NACUBO Report Offers Method to Explain College Costs

The National Association of College and University Business Officers (NACUBO) released Explaining College Costs: NACUBO’s Methodology for Identifying the Costs of Delivering Undergraduate Education. The report describes the development of a simple, uniform method that institutions could use to explain the costs it incurs in providing one year of undergraduate education.

The NACUBO Cost of College Project was initiated in response to a call for more transparent data about college costs and prices from the National Commission on the Cost of Higher Education in its report Straight Talk About College Costs and Prices (January 1998). The congressionally mandated Commission's report recommended that institutions of higher education develop better and more easily understood consumer information about the costs and prices of providing an undergraduate education.

The new cost methodology took nearly three years to develop and test at colleges and universities around the country. NACUBO formed an ad hoc committee composed of business officers, economists, presidents, cost accountants, and other experts to oversee the project. This report describes the technical and practical decisions made to create a viable, standard, and simple method to record cost and price data based on an institution’s financial statements.

"From past experience, efforts on campus to explain our costs were well received by students and parents," observes Carol Campbell, vice chancellor for finance and business, Texas Christian University. "They felt they were getting a better value when it was pointed out that no student pays the full price of what it costs for their education. The NACUBO methodology will be very helpful to campuses in explaining their costs and prices to parents, students, and the general public."

The full NACUBO report contains detailed information about the Cost of College Project and the development of the uniform methodology. The report is available in .pdf format on the NACUBO web site. Bound copies (NC2576) are available for $5.00 per copy or $2.50 per copy for 10 or more. Call 866-348-6300 to order.

Posted February 13, 2002 on the NASFAA Web Site www.nasfaa.org
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