

Postsecondary Tuition Capping and Freezing

NOV 2018

What Is the Issue and Why Does It Matter?

College affordability is becoming an increasingly important issue in many states because of rising tuition prices: Listed tuition prices are increasing 125 percent faster than inflation at community colleges and 213 percent faster than inflation at four-year public universities.¹ A decline in real per-student state appropriations over time is a contributing factor to rising tuition, but research suggests that state funding reductions explain only about 32 percent of tuition increases at public colleges.² As the typical graduate of a public university now has about \$25,000 in debt, states have explored ways to bring down the price tag of a college education.³

One common effort to make college more affordable is to limit how much public colleges and universities can increase tuition and/or fees. These policies can take many forms, ranging from a freeze on both tuition and fees to statutes that allow for increases in tuition and fees under certain conditions. The details of these policies can have important implications for educational quality and college affordability. For example, extended tuition and fee freezes can reduce the quality of an education by limiting available resources, and colleges respond to policies that only restrict tuition by increasing fees.⁴ Therefore, it is important to understand how states have structured their tuition and fee control policies.

Fourteen states currently cap or freeze tuition for at least one postsecondary sector. Three additional states — Minnesota, New Jersey and Virginia — considered or are considering tuition caps in the most recent legislative session.

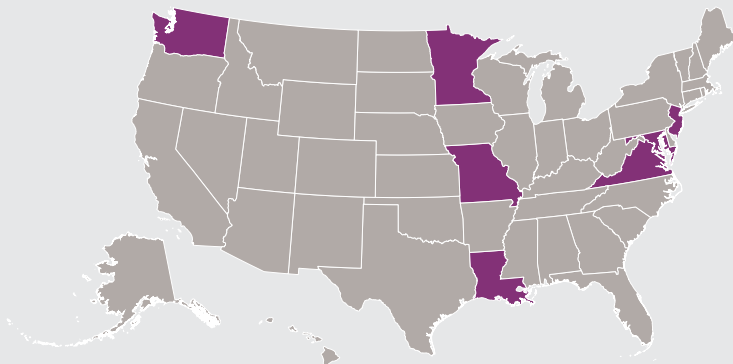
For more on how states share or dictate authority over setting college tuition prices, see the companion Policy Snapshot, [Tuition-Setting in Postsecondary Education](#).

How Many States Considered Legislation in 2018?

Based on a review of 2018 legislative activity concerning tuition capping and freezing:

- At least seven states considered a state-level tuition cap or freeze.
- Twelve bills were introduced.
- One bill is pending, and 11 bills failed.

Which States Considered Legislation in 2018?



STATE	BILL	STATUS
Louisiana	H.B. 418	Failed
Maryland	H.B. 1223	Failed sine die
Minnesota	S.F. 3933	Failed sine die
	H.F. 2594	Failed sine die
Missouri	H.B. 2649	Failed sine die
	H.B. 2348	Failed sine die
New Jersey	S. 2040	Introduced
Virginia	H.B. 1512	Failed
	S.B. 377	Failed
	S.B. 749	Failed
	S.B. 577	Failed
Washington	S.B. 6543	Failed sine die

Examples of 2018 Legislation



Minnesota: [S.F. 3933](#) requested that the board of regents set undergraduate tuition rates for 2018-19 and 2019-20 at levels that do not exceed the current rates for 2017-18.



New Jersey: [S. 2040](#), still pending, would limit tuition increases to no more than 4 percent over the previous year.



Virginia: Three separate measures proposed to limit tuition increases to the increase in median household income ([S.B. 377](#)), two times the increase to the Consumer Price Index ([S.B. 749](#)), or the increase in the national average wage index ([S.B. 577](#)).

States With Enacted Tuition Caps or Freezes

As of fiscal year 2018, 14 states had implemented a cap or freeze on in-state undergraduate tuition for at least one sector of higher education in the state. Three states had tuition freezes in place, while 11 states capped tuition increases to a certain amount.⁵



Florida: [Chapter 1009](#) set undergraduate tuition rates as of July 1, 2014, and the rates have not been increased since then. The University of Florida and Florida State University are the only universities allowed to increase tuition (by 6 percent per year), but have not done so.



Idaho: The state's board of higher education [capped tuition increases at a maximum of 3.5 percent](#) at the state's public four-year colleges and Eastern Idaho Technical College.



Kentucky: The Kentucky Council on Postsecondary Education [capped tuition increases at a maximum of 5 percent](#) at the state's public colleges and universities.



Louisiana: [R.S. 17:3351](#) states that colleges' boards can only increase tuition by a certain amount (\$100-\$250) above the rates in effect on June 28, 2000. This effectively means that the state legislature determines tuition increases.



Maine: The Maine Community College System [froze tuition](#) for its seven member institutions following an increase in state funding in the fiscal year 2018 budget.



Maryland: The state's [fiscal year 2018 budget](#) includes funds to hold tuition increases to 2 percent.



Michigan: [Section 265 of the fiscal year 2017-18 budget](#) requires universities to limit tuition and fee increases to a maximum of 3.8 percent, or \$475, in order to receive performance funding dollars.



Missouri: [Section 173.1003](#) limits tuition increases at universities and the State Technical College of Missouri to the Consumer Price Index, with an allowance for colleges with below-average tuition. In fiscal year 2018, this allowed for a 2.1 percent increase.



New Hampshire: The University System of New Hampshire [capped tuition increases at a maximum of 2.5 percent](#) at the state's public universities.



New York: The [fiscal year 2018 budget](#) limits tuition increases to \$200 at all public colleges and universities.



North Dakota: [S.B. 2003](#) caps the state board of higher education's ability to approve tuition increases at 4 percent.



Oregon: The 2017-19 biennial budget [limits tuition increases to between 5 percent and 9 percent](#) at the state's universities.



Washington: The 2017-19 biennial budget [limits tuition increases to 2.2 percent](#) at the state's colleges and universities.



Wisconsin: The 2017-19 biennial budget ([Act 59](#)) continues a tuition freeze for the University of Wisconsin System for fiscal years 2018 and 2019 that has been in place since fiscal year 2014.



ENDNOTES

1. Jennifer Ma et al., *Trends in College Pricing 2017* (New York: The College Board, 2017), https://trends.collegeboard.org/sites/default/files/2017-trends-in-college-pricing_1.pdf.
2. Douglas A. Webber, "State divestment and tuition at public institutions," *Economics of Education Review* 60, (October 2016): 1-4.
3. Authors' calculation using data from the 2015-16 National Postsecondary Student Aid Study.
4. David J. Deming and Christopher R. Walters, "The Impact of Price Caps and Spending Cuts on U.S. Postsecondary Attainment" (working paper no. 23736, National Bureau of Economic Research, August 2017); and Robert Kelchen, "An Analysis of Student Fees: The Roles of States and Institutions," *Review of Higher Education* 39, no. 4 (Summer 2016): 597-619.
5. With the exception of the University of Massachusetts system and the Massachusetts Maritime Academy, the remainder of the state's public four-year colleges has not seen tuition increases in at least 20 years. But since these colleges have full authority to raise fees and retain that revenue (tuition revenue goes to the state), the authors did not count that as a tuition freeze in this Policy Snapshot.

AUTHORS

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