



Tab 7

Higher Education Student Funding Act Waiver Requests

Coordinating Board for Higher Education
June 16, 2021

BACKGROUND

In 2007 the Missouri legislature enacted the Higher Education Student Funding Act (HESFA) in §§ 173.1003-173.1006, RSMo. In 2018 the Missouri legislature updated the statutory parameters governing HESFA. These parameters set forth that public institutions of higher education may increase tuition and required fees for Missouri resident undergraduate students by the consumer price index plus an amount (no greater than five percent) that would produce an increase in net tuition revenue no greater than the dollar amount by which state operating support was reduced in the prior fiscal year.

Every year in January, DHEWD staff notify each public institution of higher education how much that institution may increase tuition for the following academic year without triggering the waiver and penalty provisions of the statute. DHEWD staff make the HESFA calculations using each institutions reported *in-person tuition* and accompanying fees. The HESFA calculations do not include rates charged for online or blended courses.

If a public institution of higher education desires to increase its tuition above the HESFA approved amount that institution is allowed to seek a waiver of the penalty provisions outlined in the statute.

The HESFA statutes give the Commissioner of Higher Education authority to grant or deny all waiver requests. In the event that the Commissioner denies the waiver request, the Commissioner must inform the CBHE of the reasons for the denial and ask the CBHE to determine the appropriate penalty amount.

CURRENT STATUS

In 2021, DHEWD has received requests for waivers of the HESFA penalty provisions from three institutions – Missouri State University (MSU), Northwest Missouri State University (Northwest), and the University of Central Missouri (UCM). A copy of each proposal is attached hereto. Each proposals is briefly summarized as follows:

Institution	HESFA Approved Tuition	Requested Tuition	Rationale
MSU	\$7,900.91	\$8,460.00	MSU proposes to consolidate the tuition for all courses in person, online, and blended into one tuition rate. This proposal is revenue neutral to MSU and is broadly supported by students.
Northwest	\$8,903.87	\$9,133.50	Northwest also proposes to consolidate all different tuitions charged into one tuition rate. Northwest proposes to implement the tuition change over two years. Northwest students support the proposal. Northwest asserts that the proposal is revenue neutral, where some students will pay more and some will pay less, depending on the types of courses they take.
UCM	\$8,424.76	\$8,671.80	UCM also proposes to consolidate all different tuitions currently charged into one tuition rate beginning in the 2022 academic year. UCM asserts that the proposal is revenue neutral and that students on campus support the proposal.

The HESFA implementing regulations require that the commissioner post the HESFA waiver requests online for public comment and meet with the proposing institutions to discuss the proposals. All three proposals are posted online and DHEWD staff have not received any public comments on any of the proposals. DHEWD staff have also met with each institution to discuss their respective proposals.

Commissioner Mulligan has approved all three waiver requests.

NEXT STEPS

DHEWD staff review all future proposals it receives, if any.

RECOMMENDATION

This is an information item only.

ATTACHMENTS

- A. Missouri State University HESFA Waiver Request
- B. Northwest Missouri State University HESFA Waiver Request
- C. University of Central Missouri HESFA Waiver Request



Missouri State
U N I V E R S I T Y

February 24, 2021

Missouri Department of Higher Education and
Workforce Development
P.O. Box 1469
Jefferson City, MO 65102-1469

RE: 2021-22 HESFA Penalty Waiver

Dear Commissioner Mulligan and Ms. Stokely,

In accordance with the Higher Education Student Funding Act (HESFA), § 173.1003 RSMo, Missouri State University is permitted to increase tuition and required fees charged to Missouri resident undergraduate students from \$7,590.00 to \$7,900.91, an increase of \$310.91 for the 2021-22 academic year, without incurring a penalty.

On February 19, Missouri State University's Board of Governors approved a resolution establishing 2021-22 tuition and required fees for Missouri resident undergraduate students. The resolution increases tuition and required fees, as calculated by HESFA, by a total of \$870.00 resulting in a total of \$8,460.00.

Missouri State University respectfully requests a HESFA penalty waiver in the amount of \$559.09 (\$870.00 increase less the allowed increase of \$310.91). Details of this request are set forth in the attached Memorandum in Support of HESFA Waiver Request.

While MSU's tuition change results in a significant increase under HESFA, it is actually a revenue neutral adjustment. The university is establishing a new tuition model that will eliminate MSU's current policy of charging a different rate for seated and online classes. The tuition increase for seated classes will be offset by a tuition decrease for online classes. The typical student—and the student body as a whole—will not see an increase. This change is broadly supported by students, and leadership of MSU's Student Government Association have publicly stated their support on multiple occasions.

Please feel free to let me know if you have any questions or would like additional information.

Sincerely,

Clifton M. Smart III
President

Encl: Memorandum and exhibits

OFFICE OF THE PRESIDENT

901 South National Avenue, Springfield, MO 65897 • Phone: (417) 836-8500 • Fax: (417) 836-7669

President@missouristate.edu • www.missouristate.edu

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MEMORANDUM IN SUPPORT OF HESFA WAIVER REQUEST

The Higher Education Student Funding Act (HESFA) accomplishes three objectives. First, it requires public universities to report their tuition rates to the Coordinating Board for Higher Education (CBHE). Second, it establishes financial penalties for universities who increase tuition more than authorized by a series of calculations. Finally, the HESFA establishes a framework for the Commissioner of Higher Education to waive these financial penalties when an institution submits a waiver request that is “sufficiently warranted.” Mo. Rev. Stat. § 173.1003; 6 CSR 10-14.010.

When determining whether a waiver request is sufficiently warranted, “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.” Mo. Rev. Stat. § 173.1003.5.

Missouri State University (MSU) requests that Commissioner Mulligan approve its waiver request as sufficiently warranted for the reasons described in this memorandum.

- 1. The increase in tuition for seated classes is offset by a decrease in tuition for online classes, resulting in a single blended tuition rate that will apply to all in-state undergraduate students.**

MSU currently charges two in-state undergraduate tuition rates:

- \$228 for seated and other classes (includes blended, etc.)
- \$299 for online classes

In 2021-22, MSU will charge the same tuition rate—\$257—for seated and online courses (Exhibit A). The university will not increase its required fees.

The HESFA calculation evaluates only the tuition rate for seated courses, so the offsetting decrease in MSU’s online tuition rate has not been accounted for in the HESFA calculation process.

2. The new tuition model is revenue neutral for MSU.

In FY2021, in-state undergraduate students paid \$87,630,000 in tuition and fees to MSU. Under the new model, these students would have paid \$87,605,000—\$25,000 less (Exhibit B).

In sum, when we account for the offsetting decrease in MSU’s online tuition rate, the new model is revenue neutral. The new model does not include a CPI tuition increase—it holds tuition flat for 2021-22.

The HESFA statute and regulations are premised on limiting “growth in [university] revenues in excess of the [consumer price index]”. 6 CSR 10-14(5)(B). MSU’s new tuition model does not result in revenue growth.

3. The new tuition model benefits students.

Most students take a mixture of online and seated classes. The new model will cost a student taking only seated classes slightly more in tuition and fees, and it will cost a student taking only online classes slightly less. However, the “typical” student who takes a mixture of online and seated classes will pay about the same amount.

The university’s old model of charging different rates for online and seated classes has been widely scrutinized by the student body. MSU’s Student Government Association leadership stated their support for the new model publicly at the Board of Governors meeting where the new model was approved. The new model is fairer and more transparent for students. Students will be

better equipped to estimate the cost of their education. It removes financial impact from the calculus when a student is deciding which classes and modalities to take. It also recognizes the modern reality that the line between “seated” and “online” classes has blurred.

4. The penalty waiver decision criteria for “extraordinary circumstances” set forth in 6 CSR 10-14.010(5)(B) support a waiver.

This tuition change can be approved without considering the criteria set forth in the HESFA implementing regulation because it does not result in “growth in [university] revenues in excess of the [consumer price index],” and the HESFA statute and regulations are premised on limiting such growth. 6 CSR 10-14.010(5)(B).

However, the penalty waiver decision criteria set forth in 6 CSR 10-14.010(5) also support MSU’s HESFA penalty waiver request.

“Historical trends in . . . tuition policy[] and other financial issues and relationships” and “[t]he current and[] historical structure of [MSU’s] total budget” support MSU’s request. 6 CSR 10-14.010(5)(B)(2), (5). Historically, tuition for online classes was higher because there were higher expenses (technology, personnel, etc.) associated with delivering those classes. As more and more classes (seated and online) incorporated online and technology-based components, those extra expenses have now been spread over the university’s entire operations and can no longer be properly attributed only to online classes. The new tuition model will adjust the tuition students pay to match this shift in expenses.

Mandatory costs and costs related to the institution’s mission, initiatives, and needs support MSU’s waiver request. 6 CSR 10-14.010(5)(B)(1), (3)-(4). Mandatory costs have risen dramatically. Examples include the university’s required contribution under MOSERS and health care expenses under the university’s medical plan. MSU must also address expenses related to its

physical and digital infrastructure and labor needs. MSU has taken great strides to become as efficient as possible. If MSU were forced to blend its tuition at a lower rate (one that would not be revenue neutral), MSU would not be able to appropriately manage increases in mandatory and other costs.

Moreover, as set forth above, the tuition change is revenue neutral and will not have a negative financial impact on most students. Accordingly, the “magnitude of tuition increase and the likely impact on the students of the institution” criterion supports MSU’s request. 6 CSR 10-14.010(5)(B)(8).

For the reasons set forth herein, MSU requests that Commissioner Mulligan approve its HESFA penalty waiver request as sufficiently warranted based on extraordinary circumstances pursuant to Mo. Rev. Stat. §173.1003 and 6 CSR 10-14.010.

Exhibit A -

Board of Governors Proposal and Resolution



TUITION AND FEE PROPOSAL

I. Summary

MSU currently charges two in-state undergraduate tuition rates:

- \$228 for seated and other classes (includes blended, etc.)
- \$299 for online classes

As we discussed in December, the university has developed a plan to charge the same tuition rate for seated and online courses. This will be more transparent and fairer for students. It will eliminate the need to consider the financial impact on students when making decisions regarding the format of a class. It also recognizes the modern reality in which the line between “online” and “seated” classes has blurred.

Additional information has been received and supplemental calculations have been made since the December Board of Governors meeting. Based upon this additional information and analysis, the leadership team recommends the following:

- Tuition for all in-state undergraduate students be established at \$257 per credit hour
- Students taking at least one seated course be charged fees consistent with the current fee schedule
- Students taking only online courses be charged a new fee that is substantially lower than the current fee schedule
- The university seek a HESFA penalty waiver from the Commissioner of Higher Education

II. Impact

This proposal will have minimal impact on most students and is revenue-neutral with regard to tuition.¹ In FY2021, in-state undergraduate students paid \$87,630,000 in tuition to Missouri State University. Under the new model, these students would have paid \$87,605,000 in tuition.

