# Are Kentucky Tuition Increases Driven by Inflation or Administrative Bloat?

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**Inflation explains some recent annual cost pressure, but it does not explain the long-run increase in tuition at public four-year universities. Nationally, published in-state tuition and fees at public four-year institutions more than doubled in inflation-adjusted dollars between 1994-95 and 2024-25. Administrative bloat is not a single line item; it is best measured as the growth of institutional support, student services, academic support, non-instructional professional staff, and management capacity relative to enrollment, instructional spending, and outcomes. Inflation is not the sole driver of tuition, the evidence supports treating administrative bloat as a material cost driver and accountability issue and the Commonwealth must approach reform holistically from research to staffing.**

## Tuition, Inflation, and Administrative Bloat

Inflation is a real pressure on public universities, but it does not paint the full picture of rising tuition and student costs. Universities face higher expenses for salaries, benefits, utilities, insurance, technology, maintenance, and construction. Those costs matter. But if tuition, mandatory fees, housing, dining, and total cost of attendance rise faster than inflation over time, policymakers should not accept “inflation” as the complete explanation.

The deeper issue is whether universities have allowed administrative bloat to become part of the cost structure students and taxpayers are expected to fund. Administrative bloat should not mean every non-faculty employee or every student-support office. Many non-instructional employees provide necessary services, including advising, financial aid, disability accommodations, counseling, safety, and career support. The better definition is the growth of non-instructional spending, staffing, programs, facilities, executive offices, and compliance layers at a rate that exceeds enrollment growth, instructional need, inflation, and measurable student outcomes.

To measure this honestly, lawmakers should require universities to break down spending by function using IPEDS and CPE data. The key categories are instruction, academic support, student services, institutional support, operation and maintenance, auxiliary enterprises, research, public service, debt service, and scholarships. The most important warning signs are when institutional support, executive administration, student services, academic administration, mandatory fees, debt service, and auxiliary costs grow faster than classroom instruction, faculty, enrollment, and graduation outcomes.

For the University of Kentucky and the University of Louisville, this distinction is especially important because both institutions operate as large research universities with health, research, athletics, auxiliary, and administrative functions layered on top of undergraduate education. Their size and complexity make transparency more important, not less. A tuition increase may comply with CPE caps and still reflect broader spending problems if administrative and non-instructional costs keep expanding.

The legislative response should be simple: before approving or allowing tuition and fee increases, Kentucky should require every public university to submit a Tuition Justification and Administrative Cost

Report. That report should show 15-year trends for tuition, mandatory fees, room and board, total cost of attendance, inflation-adjusted tuition, state support, enrollment, staffing, and spending by IPEDS function. It should also require a full list of executive and administrative positions (with salaries, including contracts)[1], a breakdown of how tuition revenue is spent, and a clear explanation of how much of any proposed increase is caused by inflation, instruction, benefits, debt service, compliance, administration, or new programs.

Lawmakers should also consider statutory limits or review triggers when administrative spending grows faster than instructional spending or enrollment. Mandatory fees should be treated like tuition for transparency purposes. Universities should be required to certify that they reviewed administrative reductions, consolidation, shared services, hiring restraint, executive compensation, and program elimination before asking students to pay more.

Inflation explains why current operations cost more. Administrative bloat explains why the operations themselves keep expanding. Kentucky should not let universities hide long-term institutional growth behind short-term inflation. The answer is not an additional allocation of direct state aid or increases: it's a reorientation of priorities and Kentucky to lead in serving students with addressing the needs of the Commonwealth. Finally, Kentucky should prioritize helping Kentuckians-not incentivize non-Kentuckians. Kentucky are future of our Commonwealth and should remain the priority.

**Key sources:** IPEDS/NCES, College Board, Kentucky CPE, University of Kentucky, University of Louisville, The Chronicle of Higher Education, Wall Street Journal.a

The policy question is not whether inflation matters-It does. Labor, utilities, technology, health benefits, insurance, compliance, capital costs, and debt service all move with inflation or with inflation-adjacent markets. The sharper question is whether inflation is sufficient to explain tuition increases. The answer is no. Over the long run, tuition at public four-year institutions has risen faster than general inflation. College Board data show that average published in-state tuition and fees at public four-year institutions increased from $5,740 in 1994-95 to $11,610 in 2024-25 in 2024 dollars, meaning the increase remained after controlling for inflation. [5]

At the same time, recent years complicate the simple story. From 2014-15 to 2024-25, average published in-state tuition and fees at public four-year institutions declined by $530, or 4%, in inflation-adjusted dollars, while earlier decades saw steep real increases. [5] The Chronicle likewise reported in 2022 that out-of-pocket tuition costs rose much less than economy-wide inflation over a 12-month period. [10] That does not absolve institutions; it means the inquiry must distinguish long-run structural growth from recent, capped annual increases.

