

Report of the University Assembly Committee On Recruitment, Admissions, Retention and Student Financial Aid

Background

Chancellor George asked that the committee discuss President's Floyd's proposal to tie tuition increases to the CPI and HEPI indices with the idea that the state would provide comparable appropriations increases. Our committee was asked to provide feedback about this proposal from an admissions/retention perspective.

Summary

1. Committee members see the proposal as an effort to show the legislature and general public that tuition can be increased predictably and with a clear rationale.
2. The committee did not feel that this proposal would affect students' decisions regarding enrollment directly (i.e., When making enrollment decisions, they would look more at what they could afford to pay in total to attend college and not at whether or not tuition would increase predictably).
3. However, we also discussed that the relationship between price and demand may not be the same for our students as it is for students at Rolla and UM-Columbia due to competition in our local market. In addition, John Kundel reviewed data to suggest that tuition increases in general might be more difficult for our student body than for students at the other UM-System campuses where the students are more likely to be dependents and receive parental financial support. On our campus, 9,300 of 12,300 students are "independent" of their parents for tax purposes.
4. At the meeting, I handed out a summary of recent literature on issues of tuition, access and affordability. One aspect of these reports was the not surprising finding that tuition increases may lead to enrollment decreases especially for low income students. Our committee recommended that tuition increases be met by comparable adjustments in need-based student financial aid to mitigate the impact of the increases.
5. Finally, one member discussed that if we pursue a CPI/HEPI model of tuition increases, we may be "letting the legislature off the hook" for cuts and flat appropriations over the past few years despite the rising costs of doing business. It was argued that we should propose CPI/HEPI increases from the level of state appropriations that existed prior to the most recent fiscal crisis.

Rob Harris, Chairperson
November 1, 2005