The new model will have only a modest impact on the university’s cost competitiveness.

¹ By creating a student fee for online classes, the model recaptures a portion of lost student fees. Student fees have steadily eroded as students have gradually moved to online classes. Fall 2020 student fee revenue was \$2 million less than fall 2018. The new model would recapture approximately \$1 million of this \$2 million decline.

The chart below shows Missouri State’s current and proposed annual cost for in-state undergraduates compared to other public universities in Missouri and other regional competitors. To comport with the MDHEWD’s method of calculating cost, this chart assumes that students enroll in 15 seated credit hours each semester. The chart uses current tuition and fee costs for other universities, but most of these universities will raise their tuition and fees for 2021-22, and the HESFA cap will allow most or all of the universities in Missouri to raise their tuition and fees well in excess of inflation.

	Tuition	Student Fees	Total Cost
University of Missouri-St. Louis	\$371.40	\$0.00	\$11,142.00
University of Kansas	\$336.40	\$491.95	\$11,075.90
Missouri University of Science and Technology	\$306.00	\$744.05	\$10,668.10
University of Missouri-Kansas City	\$301.60	\$793.66	\$10,635.32
Northwest Missouri State University	\$212.76	\$2,121.00	\$10,624.80
University of Missouri-Columbia	\$306.00	\$696.40	\$10,572.80
Kansas State	\$312.50	\$472.50	\$10,320.00
University of Arkansas	\$252.28	\$908.00	\$9,384.40
MSU Proposal	\$257.00	\$549.00	\$8,808.00
University of Central Missouri	\$237.60	\$588.75	\$8,305.50
Truman State University	\$265.83	\$162.00	\$8,299.00
Lincoln University	\$224.00	\$681.43	\$8,082.86
Southeast Missouri State University	\$225.95	\$627.00	\$8,032.50
MSU Current	\$228.00	\$549.00	\$7,938.00
Missouri Southern State University	\$248.73	\$0.00	\$7,461.90
Missouri Western State University	\$220.00	\$426.45	\$7,452.90
Harris-Stowe State University	\$210.00	\$597.00	\$6,234.00

III. Specific Proposal

A. In-State Undergraduate Tuition

	Current	Proposed	Percent Change
Seated	\$228	\$257	12.7%
Online	\$299	\$257	-14.0%

B. Student Services Fee

Students taking only online courses will be charged a new student services fee as follows:

1 credit hour	\$30
2 credit hours	\$60
3 credit hours	\$90
4 credit hours	\$120
5 credit hours	\$150
6 credit hours	\$180
7+ credit hours	\$210

All other students (including students taking some seated and some online classes) will be charged a student services fee consistent with the current fee schedule as follows:

1 credit hour	\$194
2 credit hours	\$247
3 credit hours	\$299
4 credit hours	\$351
5 credit hours	\$402
6 credit hours	\$456
7+ credit hours	\$549

C. Total Cost for In-State Undergraduate Students

Credit Hours (per semester)	Current	Proposal	Percent Change
Seated 15	\$7,938.00	\$8,808.00	11.0%
Seated 9, online 6	\$8,790.00	\$8,808.00	>0.1%

IV. Options for Consideration

Rate	Total Cost	Change in Total Cost (9 credits seated, 6 online)	Est. Tuition Revenue	Est. Change in Tuition Revenue
\$250	\$8,598	(\$192)	\$85,219,000	(\$2,411,000)
\$255	\$8,748	(\$42)	\$86,923,000	(\$707,000)
\$257	\$8,808	\$18	\$87,605,000	(\$25,000)
\$260	\$8,898	\$108	\$88,627,000	\$997,000

IV.B.2.

RECOMMENDED ACTION – Approval of FY2022 Missouri Resident Undergraduate Tuition and Student Services Fee Resolution.

The following resolution was moved by _____
and seconded by _____:

WHEREAS, Missouri State University currently charges two in-state undergraduate tuition rates: \$228 per credit hour for seated and other classes and \$299 for online classes; and

WHEREAS, charging in-state undergraduate students a single tuition rate for all classes would be more transparent and equitable, would eliminate the need to consider the financial impact when making decisions about the format of a class, and recognizes that the line between “online” and “seated” classes has blurred; and

WHEREAS, charging the current online tuition rate (\$299) for all in-state undergraduate classes would be unduly burdensome on students; and

WHEREAS, charging the current seated tuition rate (\$228) for all in-state undergraduate classes would result in an unsustainable revenue loss for the university that would significantly impact the education and services provided to students; and

WHEREAS, the Board of Governors and administration have developed a new tuition model for FY2022 that charges a single tuition rate for all courses taken by in-state undergraduate students; and

WHEREAS, the new tuition model is revenue neutral for the university and will have minimal financial impact on most students; and

WHEREAS, the university has also developed a new model for student service fees that charges a lower fee to students enrolled only in online classes when compared to the fee charged to students enrolled in one or more seated class; and

WHEREAS, administration has met with multiple student groups and leaders about the new tuition and fee model and, while not unanimous, the overwhelming majority have supported the new model for the reasons set forth above.

NOW, THEREFORE, BE IT RESOLVED by the Board of Governors of Missouri State University that, effective July 1, 2021, the tuition for Missouri resident undergraduate courses and student service fees be set as set forth in the attached document titled Springfield Campus Required Student Fees.

BE IT FURTHER RESOLVED that the university pursue a Higher Education Student Funding Act penalty waiver through Commissioner Zora Mulligan and the Missouri Department of Higher Education and Workforce Development for the tuition rate set by this resolution.

VOTE: **AYE** _____

NAY _____

SPRINGFIELD CAMPUS REQUIRED STUDENT FEES

I. Tuition (Fall 2021, Spring 2022, and Summer 2022)*

	Missouri Resident
Regular Instruction (per credit hour)	
Courses numbered 1-599	\$257.00
Internet-Based Instruction (per credit hour)	
Courses numbered 1-599	\$257.00

II. Student Services Fees (assessed in addition to Tuition)

Student Services Fees are based on the total credit hours for which a student enrolls, excluding credit hours associated with sections identified as Intersession and high school dual credit. **Student Service Fees for students enrolled in at least one Regular Instruction Course will be charged as follows on all credit hours:**

Fall 2021 and Spring 2022

	Credit Hours						
	1 hr	2 hrs	3 hrs	4 hrs	5 hrs	6 hrs	7 hrs or more
Student Initiatives							
Capital Projects – Wyrick	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Student Art Gallery	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Student Involvement	7.00	10.00	13.00	16.00	19.00	22.00	25.00
Student Security	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Centennial Leaders	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Student Government Association	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Student Initiatives Excluded Under the Higher Education Student Funding Act (SB 389)							
Bill R. Foster and Family Recreation Center *	30.00	38.00	46.00	54.00	62.00	70.00	80.00
Student Initiative Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Sustainability Fee	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Flu Shot & Services Fee*	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Mental Health Fee	8.00	8.00	8.00	8.00	8.00	8.00	8.00
B.E.A.R. Fee*	19.00	24.00	29.00	34.00	39.00	44.00	50.00
Capital Improvement Fee Auxiliary Enterprise System*	11.00	14.00	17.00	20.00	23.00	26.00	29.00
Equipment & Facilities							
Operating & Designated Funds							
Computer Usage	15.28	21.83	27.94	34.05	40.60	46.72	65.45
JK Hammons Hall for the Performing Arts	0.25	0.36	0.45	0.55	0.66	0.76	1.06
Educational Fee	20.00	26.00	33.00	39.00	44.00	52.00	57.00
Auxiliary Enterprise System Funds							
Auxiliary System Operational Fee*	63.47	84.81	104.61	125.40	145.74	166.52	213.49
Total	194.00	247.00	299.00	351.00	402.00	456.00	549.00

*Net revenues from these fees are pledged as security for outstanding Auxiliary Enterprise System Bonds.

Summer 2022

	Credit Hours			
	1 hr	2 hrs	3 hrs	4 hrs or more
Student Initiatives				
Capital Projects - Wyrick	3.00	3.00	3.00	3.00
Student Art Gallery	0.00	0.00	0.00	0.00

Student Involvement	7.00	10.00	13.00	16.00
Student Security	5.00	5.00	5.00	5.00
Centennial Leaders	3.00	3.00	3.00	3.00
Student Government Association	0.00	0.00	0.00	0.00
Student Initiatives Excluded Under SB 389				
Bill R. Foster and Family Recreation Center *	17.00	27.00	35.00	45.00
Student Initiative Fund	0.00	0.00	0.00	0.00
Sustainability Fee	0.00	0.00	0.00	0.00
Flu Shot & Services Fee*	2.00	2.00	2.00	2.00
Mental Health Fee	0.00	0.00	0.00	0.00
B.E.A.R. Fee*	0.00	0.00	0.00	0.00
Capital Improvement Fee Auxiliary Enterprise System*	7.00	9.00	12.00	15.00
Equipment & Facilities				
Operating – Designated				
Computer Usage	7.85	12.24	16.63	20.99
JK Hammons Hall for the Performing Arts	0.17	0.27	0.37	0.46
Educational Fee	13.00	17.00	24.00	28.00
Auxiliary Enterprise System Funds				
Auxiliary Operational Fee*	55.98	76.49	98.00	121.55
Total	121.00	165.00	212.00	260.00

*Net revenues from these fees are pledged as security for outstanding Auxiliary Enterprise System Bonds.