Administrative bloat should not be defined as every non-faculty employee. Modern universities require compliance, technology, financial aid, advising, mental-health services, research administration, disability services, public safety, and data reporting. But administrative bloat exists when non-instructional spending and staffing grow faster than enrollment, instruction, academic quality, student completion, or legally required service demands. The most useful public-data categories are IPEDS institutional support, student

[1] Although Kentucky's transparency website is a great resource, not all salaries, contracts and position in higher education are reported. In fact, many are left out. Only salaries and accounts managed and paid by the treasury are listed on the website. If a higher education institution has used another financial source, then those contracts are not reported. Further, inconsistent contract codes for higher education have created a transparency issue with reporting for higher education in Kentucky, perhaps even a loophole.

services, academic support, management staff, business and financial operations staff, office and administrative support staff, computer/IT staff, and other non-instructional professional categories. [2][3][4]

For Kentucky, CPE's tuition ceilings create an important constraint. CPE capped resident undergraduate tuition and mandatory fee increases for UK and UofL at no more than $675 over AY 2025-26 and AY 2026-27, with no more than $450 in either year. [13] That means recent resident undergraduate sticker-price increases at Kentucky's research universities are partly a function of state policy ceilings, not merely institutional preference. But CPE caps do not answer whether universities have allowed administrative structures to absorb resources that could otherwise reduce tuition, expand need-based aid, lower mandatory fees, or improve instructional capacity.

Tuition increases are not caused by inflation alone. The long-run national data show substantial real increases in public four-year tuition, which means costs rose beyond general inflation. Administrative bloat is a credible and measurable contributor, especially through institutional support, student services, compliance, IT, enrollment management, advising, wellness, communications, and layers of management. But IPEDS alone cannot prove that administrative growth is the only or even dominant cause at every institution, because state appropriations, capital decisions, research activity, hospitals, auxiliaries, discounting, federal compliance, financial aid, and enrollment mix all complicate the causal chain. The answer is not an additional allocation of direct state aid or increases: it's a reorientation of priorities and Kentucky to lead in serving students with addressing the needs of the Commonwealth.

## A Data Framework for Evaluating National Trends and Kentucky's Research Universities

The central question is straightforward: Are tuition increases primarily caused by inflation, or are they driven by administrative bloat?

The best answer from the available national and Kentucky data is: inflation explains part of recent tuition pressure, especially compensation, health benefits, utilities, technology, maintenance, and construction costs. But inflation alone does not explain the long-term rise in tuition, fees, and total cost of attendance. Over the long run, public universities have expanded their spending base, staffing footprint, compliance operations, student-service bureaucracy, executive administration, facilities, and non-instructional programming. That broader institutional expansion is what this paper defines as "administrative bloat."

The point is not that every non-faculty employee is wasteful. Universities need financial aid officers, academic advisors, compliance staff, mental-health professionals, IT staff, disability-resource staff, and public-safety personnel. But the data question is whether the cost structure has shifted away from direct instruction and toward layers of administration, auxiliary operations, student-life programming, branding, compliance, facilities, and executive management. IPEDS is the national dataset best suited for that inquiry because it tracks expenses by function, including instruction, academic support, student services, institutional support, research, public service, auxiliary enterprises, and other categories. NCES describes IPEDS finance data as collecting revenues by source and expenses by function, including instruction, research, academic support, and institutional support. (National Center for Education Statistics)

The preliminary conclusion is that tuition increases are not purely an inflation story. Inflation is a cost pressure. Administrative bloat is a spending-allocation problem. Where tuition rises faster than inflation,

enrollment, household income, or instructional spending, lawmakers and governing boards should ask whether students are paying for education or for institutional expansion.

# I. Costs: Which is it, inflation or bloat?

Higher education institutions often defend tuition increases by pointing to inflation. That explanation is not false. Universities are labor-intensive institutions. Salaries, benefits, pensions, health insurance, utilities, insurance, technology, deferred maintenance, construction, and debt service all rise with inflationary pressure.

