enact in lieu thereof one new section relating to tuition at institutions of 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Section A. Section 173.1003, RSMo, is repealed and one  
2 new section enacted in lieu thereof, to be known as section  
3 173.1003, to read as follows:

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

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

15 3. For institutions whose tuition is less than the  
16 average tuition, the dollar increase in tuition shall not  
17 exceed the product of the percentage change of the consumer  
18 price index times the average tuition, plus a percentage of

19 not more than five percent that would produce an increase in  
20 net tuition revenue no greater than the dollar amount by  
21 which the state operating support was reduced for the prior  
22 fiscal year, if applicable.

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

27 5. Any institution that exceeds the limits set forth  
28 in subsection 2 or 3 of this section shall remit to the  
29 board an amount equal to five percent of its current year  
30 state operating support amount which shall be deposited into  
31 the general revenue fund unless the institution appeals,  
32 within thirty days of such notice, to the commissioner of  
33 higher education for a waiver of this provision. The  
34 commissioner, after meeting with appropriate representatives  
35 of the institution, shall determine whether the  
36 institution's waiver request is sufficiently warranted, in  
37 which case no fund remission shall occur. In making this  
38 determination, the factors considered by the commissioner  
39 shall include but not be limited to the relationship between  
40 state appropriations and the consumer price index and any  
41 extraordinary circumstances. If the commissioner determines  
42 that an institution's tuition percent increase is not  
43 sufficiently warranted and declines the waiver request, the  
44 commissioner shall recommend to the full coordinating board  
45 that the institution shall remit an amount up to five  
46 percent of its current year state operating appropriation to  
47 the board, which shall deposit the amount into the general  
48 revenue fund. The coordinating board shall have the  
49 authority to make a binding and final decision, by means of  
50 a majority vote, regarding the matter.

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

58           7. For purposes of this section, the term "average  
59 tuition" shall be the sum of the tuition amounts for the  
60 previous academic year for each approved public institution  
61 that is not excluded under subsection 6 of this section,  
62 divided by the number of such institutions. The term  
63 "consumer price index" shall mean the Consumer Price Index  
64 for All Urban Consumers (CPI-U), 1982-1984 = 100, not  
65 seasonally adjusted, as defined and officially recorded by  
66 the United States Department of Labor, or its successor  
67 agency, from January first of the current year compared to  
68 January first of the preceding year. The term "state  
69 appropriation" shall mean the state operating appropriation  
70 for the prior year per full-time equivalent student for the  
71 prior year compared to state operating appropriation for the  
72 current year per full-time equivalent student for the prior  
73 year. The term "tuition" shall mean the amount of tuition  
74 and required fees, excluding any fee established by the  
75 student body of the institution, charged to a Missouri  
76 resident undergraduate enrolled in fifteen credit hours at  
77 the institution. The term "state operating support" shall  
78 mean the funding actually disbursed from state operating  
79 appropriations to approved public institutions and shall not  
80 include appropriations or disbursement for special  
81 initiatives or specific program additions or expansions.  
82 The term "net tuition revenue" shall mean the net amount of

83 resident undergraduate tuition and required fees reduced by  
84 institutional aid only. "Institutional aid" includes all  
85 aid awarded to the student by the student's institution of  
86 higher education only from such institution's funds.

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

93 8. Nothing in this section shall be construed to usurp  
94 or preclude the ability of the governing board of an  
95 institution of higher education to establish tuition or  
96 required fee rates.

97 **9. Subsections 2 to 6 of this section shall not apply**  
98 **to any approved public institution, as such term is defined**  
99 **in section 173.1102, or to any community college in any**  
100 **academic year beginning on or after July 1, 2022, but ending**  
101 **on or before June 30, 2027.**

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