Students enrolled only in courses identified as iCourses, internet, or taught in any location other than the Springfield Campus and not enrolled in any Regular Instruction Course will be charged as follows:

Fall 2021 and Spring 2022

	Credit Hours						
	1 hr	2 hrs	3 hrs	4 hrs	5 hrs	6 hrs	7 hrs or more
Total	30.00	60.00	90.00	120.00	150.00	180.00	210.00

Summer 2022

	Credit Hours			
	1 hr	2 hrs	3 hrs	4 hrs or more
Total	30.00	60.00	90.00	120.00

Exhibit B -

Calculations

Academic Period			Fall 2020		Spring 2021		Summer 2020	
RESIDENCY_DESC	COURSE_LEVEL_DESC	Instruction_Method	Headcount	Credit Hours	Headcount	Credit Hours	Headcount	Credit Hours
			Value	Value	Value	Value	Value	Value
Missouri Resident	Undergraduate		13,281	169,058	11,806	149,422	4,599	22,395
		Blended Course	8,452	50,317	7,186	38,663	0	0
		ITV/Classroom Conferencing	178	1,040	93	640	0	0
		Internet - Other	9,745	58,414	9,222	60,272	4,419	21,327
		Online-Video	239	720	55	165	0	0
		Traditional	9,456	53,535	7,250	37,698	222	606
		Web Conference Class	1,730	5,032	3,278	11,984	183	462
Total by COLUMNS			13,281	169,058	11,806	149,422	4,599	22,395

Academic Period			Total by ROWS		Tuition Rate		Calculated Tuition Revenue			
RESIDENCY_DESC	COURSE_LEVEL_DESC	Instruction_Method	Headcount	Credit Hours	Summer	Fall/Spring	Summer	Fall	Spring	Total
			Value	Value						
Missouri Resident	Undergraduate		14,742	340,875						
		Blended Course	10,057	88,980	\$223.00	\$228.00	\$0.00	\$11,472,276.00	\$8,815,164.00	\$20,287,440.00
		ITV/Classroom Conferencing	220	1,680	\$223.00	\$228.00	\$0.00	\$237,120.00	\$145,920.00	\$383,040.00
		Internet - Other	12,989	140,013	\$295.00	\$299.00	\$6,291,465.00	\$17,465,786.00	\$18,021,328.00	\$41,778,579.00
		Online-Video	293	885	\$295.00	\$299.00	\$0.00	\$215,280.00	\$49,335.00	\$264,615.00
		Traditional	10,868	91,839	\$218.00	\$228.00	\$132,108.00	\$12,205,980.00	\$8,595,144.00	\$20,933,232.00
		Web Conference Class	4,471	17,478	\$223.00	\$228.00	<u>\$103,026.00</u>	<u>\$1,147,296.00</u>	<u>\$2,732,352.00</u>	<u>\$3,982,674.00</u>
Total by COLUMNS			14,742	340,875			\$6,526,599.00	\$42,743,738.00	\$38,359,243.00	\$87,629,580.00

Calculated Revenue \$87,629,580.00
Average per Credit Hour \$257.07

Census data \$257.00 \$87,604,875.00 (\$24,705.00)

- Student Class Exclude Precollege
- Program Desc Exclude
 - Civil Engineering BS
 - Electrical Engineering BS
 - Mechanical Engineering BS

Fiscal Year 2021 Allowed Under HESFA

		30 Credit Hours			
Board Approved MOUG Tuition	\$228.00	\$6,840.00	Revenue Neutral Blended Rate	\$257.00	\$7,710.00
Student Fees per Semester	\$549.00			\$549.00	
Less Excluded Under HESFA	<u>(\$174.00)</u>			<u>(\$174.00)</u>	
Student Fees for HESFA	\$375.00	\$750.00		\$375.00	\$750.00
HESFA Tuition and Fees		\$7,590.00			\$8,460.00
Allowed Under HESFA FY2021		\$7,590.00	HESFA Tuition and Fees 2020-21		\$7,590.00
CPI			HESFA Increase 2021-21		\$870.00
CPI amount		107.72	Fiscal Year 2022 Allowed Under HESFA		\$7,900.91
Recoup reduction appropriation		<u>203.19</u>	Waiver Request		\$559.09
		310.91			7.1%

Fiscal Year 2022 Allowed Under HESFA \$7,900.91



NORTHWEST
MISSOURI STATE
UNIVERSITY

**Office of the
President**

Dr. John Jasinski
143 Administration Building
660.562.1110 office
johnj@nwmissouri.edu

Northwest
focuses on
student success –
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every day.

800 University Drive
Maryville, MO 64468-6001
www.nwmissouri.edu

March 19, 2021

Missouri Department of Higher Education and Workforce Development
P.O. Box 1469
Jefferson City, MO 65102-1469

RE: 2021-22 HESFA Penalty Waiver

Dear Commissioner Mulligan and Ms. Stokely,

In accordance with the Higher Education Student Funding Act (HESFA), § 173.1003 RSMo, Northwest Missouri State University is permitted to increase tuition and required fees charged to Missouri resident undergraduate students from \$8,362.80 to \$8,903.87, an increase of \$541.07 for the 2021-22 academic year, without incurring a penalty.

On March 18, Northwest Missouri State University's Board of Regents approved a resolution establishing 2021-22 tuition and required fees for Missouri resident undergraduate students. The resolution increases tuition and required fees, as calculated by HESFA, by a total of \$770.70 resulting in a total of \$9,133.50.

Northwest Missouri State University respectfully requests a HESFA penalty waiver in the amount of \$229.63 (\$770.70 increase less the allowed increase of \$541.07). Details of this request are set forth in the attached Memorandum in Support of HESFA Waiver Request.

While Northwest's tuition changes result in an increase under HESFA, it is a revenue-neutral adjustment. The university is establishing a new tuition model that will replace Northwest's current policy of charging a different rate for on-ground and online courses. The tuition increase for on-ground courses will be offset by a tuition decrease for online courses. The intent of this change is to support students' need for flexibility with learning options as a result of the pandemic and ongoing learner changes, and the typical student—and the student body as a whole—will not see an increase.

This change is broadly supported by Northwest's Student Senate, which has publicly stated their support (Exhibit E), as well as our Faculty Senate and Staff Council.

Furthermore, Northwest continues to focus on affordability and flexibility for our students, which is evidenced in many ways including our competitive net price (Exhibit C), which is in the lower one-third of our peers including for families with incomes between \$30,000 and \$110,000, and responding to students' desire to have flexibility in course scheduling through a single blended rate (Exhibits A & B) – all while providing significant economic impact and being the most efficient institution in the state.

Finally, according to a report released by the Missouri Department of Higher Education and Workforce Development in January 2021, Northwest is the most efficient among state universities for state appropriations per degree and certificate granted (see Exhibit D). Also, Northwest receives the second-lowest level of funding per full-time equivalent, while experiencing enrollment increases (see Exhibit D). This is all evidenced by sustained and focused discipline as Northwest generated \$87.7 million in cost containment and efficiencies between 2012 and 2020 and cut institutional debt by more than half since 2009.

Please feel free to let me know if you have any questions or would like additional information.

Sincerely,

A handwritten signature in black ink that reads "John Jasinski". The signature is written in a cursive style with a large initial "J".

John Jasinski, Ph.D.
President

Encl: Memorandum and exhibits

cc: Stacy Carrick, Mary Collins

MEMORANDUM IN SUPPORT OF HESFA WAIVER REQUEST

The Higher Education Student Funding Act (HESFA) accomplishes three objectives. First, it requires public universities to report their tuition rates to the Coordinating Board for Higher Education (CBHE). Second, it establishes financial penalties for universities that increase tuition more than authorized by a series of calculations. Finally, the HESFA establishes a framework for the commissioner of higher education to waive these financial penalties when an institution submits a waiver request that is “sufficiently warranted.” Mo. Rev. Stat. §173.1003; 6 CSR 10-14.010.

When determining whether a waiver request is sufficiently warranted, “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.” Mo. Rev. Stat. § 173.1003.5. Northwest Missouri State University requests that Commissioner Mulligan approve its waiver request as sufficiently warranted for the reasons described in this memorandum.

1. The increase in tuition for on-ground courses is offset by a decrease in tuition for online courses, resulting in a single blended tuition rate that will apply to in-state undergraduate students.

Northwest currently charges the following in-state undergraduate tuition rates:

- \$212.76 for on-ground courses
- \$222.76 for blended courses
- \$242.76 for Northwest-Kansas City courses
- \$252.76 for online courses

In 2021-22, Northwest will change to a single blended rate - \$238.45 – for the undergraduate courses outlined above. The Northwest Board of Regents approved implementing

the increase to achieve the single blended rate over two years (Exhibit A). In addition, the Board of Regents approved the Student Senate's recommendation to decrease our required fees (Exhibit A).

The HESFA calculation evaluates only the tuition rate for on-ground courses, so the offsetting decrease in Northwest's online tuition rate has not been accounted for in the HESFA calculation process.

2. The new tuition model is revenue neutral for Northwest.

In-state undergraduate students will pay the same in total tuition and fees to Northwest under the new model (Exhibit B). In sum, when we account for the offsetting decrease in Northwest's online tuition rate, the new model is revenue neutral.

The HESFA statute and regulations are premised on limiting "growth in [university] revenues in excess of the [consumer price index]". 6 CSR 10-14(5)(B). Northwest's new tuition model does not result in revenue growth.

3. The new tuition model benefits students.

Most students take a mixture of online and on-ground courses. The new model will cost a student taking only on-ground courses slightly more in tuition and fees, and it will cost a student taking only online courses slightly less. However, the "typical" student who takes a mixture of online and on ground courses will pay about the same amount.

The university's previous model of charging different rates for online and on-ground courses has been scrutinized by the student body. Northwest's Student Senate stated their support for the new model publicly at the Board of Regents meeting where the new model was approved (Exhibit E). The new model is fairer and more transparent for students. Students will be better equipped to estimate the cost of their education. It removes financial impact from the calculus when a student is deciding which courses and modalities to take. It also recognizes the modern

reality that the line between “on-ground” and “online” courses has blurred and includes a two-year implementation designed to focus on affordability and respond to student preferences with support from the Faculty Senate, Staff Council and Board of Regents.

4. The penalty waiver decision criteria for “extraordinary circumstances” set forth in 6 CSR 10-14.010(5)(B) support a waiver.

This tuition change can be approved without considering the criteria set forth in the HESFA implementing regulation because it does not result in “growth in [university] revenues in excess of the [consumer price index],” and the HESFA statute and regulations are premised on limiting such growth. 6 CSR 10-14.010(5)(B).

However, the penalty waiver decision criteria set forth in 6 CSR 10-14.010(5) also support Northwest’s HESFA penalty waiver request.

“Historical trends in . . . tuition policy [] and other financial issues and relationships” and “[t]he current and [] historical structure of [Northwest’s] total budget” support Northwest’s request. 6 CSR 10-14.010(5)(B)(2), (5). Historically, tuition for online courses was higher because expenses (technology, personnel, etc.) associated with delivering those courses were higher. As more courses (on-ground and online) incorporated online and technology-based components, those extra expenses have now been spread over the university’s entire operations and can no longer be properly attributed only to online courses. The new tuition model will adjust the tuition students pay to match this shift in expenses.

Mandatory costs and costs related to the institution’s mission, strategic initiatives, and needs support Northwest’s waiver request. 6 CSR 10-14.010(5)(B)(1), (3)-(4). Mandatory costs have risen dramatically. Examples include the university’s required contribution under MOSERS and CURP (increased \$15.1 million or 389.2% FY10 to FY20) and health care expenses under the

university's medical plan (increased \$2.6 million or 62.3% FY10 to FY20). Northwest must also address expenses related to its physical infrastructure and labor needs. Northwest has taken great strides to become as efficient as possible, recording nearly \$90 million in efficiencies and cost savings during the last decade. If Northwest were forced to blend its tuition at a lower rate (one that would not be revenue neutral), Northwest would not be able to appropriately manage increases in mandatory and other costs.