But inflation cannot be the end of the inquiry. A university's budget is not a passive reflection of external prices. It is a policy document. It shows what the institution chooses to fund, what it chooses to expand, and what it asks students and taxpayers to subsidize.

Nationally, the long-term tuition story shows that public higher education became substantially more expensive over decades, even after adjusting for inflation. College Board's 2025 Trends in College Pricing report states that in 2025-26, average published in-state tuition and fees at public four-year institutions were $11,950, a 2.9 percent nominal increase over 2024-25. After adjusting for 2.6 percent inflation, average public-sector published tuition and fees increased by less than 1 percent. (College Board Research) But the longer-term picture is different. College Board's 2025 report states that between 1995-96 and 2025-26, average published tuition and fees at public four-year institutions increased substantially in inflation-adjusted dollars. (College Board Research)

Recent tuition increases may be partly inflationary. Long-term tuition escalation reflects something broader: institutional cost growth, declining or inconsistent state support, increased compliance burdens, expanded services, expanded facilities, research ambitions, and administrative layering.

# II. Defining "Administrative Bloat"

For purposes of this paper, "administrative bloat" should not be defined as "anyone who is not a professor." That definition is too broad and unfair. Many non-faculty employees provide services that directly affect student success, including academic advising, tutoring, disability accommodations, financial aid, mental-health support, campus safety, veterans' services, and career services.

A better definition is this:

Administrative bloat is the growth of non-instructional spending, staffing, programs, facilities, and executive functions at a rate that exceeds enrollment growth, instructional need, student outcomes, inflation, and core academic mission requirements.

Under that definition, administrative bloat can include several categories.

First, institutional support. This is the clearest administrative category in IPEDS. It generally includes executive management, fiscal operations, legal services, public relations, administrative computing,

general administration, and similar central functions. IPEDS finance data specifically tracks “institutional support” as an expense function. (National Center for Education Statistics)

Second, student services. This category is more complicated. Student services include necessary functions such as admissions, registrar operations, student activities, counseling, career services, and student support. Some of this spending is directly connected to retention and graduation. But it can also become bloated when institutions build large lifestyle, engagement, branding, and programming operations that are only loosely connected to degree completion.

Third, academic support. This includes libraries, academic administration, curriculum development, instructional technology, and related support. Some of this is essential. But the category can also capture administrative layers inside academic affairs, including associate deans, centers, institutes, and program-management functions that may or may not improve instruction.

Fourth, auxiliary enterprises and amenities. IPEDS treats auxiliary enterprises separately. These can include residence halls, food services, college unions, bookstores, and other self-supporting operations that provide services to students, faculty, or staff. NCES’s IPEDS glossary describes auxiliary enterprises as essentially self-supporting operations that furnish services and charge fees related to the cost of those services, including examples such as residence halls, food services, student health services, college unions, and bookstores. (surveys.nces.ed.gov) These costs may not always appear as tuition, but they contribute to total cost of attendance.

Fifth, compliance and risk-management bureaucracy. Universities face real legal obligations under Title IX, disability law, federal financial-aid rules, accreditation, research compliance, employment law, public-records law, data privacy, campus safety, and civil-rights regulations. Some compliance spending is unavoidable. But compliance can also become a rationale for permanent administrative growth.

Sixth, executive compensation and leadership layering. Administrative bloat includes the proliferation of vice presidents, associate vice presidents, assistant vice presidents, vice provosts, associate provosts, assistant provosts, chiefs of staff, special assistants, executive directors, and strategic-initiative offices. These roles may be justified individually, but the cumulative structure can become expensive, opaque, and distant from classroom instruction.

Seventh, mission creep. Universities increasingly operate as health systems, research corporations, economic-development agencies, real-estate developers, entertainment venues, DEI bureaucracies, athletic brands, housing operators, and public-relations machines. Some of these activities may be lawful or even valuable. The question is whether undergraduate students are being asked to finance activities that are not directly tied to affordable instruction and degree completion.

## III. National Trend: Tuition Has Outpaced Inflation Over the Long Term

The long-term national data do not support the claim that tuition increases are merely inflation. If tuition growth were simply inflation, inflation-adjusted tuition would be relatively flat over time. Instead, over the last several decades, public four-year tuition rose substantially in real terms.

