

TITLE: Components of the Total Cost of Attendance (*at Kentucky public universities*)

DESCRIPTION: The Finance Committee received a report that explore trends over time in room and board costs, books and supplies, and other costs that comprise component elements of the total cost of attendance at Kentucky public universities.

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COMMITTEE'S REVIEW

The Finance Committee received this information report at their November 15, 2024, meeting. It will not be covered or presented in detail at the board meeting; however, staff will be available for questions. Slides covered during the meeting have been included for review.

SUPPORTING INFORMATION

At an earlier Finance Committee meeting, Council Chair Silvert requested information on the trends of total cost of attendance over the last few years, including housing, board and book pricing. In response, staff compiled the following information.

Every year since 2009-10, the Council on Postsecondary Education has adopted rate ceilings for resident undergraduate tuition and fee charges, resulting in considerably lower levels of annual increase compared to the seven years prior. As can be seen in the chart below, the system average increase in resident undergraduate tuition and fee charges grew at an average annual rate of 11.5% between academic years 2002-03 and 2008-09 and increased at an annual rate of 3.4% over the 16 years since.

At the March 24, 2024, meeting of the Finance Committee, Chair Madison Silvert asked staff to review and report on the change over time in component elements of the total cost of attendance, such as room, board, and book costs at Kentucky postsecondary institutions. Specifically, Chair Silvert wanted to know if pricing structures at the institutions changed in response to Council adopted tuition and fee ceilings. Change in room and board costs were identified as being of particular interest.

Attached is a presentation that shows trends over time in the components of total cost of attendance at each Kentucky public university from 2009-10 to 2023-24, using data from the

National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS). The analyses were limited to the state's public universities because KCTCS colleges do not charge room and board.

Key takeaways from staff's analysis of the components of total cost of attendance at the public universities include:

- In general, room and board prices have not drastically outpaced growth in tuition and fees since CPE began setting tuition and fee ceilings, however, room and board rates at some institutions have been accelerating in recent years.
- Room and board increases occur more sporadically than tuition and fees, often aligned with the opening of new/improved residence halls and other auxiliary services.
- Universities serving rural areas, in particular, have made efforts to maintain affordability as evidenced by (1) room and board increases closely tied to the Council's historically low tuition and fee increases, (2) decelerating room and board increases, and (3) reductions in the cost of books and supplies.
- Data reported to IPEDS by the institutions would benefit from using a standardized methodology for calculating each cost component, which would result in greater comparability across institutions over time, particularly for room and board, other expenses, and books and supplies.
- Methodologies and the rationales for their use differ across universities when calculating the components of total price, which can have a differential impact on current and prospective students.