Moreover, as set forth above, the tuition change is revenue neutral and will not have a negative financial impact on most students. Accordingly, the "magnitude of tuition increase and the likely impact on the students of the institution" criterion supports Northwest's request. 6 CSR 10-14.010(5)(B)(8).

For the reasons set forth herein, Northwest requests that Commissioner Mulligan approve its HESFA penalty waiver request as sufficiently warranted based on extraordinary circumstances pursuant to Mo. Rev. Stat. §173.1003 and 6 CSR 10-14.010.

Exhibit A

Board of Regents Proposal and Resolution Northwest Missouri State University Board of Regents Date of Meeting: March 18, 2021

Agenda Item: Academic Year 2021-22 Rate Schedule

Lead: VP of Finance and Administration Stacy Carrick and AVP of Finance Mary Collins

Open or Closed agenda item? OPEN

Issue Description and Proposal (as approved by the President):

This agenda item seeks approval for the Academic Year 2021-22 Rate Schedule, including tuition and fees, room and board rates, and supplemental fees.

The overall proposal is to book the allowable undergraduate resident tuition rates provided by the Department of Higher Education and Workforce Development (DHEWD) under the Higher Education Student Funding Act (HESFA) including a waiver to create a single blended tuition rate that will apply to undergraduate students excluding our online professional programs and be implemented over a two-year period (FY22 and FY23). The single blended tuition rate is prompted by several factors, including post-pandemic student expectations and faculty capabilities, current and prospective student preference for flexibility and our Student Senate desiring this move and overwhelmingly supporting the rate increase with implementation over a two-year period. Student Senate also approved to reduce their co-curricular designated fees and there are no proposed changes for technology, textbook fees or course fees. Furthermore, the proposal includes increases to online professional tuition rates based on market and increases to meal plans and room rates based on CPI.

As you know, our core competencies include being safe, trusted, invested and resourceful, or STIR, and we enjoy peer-leading metrics across so many measures. Additionally, a report released by the Missouri Department of Higher Education and Workforce Development in January shows Northwest is the most efficient among state universities for state appropriations per degree and certificate granted. Further, it shows that Northwest receives the second-lowest level of funding per full-time equivalent – all while we've experienced enrollment increases last fall and an all-time highest graduate enrollment this spring, in addition to those peer-leading metrics. Not only are we trusted and invested, but we are the most resourceful in the state with the dollars we receive.

Further, Northwest continues to focus on affordability with 98 percent of our first-time, full-time students receiving some type of financial assistance. The University has achieved cost containment and efficiency measures in excess of \$87 million between 2012 and 2020 while our net price has remained competitive over time in our commitment to strengthen access and affordability. Our average net price is favorable compared to the average of our top competitors in Missouri, Iowa, Nebraska and Kansas. The average student indebtedness is lower than both state and national averages. Additionally, our placement rates for undergraduates and graduates are 96 percent.

Our approach is focused on affordability, strategic investments in enrollment, program growth and student need-based scholarship support while protecting the use of reserves. Northwest reviews and

analyzes respective CPI rates for tuition, housing and food as well as projected inflationary costs (e.g., utilities, health insurance, license agreements, etc.). Key proposed changes in the Academic Year 2021-22 Rate Schedule are summarized below.

UNDERGRADUATE

Tuition

The proposal for undergraduate residents is to book with DHEWD the allowable HESFA rate based on 1.4% CPI, year-over-year decrease in state appropriations and a waiver to create a single blended tuition rate that will apply to undergraduate students excluding our online professional programs and be implemented over a two-year period (FY22 and FY23). The same methodology is used for both resident and non-resident undergraduate students. In addition, the phased implementation period provides a mechanism to continue our focus on affordability for our students while limiting the use of reserves over a two-year implementation period.

The full booked amount is an estimated average annual net price increase of \$460 for an undergraduate resident and an estimated average annual net price increase of \$480 for an undergraduate non-resident.

The implemented rate for undergraduate residents in academic year 2021-22 would result in a 4.0% increase or an estimated average annual net price increase of \$265. The tuition for undergraduate non-residents would result in an estimated average annual net price increase of \$307.

Designated, Technology and Textbook Fees

The proposal is to decrease student-approved designated fees by \$0.10 as voted by Student Senate. The change will reduce the co-curricular fee from \$0.50 to \$0.40. There are no changes for technology or textbook fees.

Other Undergraduate Programs

Other undergraduate programs represent courses that are generally provided off-campus and have non-standard tuition and fee rates to cover costs that vary from traditional courses.

GRADUATE

Tuition

There are no proposed changes for traditional graduate program tuition.

General and Technology Fees

There are no proposed changes for general and technology usage fees.

Other Graduate Programs

Other graduate programs represent courses that are generally provided off-campus and have non-standard tuition and fee rates to cover costs that vary from traditional courses.

ONLINE PROFESSIONAL

The proposal is to realign education and nursing within the online professional program portfolio while maintaining competitive market strategy. The programs will be aligned to the respective undergraduate online professional tuition rate of \$299 per credit hour and graduate online professional tuition rate of \$350 per credit hour.

COURSE FEES

There are no proposed changes for course fees.

ROOM AND MEAL PLAN RATES

The proposal is to increase room and board rates on average 3.0% to align with CPI. The estimated annual increase for residential housing is \$162 and a range of options for meal plans based on type of plan with an estimated annual increase of \$116. The meal plan rate adjustment is based on the Midwest Region food-away-from-home CPI and the current dining contract.

SUPPLEMENTAL FEES

Supplemental fees include additional academic and administrative services students may incur during their academic career at the University. Finance works with departments throughout the year to review the revenues and expenses of various programs and services in establishing and updating rates.

Key Considerations for the Board of Regents:

1. What are the overall impacts of these proposed changes on students?
 2. How will these proposed changes help address academic quality and changes in state operating support?
 3. What are the impacts should we not approve the proposed tuition and fees or room and board rates?
-

Proposed Resolution:

- I move to approve the Academic Year 2021-22 Rate Schedule as presented.

Note: Academic Year FY21-22 Rate Schedule Excerpt for Undergraduate Courses excerpt follows:

UNDERGRADUATE COURSES

Tuition and Fees (Fall 2021, Spring 2022 and Summer 2022)

<i>Rates reflected per credit hour</i>	MO RESIDENT	NON-MO RESIDENT
Tuition (Incidental Fee) - DHEWD Booked AY 2021-22 Unrestricted; implement over two years (AY 2021-22 and AY 2022-23)	238.45	491.23
Tuition (Incidental Fee) - Implement AY 2021-22 Unrestricted	227.56	480.34
Tuition (Designated Fee) Restricted Includes designated fees for academic classrooms & equipment, campus master plan programming, campus recreation, facility improvements/debt/sustainability, health & wellness and student programming.	112.10	112.10
Technology/Textbook Usage Fee Technology Fee	23.20	23.20
Textbook Fee	6.00	6.00
Total Tuition & Fees	368.86	621.64

Exhibit B

Waiver Calculations

Northwest Missouri State University Waiver Calculations

Undergraduate Delivery Method	Add't Fee/Credit Hr	Fall 2020 Credit Hours	Spring 2021 Credit Hours	Summer 2020 Credit Hours	Total Credit Hours
Web Course	\$ 40.00	7,326	9,020	8,382	24,728
Blended Course	\$ 10.00	3,749	2,594	248	6,591
Kansas City Course	\$ 30.00	750	872	239	1,861
Traditional	\$ -	59,260	51,090	1,532	111,882
Total		71,085	63,576	10,401	145,062

Undergraduate Delivery Method	Tuition Rate	Calculated Tuition Revenue			Total
		Fall	Spring	Summer	
Web Course	\$ 270.79	1,983,808	2,442,526	2,269,762	6,696,095
Blended Course	\$ 240.79	902,722	624,609	59,716	1,587,047
Kansas City Course	\$ 260.79	195,593	227,409	62,329	485,330
Traditional	\$ 230.79	13,676,615	11,791,061	353,570	25,821,247
Total Revenues		\$ 16,758,737	\$ 15,085,605	\$ 2,745,377	\$ 34,589,719

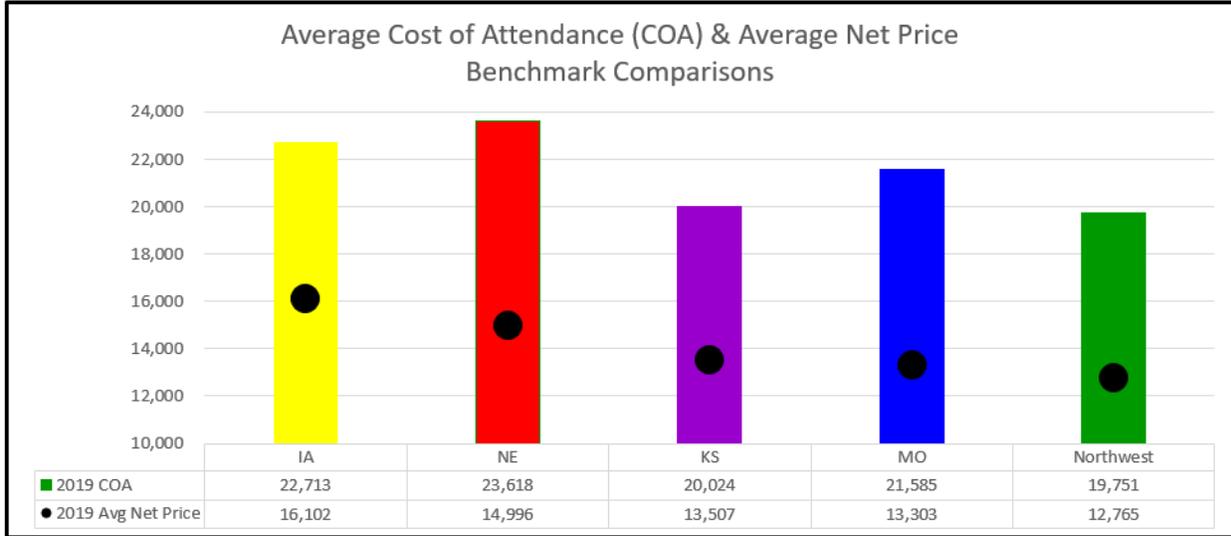
Calculated Revenue	\$ 34,589,719
Average Per Credit Hour	\$ 238.45
New Model Revenue	\$ 238.45 \$ 34,589,719