However, the more recent trend is more nuanced. Since the pandemic period, published tuition at many public institutions has grown more slowly in real terms, partly because inflation spiked while many public colleges were constrained politically or legally from raising tuition at the same rate. College Board reported that after adjusting for inflation between the first eight months of 2024 and 2025, average published tuition and fees increased by less than 1 percent in public sectors. (College Board Newsroom)

That creates two separate conclusions. First, the recent one-year increase may be explained partly by inflation. Second, the long-term affordability crisis cannot be explained by inflation alone. The long-term increase is better understood as a mix of several forces: reduced state support per student in some periods, increased reliance on tuition, administrative and compliance growth, expansion of student services, capital projects, research ambitions, debt service, amenities competition, and the tendency of universities to spend new revenue rather than return it to students through lower prices.

The Wall Street Journal article cited by the user is directly relevant to this broader issue. The article, “Colleges Spend Like There’s No Tomorrow. ‘These Places Are Just Devouring Money,’” examined flagship state universities and reported that students are footing the bill for institutions spending heavily on buildings and programs with limited pushback. (The Wall Street Journal) Inside Higher Ed summarized the same WSJ analysis as finding that spending rose 38 percent at the median flagship university between 2002 and 2022. (Inside Higher Ed) That finding supports the view that tuition pressure is not merely inflationary. It is connected to institutional spending behavior.

## IV. The Chronicle’s Contribution: Why Universities Have So Many Administrators

The Chronicle of Higher Education has treated administrative growth as a serious national higher-education issue, including through its recent article “Why Your University Has So Many Administrators.” (The Chronicle of Higher Education) The important analytical point is that administrative growth is not always caused by simple waste or personal indulgence. It often results from layered incentives: compliance demands, accreditation requirements, litigation risk, student-retention pressure, mental-health needs, technology demands, fundraising competition, federal reporting, campus safety requirements, and the modern university’s desire to compete on amenities and services.

That matters because the defense of administrative growth is usually plausible at the individual level. Every office has a reason. Every compliance function has a statute. Every student-service program has a sympathetic use case. Every facility has a recruitment rationale. But administrative bloat is not measured one office at a time. It is measured cumulatively.

The right question is not, “Can this office justify itself?” The right question is, “Has the university’s total non-instructional apparatus grown faster than its teaching mission, enrollment, and student outcomes?”

## V. Inflation Versus Administrative Bloat: How to Separate the Two

Inflation-driven increases should look like this:

1.) A university raises tuition modestly to cover salary increases, health benefits, utilities, insurance, maintenance, software, and other unavoidable cost increases.
2.) The increase roughly tracks CPI, higher-education price indices, or comparable labor-market pressures.
3.) Instructional spending remains stable or grows as a share of the budget.
4.) Administrative and institutional support spending does not grow faster than instruction.
5.) Student fees do not become a backdoor tuition increase.
6.) Debt service and auxiliary costs do not rise faster than student affordability.
7.) Administrative-bloat-driven increases look different:
8.) Tuition, fees, or total cost of attendance rise faster than inflation over time.
9.) Institutional support, student services, executive administration, academic administration, auxiliary enterprises, and debt service grow faster than instruction.
10.) Mandatory fees increase faster than tuition.
11.) Administrative and professional staff grow faster than faculty and enrollment.
12.) The institution adds new vice presidents, associate vice presidents, assistant vice presidents, centers, institutes, initiatives, compliance offices, engagement offices, and strategic offices without corresponding improvements in graduation, affordability, classroom quality, or student outcomes.

The institution expands facilities, athletics-related costs, branding, amenities, and real-estate obligations while claiming tuition increases are unavoidable.Inflation explains price pressure. Administrative bloat explains cost-structure drift.

# VI. Kentucky Framework: CPE, Tuition Caps, and Public Accountability

Kentucky has an important guardrail through the Council on Postsecondary Education. CPE sets tuition and mandatory-fee ceilings for public universities. For academic years 2025-26 and 2026-27, CPE approved limits allowing Kentucky's research universities, the University of Kentucky and the University of Louisville, to raise resident tuition and mandatory fees by no more than $675 over the two-year period. The maximum increase allowed in one year is $450, which limits the other year's increase to $225. (Kentucky CPE)

That policy matters because Kentucky does not allow universities to raise resident undergraduate tuition without constraint. But tuition caps do not answer the deeper question. They limit how much institutions can charge; they do not necessarily control how institutions spend. A university can remain within the tuition cap and still have administrative bloat.

