



## Tab 24 Affordability Report

Coordinating Board for Higher Education  
September 11, 2019

### BACKGROUND

The MDHE collects information annually summarizing base tuition and fees from public institutions. These data provide important consumer information and assist with the administration of the Higher Education Student Funding Act (HESFA). This item summarizes information collected for the 2019-2020 academic year.

### SUMMARY

The Higher Education Student Funding Act regulates tuition and fee increases at the public universities and State Technical College. Historically, covered institutions must limit increases to base tuition and fees for resident undergraduates to the rate of inflation of the consumer price index, excepting student-approved fees, without a waiver from the Commissioner of Higher Education. Community colleges are exempt from the provisions of HESFA so long as their resident tuition and fees do not exceed the state average of the public universities and State Technical College. That provision has never been triggered.

In 2018, the General Assembly passed, and the Governor signed legislation allowing institutions covered by HESFA to increase base tuition and fees for resident undergraduates at a rate exceeding inflation in years following a decline in state operating support disbursed to the institutions. This rate could not exceed an additional five percentage points over CPI. MDHE staff worked extensively with the institutions to develop a formula for determining allowable increases under the new law. MDHE staff also determined that state operating support, as defined in the statute, had decreased from FY 2017 to 2018, so the additional increases would be permitted from academic year 2018-2019 to 2019-2020. By rule, MDHE staff are to notify the institutions of average tuition as calculated for HESFA by December 1, and of the rate of inflation for the past year in the Consumer Price Index by January 31. CPI for the past year (December to December) is provided by the U.S. Bureau of Labor Statistics, and will be used to calculate the following year's allowable increase.

MDHE staff will continue to review and resolve any questions with the institutions regarding reported base tuition and fees, but provisionally, the state average for institutions covered by HESFA has increased 4.3 percent from AY 2018-2019 to 2019-2020. This exceeds the increase in CPI from December 2017 to December 2019 (1.9 percent), but is within the bounds of the revised statute. No institutions required a waiver or triggered penalty provisions. Provisionally, average base resident tuition and fees at the community colleges and Missouri State University–West Plains increased by 5.9 percent. Detailed information on base tuition and fees charged to students (net of any general waivers) will be published at <https://dhe.mo.gov/data/tuitionandfees.php>.

Nationally, comparative data on base resident undergraduate tuition and fees for the current academic year is being collected currently by U.S. Department of Education, and will not be available until late 2019 or early 2020. For the period 2013-14 through 2018-19, however, Missouri's average for public universities increased by 6.7 percent. This was tenth lowest in the U.S. and less than the U.S. average of 9.3 percent. For 2013-14 through 2018-19 at community and technical colleges, Missouri's average increased by 16.9 percent. This was twentieth lowest in the U.S. and less than the U.S. average of 17.1 percent.

### RECOMMENDATIONS

This is an information item only.

### NO ATTACHMENTS