FY2021 allowed under HESFA

		30 Credit Hrs			
Unrestricted Tuition per credit hour	\$ 212.76	\$ 6,382.80	Revenue Neutral Blended Rate	\$ 238.45	\$ 7,153.50
Student Fees per Semester	\$ 2,121.00		Student Fees per Semester	\$ 2,119.50	
Less Excluded under HESFA (student-approved)	\$ (1,131.00)		Less Excluded under HESFA (student-approved)	\$ (1,129.50)	
Student Fees for HESFA	\$ 990.00	\$ 1,980.00	Student Fees for HESFA	\$ 990.00	\$ 1,980.00
HESFA Tuition and Fees		\$ 8,362.80	HESFA - Tuition & Fees FY2022		\$ 9,133.50
			HESFA - Tuition & Fees FY2021		\$ 8,362.80
			HESFA - Increase for FY2022		\$ 770.70 9.2%
Allowed under HESFA FY2022					
CPI		\$ 117.08			
Recoup reduction appropriation		\$ 423.99			
		\$ 541.07	FY2022 Allowed under HESFA		\$ 541.07
FY2022 allowed under HESFA		\$ 8,903.87	Waiver Request		\$ 229.63 2.6%

Exhibit C

Cost of Attendance and Net Price Comparisons



Average Net Price First-Time Full-Time Resident Students - provides the 'average net price' for first-time full-time resident students receiving grant aid. The net price is specific to each student based on personal circumstances and the college's financial aid policies including institutional funds available for scholarships as well as federal and state funds. The net price, on average, is considerably lower than the published price known as Cost of Attendance. Northwest's Net Price ranks below the state average of its top competitors in Missouri, Iowa, Nebraska and Kansas. Please note that Northwest adjusted our scholarship model in 2018 focusing on retention of quality students over their academic career to assist with college completion. The new model will be fully implemented in FY2022 which will result in a continued increase in the Average Net Price as the institutional scholarship funds are reallocated to focus on both recruitment and retention.

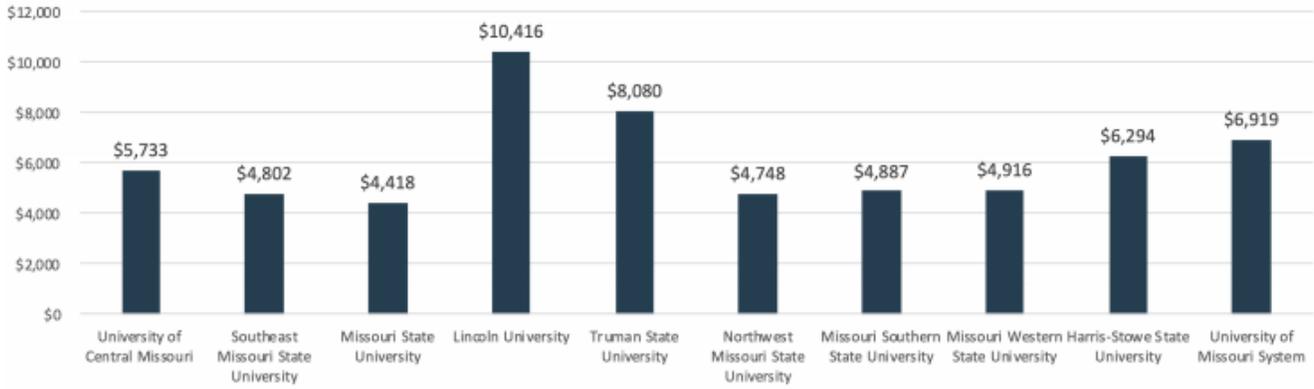
COST OF ATTENDANCE & NET PRICE COMPARISON (FY2018-19)							
State	Rank #	Institution Name	Graduation Rate	Cost of Attendance	COA Ranking	Net Price	NP Ranking
MO		Missouri Southern State University	32%	17,666	1	9,810	1
MO		Missouri Western State University	38%	20,575	7	10,383	2
KS		Fort Hays State University	43%	18,048	2	12,108	3
MO		Southeast Missouri State University	50%	21,570	10	12,350	4
MO		Northwest Missouri State University	52%	19,751	3	12,765	5
NE		University of Nebraska at Omaha	50%	22,300	13	12,899	6
MO		Truman State University	75%	21,329	9	12,912	7
MO		University of Central Missouri	51%	19,953	5	13,098	8
KS		Washburn University	46%	22,056	12	13,752	9
KS		Pittsburg State University	52%	19,902	4	13,847	10
KS		Emporia State University	50%	20,088	6	14,319	11
IA		Iowa State University	74%	21,186	8	15,195	12
MO		University of Missouri-Columbia	71%	26,766	17	15,850	13
MO		University of Nebraska at Kearney	56%	23,040	14	15,890	14
MO		Missouri State University-Springfield	56%	21,782	11	16,134	15
IA		University of Iowa	72%	24,239	15	17,008	16
NE		University of Nebraska-Lincoln	66%	24,936	16	17,093	17

Source: IPEDS Data Center and College Navigator

Exhibit D

State Appropriations

State Appropriations Per FTE, Public Universities FY 2020



State Appropriations Per Degree & Certificate Granted, Public Universities, FY 2020

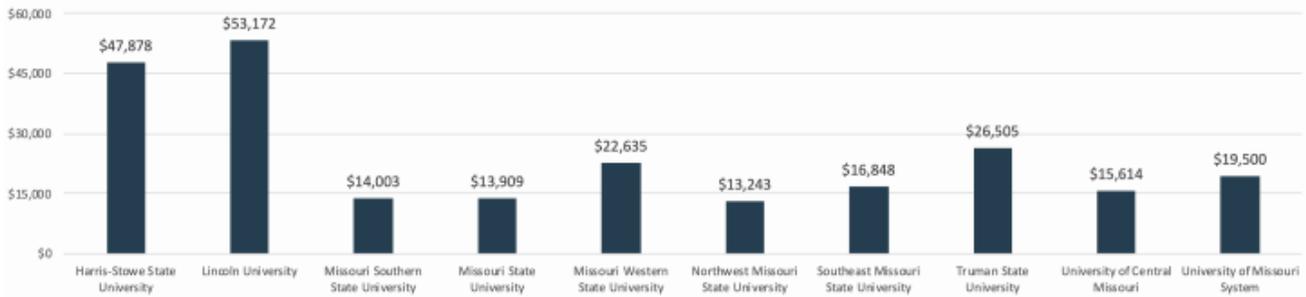


Exhibit E

Student Senate Letter of Support



NORTHWEST
MISSOURI STATE
UNIVERSITY

Student Senate

Office of Campus Activities
J.W. Jones Student Union
660.562.1218 office

Northwest
focuses on
student success –
every student,
every day.

March 19, 2021

Missouri Department of Higher Education and Workforce Development
Truman Office Building
P.O. Box 1469
Jefferson City, MO 65102-1469

RE: 2021-22 HESFA Penalty Waiver

Dear Commissioner Mulligan,

We are writing to share the Northwest Missouri State University 98th Student Senate's endorsement of the proposed tuition waiver. Vice President of Finance Stacy Carrick and Vice President of Student Affairs Matt Baker met with our Student Senate to share the proposal. During the conversation, student senators were polled and the proposal received overwhelming support.

We wanted to share with you the student support of this waiver and of moving to a single blended rate for undergraduate tuition and spreading the increase over two years.

Respectfully,

Mr. Kirayle Jones
President of the 98th Student Senate
Northwest Missouri State University

Mr. Connor Thompson
Student Regent
Northwest Missouri State University



UNIVERSITY OF
**CENTRAL
MISSOURI**
LEARNING TO A GREATER DEGREE

Office of the President
Administration 202
Warrensburg, MO 64093
Office 660-543-4112
Fax 660-543-8020

March 29, 2021

Missouri Department of Higher Education and
Workforce Development
P.O. Box 1469
Jefferson City, Missouri 65102-1469

RE: 2021-22 HESFA Penalty Waiver

Dear Commissioner Mulligan and Ms. Stokely:

In accordance with the Higher Education Student Funding Act (HESFA), §173.1003 RSMo, the University of Central Missouri is permitted to increase tuition and required fees charged to Missouri resident undergraduate students from \$7,912.80 to \$8,424.76 for the 2021-22 academic year, without incurring a penalty.

On March 26, 2021, the University of Central Missouri's Board of Governors approved a proposal establishing the 2021-22 tuition and student general fees. The board-approved rates will increase tuition and fees, as calculated by HESFA, by a total of \$759.00 resulting in a total of \$8,671.80.

The University of Central Missouri respectfully requests a HESFA penalty waiver in the amount of \$247.04 (\$759.00 increase less the allowed increase of \$511.96). Details of this request are set forth in the attached Memorandum in Support of HESFA Waiver Request.

Although UCM's tuition change will result in a significant increase under HESFA, the model reflects revenue neutrality for all resident undergraduate courses, with an inflationary adjustment of 1.4% consistent with the change in the consumer price index for the applicable period (December 2019 to December 2020). The university is establishing a new tuition model that will eliminate different rates for undergraduate on-campus and online classes. The increase in tuition rate for face-to-face courses will be offset by a decrease for online courses. This change is intended to provide students greater flexibility with learning options, supporting ongoing learner modality changes that have been significantly enhanced as a result of the pandemic. The typical student, and the student body as a whole, will see only the increase from the CPI-U adjustment.

Please feel free to contact me if you have any questions or would like additional information.

Sincerely,

Roger J. Best, Ph.D.
President

Encl: Proposal and exhibits

MEMORANDUM IN SUPPORT OF HESFA WAIVER REQUEST

The Higher Education Student Funding Act (HESFA) accomplishes three objectives. First, it requires public universities to report their tuition rates to the Coordinating Board for Higher Education (CBHE). Second, it establishes financial penalties for universities that increase tuition more than authorized by a series of calculations. Finally, the HESFA establishes a framework for the commissioner of higher education to waive these financial penalties when an institution submits a waiver request that is “sufficiently warranted.” Mo. Rev. Stat. §173.1003; 6 CSR 10-14.010.

When determining whether a waiver request is sufficiently warranted, “the factors considered by the commission shall include but not be limited to the relationship between state appropriations and the consumer price index and any extraordinary circumstances.” Mo. Rev. Stat. §173.1003.5. The University of Central Missouri requests that Commissioner Mulligan approve its waiver request as sufficiently warranted for the reasons described in this memorandum.

1. Tuition for online courses is decreased to offset the increase in tuition for on-campus (seated) courses and in required fees, resulting in a blended tuition rate that will apply to resident undergraduate student.