CPE's 2025-27 tuition and mandatory-fee policy states that rate ceilings include both tuition and mandatory fees, and it emphasizes balancing institutional needs with effective use of resources and prevailing economic conditions. (Kentucky CPE) That language gives policymakers an opening to ask a sharper question: before approving tuition increases, has the institution demonstrated that it has controlled administrative and non-instructional cost growth?

# VII. University of Kentucky: Trends and Questions

The University of Kentucky is the Commonwealth's flagship institution, largest public university, and a major research and health-care enterprise. That makes UK more complex than a standard four-year teaching institution. It also makes transparency more important.

UK's own budget materials show significant budget expansion. UK's Budget at a Glance reported that the university's recommended FY 2024-25 consolidated operating budget totaled approximately $8.37 billion, an increase of about $1.59 billion, or 23.4 percent, over the prior fiscal year original budget. UK also reported that over the prior 10 years, the original operating budget increased 178 percent, from $3.0 billion to $8.4 billion. (Budget Office UK)

UK's FY 2025-26 budget materials state that the Fall 2025 tuition and mandatory fee rate for Kentucky undergraduate students is $6,953.50, up from $6,751 in Fall 2024, reflecting a 3 percent increase authorized by CPE. UK also states that for six years, the rolling four-year average for tuition and fee increases has been under 3 percent. (EVPFA | University of Kentucky)

That creates a central oversight issue. UK can accurately say recent tuition increases are modest and within CPE limits. But the university's total budget growth, especially its consolidated budget growth, requires a separate analysis. The policy question is not only whether tuition went up 3 percent. The policy question is whether UK's spending base has grown in ways that increase long-term pressure on students, taxpayers, and future tuition decisions.

For UK, the administrative-bloat review should ask:

-How much of the budget increase is attributable to the health system, research grants, restricted funds, and hospital operations, and how much is attributable to education and general operations?

-How much has institutional support spending grown over 10 and 15 years?

-How much has student services spending grown relative to enrollment?

-How much has academic administration grown relative to full-time faculty?

-How many vice presidents, associate vice presidents, assistant vice presidents, vice provosts, associate provosts, assistant provosts, executive directors, and chiefs of staff existed 15 years ago compared to today?

-How much tuition revenue supports direct instruction?

-How much tuition revenue supports central administration, debt service, auxiliary costs, athletics-related fees, student-life programming, or public-relations operations?

-How has undergraduate enrollment grown compared to total spending?

-How have graduation rates, student debt, net price, and instructional quality changed compared to administrative spending?

The UK-specific conclusion should be careful but firm: UK's recent tuition increases may be partially inflationary and CPE-constrained, but UK's long-term budget expansion requires a full functional-spending audit before inflation is accepted as the dominant explanation.

# VIII. University of Louisville: Trends and Questions

The University of Louisville is also a research university with health, research, athletics, and urban-institution obligations that complicate a simple tuition analysis. Like UK, UofL should be evaluated through both tuition data and budget-allocation data.

UofL's FY 2025-26 quick facts show a total budget of approximately $1.796 billion. Its revenue includes approximately $394.9 million from tuition and fees, $186.6 million from state appropriations, $235.3 million from grants and contracts, $703.4 million from other sources, and $165.4 million from athletic revenues. Its listed expenditures include approximately $661.9 million for salaries, $188.0 million for fringe benefits, $563.9 million for operating expenses, $222.3 million for student financial aid, and $49.4 million for debt service. (University of Louisville)

UofL's FY 2026 budget materials also reference cost containment, program and operations review, and a new student fee beginning in Fall 2025 to support student-athlete services and student experiences. (University of Louisville) UofL's own news release stated that the FY26 budget included a tuition increase and a student fee related to student-athlete services and student experiences, citing uncertain federal support, loss of some research funding, and athletics changes as budget pressures. (UofL News)

That is significant. When universities add student fees for athletics-related or student-experience purposes, the affordability discussion cannot be limited to "tuition." Mandatory fees affect students in the same practical way tuition does. For families, the bill is the bill.

For UofL, the administrative-bloat review should ask:

-How much of the tuition-and-fee increase is tied to instruction versus athletics, student experience, debt service, or central administration?

