

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 856
101ST GENERAL ASSEMBLY

1942H.02C

DANA RADEMAN MILLER, Chief Clerk

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Section A. Section 173.1003, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 173.1003, to read as follows: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

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 amount which shall be deposited into the general revenue fund unless the institution appeals,
20 within thirty days of such notice, to the commissioner of higher education for a waiver of this
21 provision. The commissioner, after meeting with appropriate representatives of the institution,
22 shall determine whether the institution's waiver request is sufficiently warranted, in which case
23 no fund remission shall occur. In making this determination, the factors considered by the
24 commissioner shall include but not be limited to the relationship between state appropriations
25 and the consumer price index and any extraordinary circumstances. If the commissioner
26 determines that an institution's tuition percent increase is not sufficiently warranted and declines
27 the waiver request, the commissioner shall recommend to the full coordinating board that the
28 institution shall remit an amount up to five percent of its current year state operating
29 appropriation to the board, which shall deposit the amount into the general revenue fund. The
30 coordinating board shall have the authority to make a binding and final decision, by means of
31 a majority vote, regarding the matter.

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

37 7. For purposes of this section, the term "average tuition" shall be the sum of the tuition
38 amounts for the previous academic year for each approved public institution that is not excluded
39 under subsection 6 of this section, divided by the number of such institutions. The term
40 "consumer price index" shall mean the Consumer Price Index for All Urban Consumers (CPI-U),
41 1982-1984 = 100, not seasonally adjusted, as defined and officially recorded by the United States
42 Department of Labor, or its successor agency, from January first of the current year compared
43 to January first of the preceding year. The term "state appropriation" shall mean the state
44 operating appropriation for the prior year per full-time equivalent student for the prior year
45 compared to state operating appropriation for the current year per full-time equivalent student
46 for the prior year. The term "tuition" shall mean the amount of tuition and required fees,
47 excluding any fee established by the student body of the institution, charged to a Missouri
48 resident undergraduate enrolled in fifteen credit hours at the institution. The term "state
49 operating support" shall mean the funding actually disbursed from state operating appropriations
50 to approved public institutions and shall not include appropriations or disbursement for special
51 initiatives or specific program additions or expansions. The term "net tuition revenue" shall
52 mean the net amount of resident undergraduate tuition and required fees reduced by institutional
53 aid only. "Institutional aid" includes all aid awarded to the student by the student's institution
54 of higher education only from such institution's funds. Institutional aid does not include the

55 following: Pell Grants; state awards such as the Missouri higher education academic scholarship
56 program, the A+ schools program, and the access Missouri financial aid program; foundation
57 scholarships; third-party scholarships; employee and dependent fee waivers; and student loans.

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

60 9. **Subsections 2 to 6 shall not apply to any approved public institution, as such**
61 **term is defined in section 173.1102, or to any community college in any academic year**
62 **beginning on or after July 1, 2022.**

63 10. **When an approved public institution, as such term is defined in section**
64 **173.1102, utilizes differentiated tuition, the public institution will notify the department of**
65 **higher education and workforce development of the institution's decision and will, at the**
66 **point of implementation, no longer utilize required course fees. Course fees may still be**
67 **utilized by any public institution until such decision is formally announced to the**
68 **department and implemented.**

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