UCM’s current on-campus resident undergraduate rate per credit hour is \$237.60 and the online undergraduate rate per credit hour is \$292.05. In 2021-22, UCM will change to a single blended rate of \$258.25 per credit hour for these undergraduate courses and will increase its required fees. On March 26, 2021, the UCM Board of Governors approved implementation of the blended rate for undergraduate on-campus (face-to-face) and online courses in its 2021-22 Student Instructional and General Fees (Exhibit A).

The HESFA calculation is solely based on resident undergraduate on-campus tuition and required fees, thus the decrease in UCM’s online tuition rate is not accounted for in the HESFA calculation process.

2. UCM’s new model is revenue neutral for tuition and required fees, exclusive of the 1.4% inflationary increase.

Accounting for the offsetting decrease in UCM’s online tuition rate, the new model is revenue neutral for tuition and required fees, excluding the planned 1.4% inflationary increase for 2021-22 (Exhibit B).

UCM has experienced steady growth in online education even before the pandemic, with nearly 60% of students enrolled in some form of online or hybrid courses. With the proposed decrease in online tuition rate, it is expected that this trend will continue for the foreseeable future.

The HESFA statute and regulations are premised on limiting “growth in [university] revenues in excess of the [consumer price index]”. 6 CSR 10-14(5)(B). UCM’s new tuition model does not result in revenue growth for tuition and required fees in excess of the consumer price index.

3. The new tuition model benefits students.

Most students are enrolled in a mixture of online and face-to-face courses. Under the new model, students taking only face-to-face courses will incur slightly higher tuition and fee costs, and it will cost a student taking only online courses slightly less. However, the “typical” student who takes a mixture of online and face-to-face courses will pay about the same amount, excluding the inflationary adjustment.

Different rates for face-to-face classes and online courses have long been a concern of the study body. The new model is supported by UCM’s Student Government Association and other student leadership groups across campus. (Refer to Exhibit C.)

UCM’s Student Governor publicly stated support for the new model at the March 2021 Board Finance and Administration Committee Meeting and shared positive feedback from the student organizations.

4. The penalty waiver decision criteria for “extraordinary circumstances” set forth in 6 CSR 10-14.010(5)(B) support a waiver.

This tuition change can be approved without considering the criteria set forth in the HESFA implementing regulation because it does not result in “growth in [university] revenues in excess of the [consumer price index],” and the HESFA statute and regulations are premised on limiting such growth. 6 CSR 10-14.010(5)(B).

However, the penalty waiver decision criteria set forth in 6 CSR 10-14.010(5) does also support UCM’s HESFA penalty waiver request.

“Historical trends in ...tuition policy [] and other financial issues and relationships” and “[t]he current and [] historical structure of [UCM’s] total budget” support UCM’s request. 6 CSR 10-14.010(5)(B)(2), (5). Historically, tuition for online classes was higher to cover added costs of online instruction and support services, as well as online course and program development. Differentiation in the cost of course delivery is no longer significant as more courses incorporate online and technology-based components. The new tuition model adjusts the tuition students pay to match this shift in expenses.

Mandatory costs and costs related to the institution’s mission, initiatives, and needs support UCM’s waiver request. 6 CSR 10-14.010(5)(B)(1), (3)-(4). Mandatory costs, including the university’s required contribution under MOSERS and health care expenses under the university’s medical plan, have risen dramatically. The university must also address expenses related to its physical infrastructure. If UCM were forced to blend its tuition in a manner that did not allow for revenue neutrality, the university would be unable to appropriately manage increases in mandatory and other costs.

Moreover, as set forth above, the tuition model will not have a negative financial impact on most students. Accordingly, the “magnitude of tuition increase and the likely impact on the students of the institution” criterion supports UCM’s request. 6 CSR 10-14.010(5)(B)(8).

For the reasons set forth herein, UCM requests that Commissioner Mulligan approve its HESFA penalty waiver request as sufficiently warranted based on extraordinary circumstances pursuant to Mo. Rev. Stat. §173.1003; 6 CSR 10-14.010.

EXHIBIT A



Date: March 25-26, 2021
From: Dr. Roger Best, President
Prepared by: Mr. Bill Hawley, Vice President for Finance and Operations
Presented by: Mr. Bill Hawley, Vice President for Finance and Operations
Presented at: **Finance and Administration Committee/Plenary Session**
Subject: FY 2022 Student Instructional Tuition and General Fees
Disposition: **Action**

Objective: To seek Board of Governors approval for FY 2022 Student Instructional Tuition and General Fees.

Background of Issue: Tuition and fees are set by the governing board of each Missouri public institution of higher education and are reported to the Missouri Department of Higher Education and Workforce Development for publication. In accordance with the Higher Education Student Funding Act (HESFA), §173.1003 RSMo, UCM is permitted to increase tuition and student general fees charged to Missouri resident undergraduate students from \$7,912.80 to \$8,424.76, an increase of \$511.96 for the 2021-22 academic year, without incurring a penalty.

Historically, UCM has charged different rates for on-campus and online courses. Higher online tuition covered added costs of online instruction and support services, as well as online course and program development. As hybrid courses are added, and with course delivery modifications necessitated by the Coronavirus pandemic, the cost differential between the two modalities is no longer significant. Recently UCM's Student Government Association leadership, following consultation with SGA members and select other student organizations, stated support for a new model whereby resident on-campus courses and online courses are priced the same for undergraduates. This approach is deemed to provide greater clarity in pricing and more flexibility for students by eliminating the need to consider the difference in tuition rates.

UCM currently charges \$237.60 per credit hour for on-campus, face-to-face classes and FLEX courses, and \$292.05 per credit hour for online and hybrid courses. Based upon financial analysis, management recommends the following:

- tuition for all in-state undergraduate students be established at \$258.25 per credit hour beginning Fall 2021;
- additional overall increase in HESFA-relevant tuition and general fees equal to the Consumer Price Index-All Urban Consumers (CPI-U) increase of 1.4%; and

- the university seek a HESFA penalty waiver from the Commission of Higher Education based on the resulting blended tuition rate being revenue neutral and total (average) tuition and fees being increased by CPI-U.

The new model will have a modest impact to the university's total Missouri resident undergraduate tuition and fee revenue resulting from the inflationary increase of 1.4% rather than the blended tuition rate.

In addition to the new undergraduate tuition rate, approval is sought for other FY 2022 Student Instructional Rates as outlined in Attachment I. Proposed rate changes include the following:

- non-resident undergraduate tuition for Warrensburg on-campus and Whiteman Air Force Base at twice the proposed new resident undergraduate rate;
- a 3% increase to the on-campus graduate resident and graduate non-resident tuition;
- no change to the \$283.15 per credit hour rate for Cohort undergraduate and Kodaly undergraduate;
- an increase in graduate tuition of \$10.10 per credit hour for on-line and hybrid;
- an increase in graduate tuition of 3% for entrepreneurial and 5.7% for Kodaly;
- an increase of 1.4% for on-line Ph.D.;
- an increase of \$6.90 per credit hour to Business Graduate with rate applicable regardless of location/mode;
- an increase of \$6.00 per credit hour to CS and CIS Graduate rate, applicable regardless of location/mode;
- an increase of \$2.10 per credit hour to Dual Credit and Dual Enrollment courses;
- a 1.4% increase to Professional Development courses; and
- a 2.2% increase to Limited Cost courses.

Management also seeks Board consent of the 2022 Student General Fees as outlined in Attachment II.

Rates are not inclusive of any Board approved program or course fees.

Supporting Reasons and Timing for the Recommendation: Request for waiver must be submitted to the Commissioner of Higher Education upon approval by the Board of Governors. Notice of any board-approved tuition and fee increase must be provided to the Missouri Department of Higher Education and Workforce Development on or prior to July 1.

Management Recommendation: Management recommends that the Board of Governors approve FY 2022 rates for tuition (instructional) and student general fees as itemized in Attachments I and II, subject to waiver approval by the Commissioner of Higher Education.

ATTACHMENT I
University of Central Missouri
FY 2022 Student Instructional Rates
Presented to the Board of Governors on March 26, 2021

Description	FY 2021 Per Credit Hour (Book)	FY 2022 Per Credit Hour (Book)	\$ Change Per Credit Hour FY 2022 – FY 2021 (Book)	Percent Change
Warrensburg On-Campus¹				
Undergraduate				
Resident ²	\$237.60	\$258.25	\$20.65	8.7%
Non-Resident ²	\$475.20	\$516.50	\$41.30	8.7%
Graduate				
Resident ^{2,5}	\$317.00	\$326.50	\$9.50	3.0%
Non-Resident ^{2,5}	\$634.00	\$653.00	\$19.00	3.0%
On-Line and Hybrid⁸				
Undergraduate ²	\$292.05	\$258.25	-\$33.80	-11.6%
Graduate ^{2,5}	\$369.40	\$379.50	\$10.10	2.7%
On-line Ph.D. ²	\$426.50	\$432.50	\$6.00	1.4%
UCM-Lee's Summit⁸				
Undergraduate ²	\$292.05	\$258.25	-\$33.80	-11.6%
Graduate ^{2,5}	\$369.40	\$379.50	\$10.10	2.7%
Missouri Innovation Campus Program-UG ²	\$237.60	\$258.25	\$20.65	8.7%
Whiteman⁸				
Undergraduate				
Resident ²	\$237.60	\$258.25	\$20.65	8.7%
Non-Resident ²	\$475.20	\$516.50	\$41.30	8.7%
Graduate				
Resident ^{2,5}	\$317.00	\$326.50	\$9.50	3.0%
Non-Resident ^{2,5}	\$634.00	\$653.00	\$19.00	3.0%
Business Graduate^{2,6,7,8} (All Locations and Modes)	\$487.10	\$494.00	\$6.90	1.4%
CIS/CS Graduate^{2,6,8,10} (All Locations/Modes)	\$423.00	\$429.00	\$6.00	1.4%
Extended Studies⁸				
Cohort Undergraduate Rate ³	\$283.15	\$283.15	\$0.00	0.0%
Cohort Graduate Rate ³	\$358.95	\$379.50	\$20.55	5.7%
Dual Credit and Dual Enrollment ⁴	\$89.90	\$ 92.00	\$2.10	2.3%
Entrepreneurial Undergraduate ²	\$237.60	\$258.25	\$20.65	8.7%
Entrepreneurial Graduate ^{2,5}	\$317.00	\$326.50	\$9.50	3.0%
Kodaly Undergraduate Rate ²	\$283.15	\$283.15	\$0.00	0.0%
Kodaly Graduate Rate ²	\$358.95	\$379.50	\$20.55	5.7%
Professional Development ⁴	\$52.00	\$ 52.75	\$0.75	1.4%
Limited Cost ⁴	\$126.25	\$129.00	\$2.75	2.2%
Description	FY 2021 Per Student	FY 2022 Per Student	\$ Change Per Student FY 2022 – FY 2021	Percent Change
Central Missouri Police Academy⁹	\$6,210.00	\$6,210.00	\$0.00	0.0%

Notes:

¹Warrensburg on-campus rates are also applicable to Air Force ROTC courses in Columbia, Missouri. These courses are identified in the Banner System with a campus code of CLM.

²Subject to all student general fees.

³Subject only to the technology fee.

⁴Student general fees are not applicable.

⁵Excludes Business Graduate, CIS Graduate, and CS Graduate Programs.

⁶Non-resident fees, if applicable, will be waived.

⁷Includes School of Business Administration prefixes ACCT, BLAW, CIS, ECON, FIN, MKT, ESE, BADM, RMI, HRM, HM, MBA, and MGT for graduate-credit except for CIS.

⁸Other course fees and/or program fees may apply.

⁹Per student rate includes student instructional and mandatory fees, and other program fees.

¹⁰Includes CS, CIS, SE, CYBR, and DSA prefixes.

ATTACHMENT II
University of Central Missouri
FY 2022 Student General Fees
Presented to the Board of Governors on March 26, 2021

Fee Description	Fiscal Year 2021		Fiscal Year 2022	
	Per Credit Hour (<9 Hrs)	Flat Rate (9+ Credit Hrs)	Per Credit Hour (<9 Hrs)	Flat Rate (9+ Credit Hrs)
Athletic	\$4.94	\$74.10	\$6.00	\$90.00
Facilities	\$4.12	\$61.80	\$6.91	\$103.65
Pertle Springs	\$1.95	\$29.25	\$2.00	\$30.00
Student Activity	\$2.00	\$30.00	\$2.10	\$31.50
Technology	\$5.15	\$77.25	\$5.55	\$83.25
University Union	\$8.00	\$120.00	\$8.25	\$123.75
Sub-Total	\$26.16	\$392.40	\$30.81	\$462.15
Health Services	\$2.75	\$41.25	\$2.79	\$41.85
Student Rec Center (Student Approved)	\$10.34	\$155.10	\$10.40	\$156.00
Total Student General Fees	\$39.25	\$588.75	\$44.00	\$660.00

EXHIBIT B

Proposal Details

A. In-State Undergraduate Tuition

Description	Current Rate (Per Credit Hr.)	Proposed Rate (Per Credit Hr.)	\$ Change
Face-to-Face (Seated)	\$237.60	\$258.25	\$20.65
Online	\$292.05	\$258.25	-\$33.80

B. Student General Fees (Included in HESFA Calculation)

Fee Description	Current Rate Per Credit Hr. (<9 Hrs.)	Current Flat Rate (9+ Hrs.)	Proposed Rate Per Credit Hr. (<9 Hrs.)	Proposed Flat Rate (9+ Hrs.)
Athletic	\$4.94	\$74.10	\$6.00	\$90.00
Facilities	\$4.12	\$61.80	\$6.91	\$103.65
Pertle Springs	\$1.95	\$29.25	\$2.00	\$30.00
Student Activity	\$2.00	\$30.00	\$2.10	\$31.50
Technology	\$5.15	\$77.25	\$5.55	\$83.25
University Union	\$8.00	\$120.00	\$8.25	\$123.75
Total	\$26.16	\$392.40	\$30.81	\$462.15

C. Student General Fees – Student Approved (Excluded from HESFA Calculation)

Fee Description	Current Rate Per Credit Hr. (<9 Hrs.)	Current Flat Rate (9+ Hrs.)	Proposed Rate Per Credit Hr. (<9 Hrs.)	Proposed Flat Rate (9+ Hrs.)
Health Services	\$2.75	\$41.25	\$2.79	\$41.85
Student Rec Center	\$10.34	\$155.10	\$10.40	\$156.00
Total	\$39.25	\$196.35	\$13.19	\$197.85

D. HESFA Tuition and Fees (net of student-approved fees)

Description	Current	Proposed
On-campus In-State UG Rate (Tuition Rate x 30 credit hrs.)	\$7,128.00	\$7,747.50
Student Fees Per Semester-net of student approved fees (Flat Rate x 2 terms)	\$784.80	\$924.30
	\$7,912.80	\$8,671.80

E. Fiscal Year 2022 Allowed Under HESFA

Allowed Under HESFA FY2021	\$7,912.80
CPI (1.4%)	110.78
Recoup reduction in appropriation	<u>401.18</u>
Fiscal Year 2022 Allowed Under HESFA	\$8,424.76

F. Fiscal Year 2022 Waiver Request

Revenue Neutral Blended Rate	\$7,767.30
Fiscal Year 2021 Student General Fees-net of student approved fees	784.80
CPI 1.4% (Rounded)	<u>119.70</u>
	\$8,671.80
Less Fiscal Year 2022 Allowed Under HESFA	<u>-\$8,424.76</u>
Waiver Request	\$247.04

EXHIBIT C

----- Forwarded message -----

From: Student Government Association <sqa@ucmo.edu>

Date: Mon, Mar 8, 2021 at 5:21 PM

Subject: Tuition Rate Merge

To: Roger Best <best@ucmo.edu>

Cc: Shari Bax <bax@ucmo.edu>, Beth Rutt <brutt@ucmo.edu>, Colby Crowder <ccc28160@ucmo.edu>, Cade Tremain <crt40060@ucmo.edu>, Solomon Bailey <sjb85720@ucmo.edu>, Zachary Racy <zrr74100@ucmo.edu>

President Best,

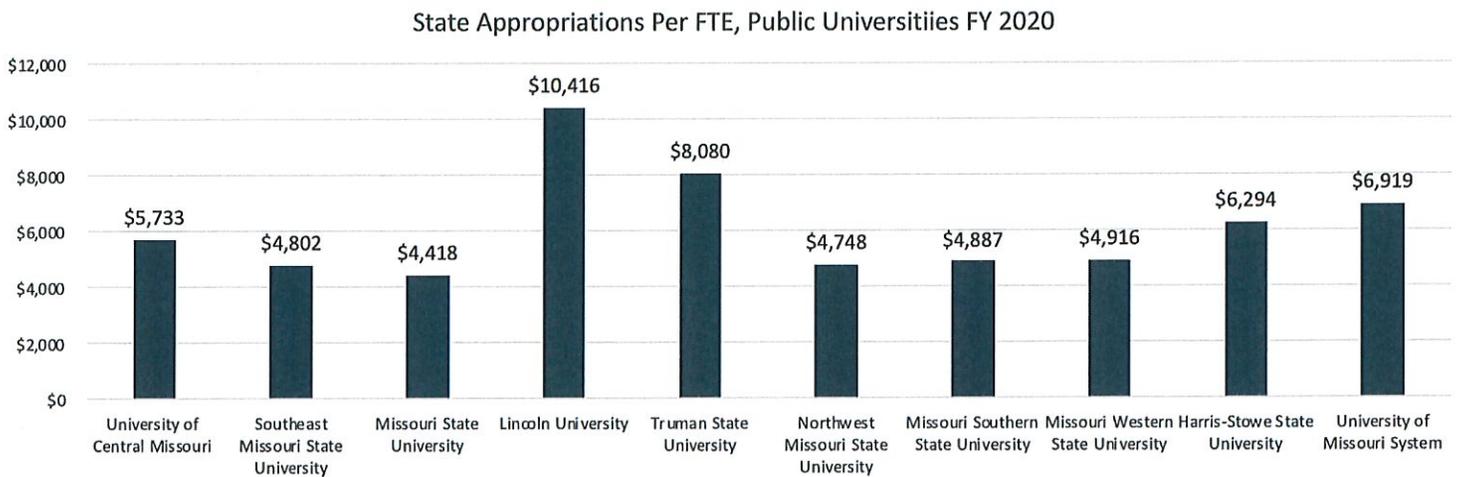
I have had the opportunity to discuss the tuition rate merge with SGA as well as a couple of student organizations and the reactions have had a pretty wide variety. Overall, my impression from the students are that most are in favor of the merge. The shift to more online and hybrid courses due to the pandemic has definitely helped this sentiment as has the programs at UCM that only offer certain courses online. As can be expected, students with more in-person classes or poor distance learning experiences expressed resistance against the change.

On behalf of SGA, it would be my recommendation to move forward with the tuition merge process.

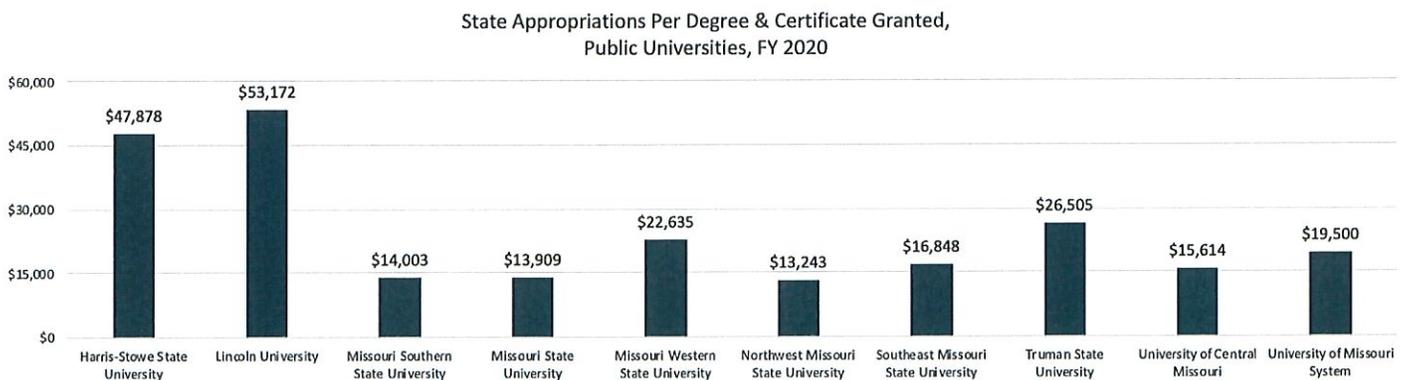
Best,
Justin Cobb

SUPPLEMENTAL INFORMATION

STATE APPROPRIATIONS PER FTE



STATE APPROPRIATIONS PER DEGREE & CERTIFICATE



FY21 HESFA TUITION AND FEES AND FY22 MAXIMUM ALLOWED

Four-Year Institutions

The new model is unlikely to change the University's cost competitiveness. The chart below shows the FY21 HESFA Tuition and Fees of other four-year institutions and the FY22 maximum allowed.

Institution	FY21 Tuition Per Credit Hr.	Student Fees	Total Annual	FY22 HESFA Maximum
Harris-Stowe State University	\$210.00	\$597.00	\$6,234.00	\$5,871.31
Missouri Western State University	\$220.00	\$426.45	\$7,452.90	\$7,749.65
Missouri Southern State University	\$248.73	\$0.00	\$7,461.90	\$7,948.10
Missouri State University	\$228.00	\$549.00	\$7,938.00	\$7,900.91
Southeast Missouri State University	\$225.95	\$627.00	\$8,032.50	\$8,222.57
Lincoln University	\$224.00	\$681.43	\$8,082.86	\$7,970.11
Truman State University	\$265.83	\$162.00	\$8,298.90	\$8,796.55
University of Central Missouri	\$237.60	\$588.75	\$8,305.50	\$8,424.76
University of Central Missouri (Proposed)	\$258.25	\$660.00	\$9,067.50	\$8,671.80*
University of Missouri-Columbia	\$306.00	\$696.40	\$10,572.80	\$11,260.99**
Northwest Missouri State University	\$212.76	\$2,121.00	\$10,624.80	\$11,260.99**
University of Missouri-Kansas City	\$301.60	\$793.66	\$10,635.32	\$11,260.99**
Missouri University of Science and Technology	\$306.00	\$744.05	\$10,668.10	\$11,260.99**
University of Missouri-St. Louis	\$371.40	\$0.00	\$11,142.00	\$11,260.99**

*UCM FY22 HESFA Proposed.

**UM System Rate.

Calculation of Blended Rate

Academic Period: 202030 - 212020
At Census Date

Student Residency Desc	Course Level	Schedule Type	Billed Credit Hours			Tuition Revenue				Tuition Rate/Billed Credit Hr.	
			Summer 2020	Fall 2020	Spring 2020	Total	Summer 2020	Fall 2020	Spring 2020		Total
In state Resident	UG	Entrepreneurial	120.0	105.0	138.0	243.0	\$35,046.00	\$24,948.00	\$32,788.80	\$57,736.80	\$237.60
		Entrepreneurial (ONL)				120.0	\$35,046.00			\$35,046.00	\$292.05
		Flexible Learning (ON)			16,925.0	16,925.0			\$4,021,380.00	\$4,021,380.00	\$237.60
		Flexible Learning			753.0	753.0			\$210,112.65	\$210,112.65	\$279.03
		Hybrid 50-99% Online	149.0	1,640.0	2,250.0	3,870.0		\$478,962.00	\$651,271.50	\$1,130,233.50	\$292.05
		Independent Study	744.0	242.0	335.0	726.0	\$35,402.40	\$57,499.20	\$79,596.00	\$172,497.60	\$237.60
		Internship		103.0	385.0	1,232.0	\$176,774.40	\$24,472.80	\$91,476.00	\$292,723.20	\$237.60
		Interactive Television		238.0	366.5	604.5		\$56,548.80	\$87,080.40	\$143,629.20	\$237.60
		Lab (ON)	322.0	1,753.0	1,244.0	2,997.0		\$416,512.80	\$295,574.40	\$712,087.20	\$237.60
		Lab		173.0	220.0	715.0	\$93,713.40	\$50,197.95	\$64,087.65	\$207,999.00	\$290.91
		Lecture (ON)		51,718.0	17,228.5	68,946.5		\$12,303,878.40	\$4,093,491.60	\$16,397,370.00	\$237.83
		Lecture		2,713.0	1,969.0	4,682.0		\$757,538.10	\$552,825.90	\$1,310,364.00	\$279.87
		Music Lesson		268.5	164.0	432.5		\$63,795.60	\$38,966.40	\$102,762.00	\$237.60
		Online	9,738.0	17,990.0	23,862.0	51,590.0	\$2,839,735.80	\$5,241,995.55	\$6,974,540.10	\$15,056,271.45	\$291.84
		Practicum		102.0	953.0	2,112.0	\$29,625.75	\$260,845.20	\$286,263.45	\$576,734.40	\$273.08
		Research		1.0	2.0	3.0		\$237.60	\$475.20	\$712.80	\$237.60
		Student Teaching		624.0	1,747.0	2,371.0		\$148,262.40	\$415,087.20	\$563,349.60	\$237.60
Total			11,175.0	78,521.5	68,626.0	158,322.5	\$3,210,297.75	\$19,885,694.40	\$17,895,017.25	\$40,991,009.40	\$258.91

General Exclusions:
CLM - Columbia, MO
ECS - Extended Campus Special
NPI - National Police Institute
OFF - Outside of Warrensburg

Schedule Type Exclusions:
ABR - Study Abroad
TRI - TRI/O

Student Type Code Exclusions:
2 - THRIVE Program
D - Dual Credit Student
V - Visiting High School

Fiscal Year 2021 Allowed Under HESFA:

On-campus In-state UG Rate	At 30 Credit Hrs.	\$7,128.00
Student Fees Per Semester		\$588.75
Less Excluded Under HESFA		(\$196.35)
		\$392.40
Student General Fees for HESFA		\$784.80
Fiscal Year 2021 HESFA Tuition and Fees		\$7,912.80

Fiscal Year 2022 Proposed Tuition and Fees Allowed Under HESFA:

On-campus In-state UG Rate	At 30 Credit Hrs.	\$7,747.50
Student Fees Per Semester		\$660.00
Less Excluded Under HESFA		(\$197.85)
		\$462.15
Student General Fees for HESFA		\$924.30
Fiscal Year 2021 Proposed HESFA Tuition and Fees		\$8,671.80

Fiscal Year 2022 Allowed Under HESFA:

Allowed Under HESFA FY2021	\$7,912.80
CPI (1.4%)	\$110.78
Recoup reduction in appropriation	\$401.18
Fiscal Year 2022 Allowed Under HESFA:	\$8,424.76

Fiscal Year 2022 Waiver Request:

Revenue Neutral Blended Rate	\$258.91
Fiscal Year 2021 Student General Fees for HESFA	\$784.80
CPI 1.4% (Rounded)	\$119.70
	\$8,671.80
Less Fiscal Year 2022 Allowed Under HESFA	(\$8,424.76)
Waiver Request	\$247.04

CREDIT HOUR TRENDS

Academic Period: 201830 - 212020
At Census Date

Student Residency Desc	Course Level	Schedule Type	Applicable Rate	Billed Credit Hours			
				201830, 201910 & 201920	201930, 202010 & 202020	202030, 202110 & 202120	202130, 202210 & 202220
In state Resident	UG	Entrepreneurial	ON	846.0	453.0	243.0	
		Flexible Learning (ON)	ON	-	-	16,925.0	
		Independent Study	ON	757.0	817.5	726.0	
		Internship	ON	1,877.0	1,593.0	1,232.0	
		Interactive Television	ON	135.0	191.0	604.5	
		Lab (ON)	ON	4,080.0	3,682.0	2,997.0	
		Lecture (ON)	ON	127,623.5	112,907.5	68,946.5	
		Music Lesson	ON	579.5	551.0	432.5	
		Research	ON	30.0	10.0	3.0	
		Student Teaching	ON	2,911.0	2,508.0	2,371.0	
		Entrepreneurial (ONL)	ONL/HYB	183.0	256.0	120.0	
		Flexible Learning	ONL/HYB	-	-	753.0	
		Hybrid 50-99% Online	ONL/HYB	3,846.0	4,075.0	3,870.0	
		Lab	ONL/HYB	530.0	546.0	715.0	
		Lecture	ONL/HYB	5,262.0	5,490.0	4,682.0	
		Online	ONL/HYB	39,988.0	39,721.0	51,590.0	
		Practicum	ONL/HYB	2,167.0	2,277.0	2,112.0	
Total				190,815.0	175,078.0	158,322.5	
		Credit Hrs. @ ON		138,839.0	122,713.0	94,480.5	
		Credit Hrs. @ ONL/HYB		51,976.0	52,365.0	63,842.0	
		% of Credit Hrs. @ ON		73%	70%	60%	
		% Credit Hrs. @ ONL/HYB		27%	30%	40%	

General Exclusions:

CLM - Columbia, MO
ECS - Extended Campus Special
NPI - National Police Institute
OFF - Outside of Warrensburg

Schedule Type Exclusions:

ABR - Study Abroad
TRI - TRIO

Student Type Code Exclusions:

2 - THRIVE Program
D - Dual Credit Student
V - Visiting High School

University of Central Missouri

2021 HESFA Waiver Request

Current Tuition and Required Fees

Instruction Method	Hourly Tuition Rate	Required Fees Per Credit Hr	Credit Hours Delivered			
			Fall 2019	Spring 2020	Fall 2020	Spring 2021
ONL/HYB	\$ 292.05	\$ 26.16	74,231	61,818	65,167	55,085
Seated	\$ 237.60	\$ 26.16	20,089	21,900	21,333	21,861
TOTAL			94,320	83,718	86,500	76,946
			Potential Revenue Generated			
ONL/HYB			\$ 23,620,887	\$ 19,670,947	\$ 20,736,632	\$ 17,528,598
Seated			\$ 5,298,675	\$ 5,776,344	\$ 5,626,792	\$ 5,766,057
TOTAL			\$ 28,919,562	\$ 25,447,291	\$ 26,363,424	\$ 23,294,655

For "instruction method," only list the methods for which the hourly tuition rates will be consolidated for Fall 2021 (i.e., seated, online, blended, etc.)

Impact of Tuition Restructure

	Restructured Tuition Rate	Required Fees Per Credit Hr	Projected Fall 2021 Credit Hours	Projected
				Potential Revenue Generated
ONL/HYB	\$ 258.91	\$ 26.16	62,235	\$ 17,741,331
Seated	\$ 258.91	\$ 26.16	20,373	\$ 5,807,731
TOTAL				\$ 23,549,063

List the assumptions on which Fall 2021 credit hour projections are based.
Assumes growth in new first-time freshmen and transfer students, but overall net decline of about 4.5%. Mix of online versus seated expected to follow similar trend of Fall 2020. Credit hour projections are for Missouri residents and exclude Dual Credit, Visiting High School and THRIVE Program.
The restructured tuition rate is the actual blended calculation; however, the increase along with the adjustment for inflation was distributed between tuition and required fees.

Impact of Inflationary Increase

Final Tuition Rate After HESFA Increase and Restructure	Final Fee Rate After HESFA Increase and Restructure	Projected Fall 2021 Credit Hours	Projected
			Potential Revenue Generated
\$ 258.25	\$ 30.81	82,608	\$ 23,878,668

Percent increase applied after tuition restructure: **1.40%**

University of Central Missouri

2021 HESFA Waiver Request

Overview Impact

		Difference in Rate Based on Restructure		Difference in Rate Based on HESFA Increase and Restructure
ONL/HYB	55,085	\$ (33.14)	\$	(33.80)
Seated	21,861	\$ 21.31	\$	20.65