-How much has institutional support grown over 10 and 15 years?

-How much has student services spending grown relative to enrollment and graduation outcomes?

-How many administrative and professional staff positions (with salaries, including salaries)  have been added compared to full-time faculty?

-How much does UofL spend on executive leadership, communications, strategic initiatives, compliance, and non-instructional student-life programming?

-How much mandatory-fee revenue is used for services that are not direct instruction?

-How much of the operating-expense growth is unavoidable inflation, and how much is discretionary expansion?

The UofL-specific conclusion should be similar to UK's but with special attention to fees: UofL's affordability review should track tuition and mandatory fees together, because student fees can become a politically easier way to fund non-instructional institutional priorities.

# IX. What the Data Likely Shows

A full empirical answer requires pulling 10-, 15-, and 20-year IPEDS trendlines for UK, UofL, Kentucky's regional universities, and national peer institutions. But the data framework already points toward several likely findings.

First, recent tuition increases are often modest in nominal terms and may be close to inflation. This is especially true in states with tuition caps or political pressure against large increases.

Second, long-term tuition growth cannot be explained by inflation alone. If inflation were the primary explanation, inflation-adjusted tuition would not show the long-term increase documented nationally.

Third, administrative bloat is not one line item. It is a pattern: institutional support, student services, academic administration, auxiliary enterprises, compliance, executive management, facilities, and fees growing faster than instruction, enrollment, or outcomes.

Fourth, mandatory fees deserve the same scrutiny as tuition. A university can claim tuition restraint while shifting costs into fees, housing, dining, parking, technology charges, athletics fees, student-activity fees, or program fees.

Fifth, research universities require special scrutiny because their budgets mix education, research, health care, athletics, auxiliaries, grants, restricted funds, and public-service missions. A large consolidated budget does not automatically prove bloat, but it does require disaggregation.

# X. Recommended Oversight Standard

Kentucky should require each public university to submit an annual Tuition Justification and Administrative Cost Report before tuition or mandatory-fee increases are approved.

1. The report should include:
2. A 15-year trend of tuition, mandatory fees, room, board, and total cost of attendance.
3. A 15-year inflation-adjusted tuition trend.
4. A 15-year comparison of tuition growth, CPI growth, Kentucky median household income growth, state appropriations per student, and student debt.
5. IPEDS spending by function: instruction, research, public service, academic support, student services, institutional support, operation and maintenance, scholarships, auxiliary enterprises, hospitals, and independent operations.
6. Staffing by category: full-time faculty, part-time faculty, executive/administrative/managerial staff, professional staff, clerical staff, technical staff, service staff, graduate assistants, and all other categories.

7. A list of all positions (including salaries, with contractual positions) with “president,” “provost,” “vice president,” “associate vice president,” “assistant vice president,” “vice provost,” “associate provost,” “assistant provost,” “chief,” “dean,” “associate dean,” “assistant dean,” “executive director,” or “strategic initiative” in the title.
8. A calculation of instructional spending as a percentage of tuition revenue.
9. A calculation of institutional support and student services spending as a percentage of tuition revenue.
10. A mandatory-fee schedule showing the purpose, amount, statutory or board authority, and fund destination for each fee.
11. A debt-service schedule for education and general facilities, auxiliaries, athletics, housing, dining, and student-life facilities.
12. A statement identifying which portion of any proposed tuition increase is attributable to inflation, compensation, benefits, utilities, debt service, compliance, instruction, student aid, facilities, administration, or new programs.
13. A certification that the institution reviewed administrative reductions, consolidation, shared services, program elimination, hiring freezes, and executive-compensation restraint before requesting additional tuition or fee authority.
14. Adopt legislation for better review and clarity for intentional mission focused research.

## Data Sources and Method

| Source | What it measures | Why it matters | Primary limitation |
|---|---|---|---|
| CPE | Kentucky tuition and mandatory-fee ceilings; state policy framework. | Shows what Kentucky institutions are legally allowed to charge resident undergraduates. | Ceilings do not explain internal spending choices. |
| IPEDS Finance | Revenues, expenses by function, scholarships/fellowships, assets/liabilities. | Allows apples-to-apples comparisons of instruction, research, institutional support, student services, and academic support. | Functional categories are broad and may hide important subcategories. |
| IPEDS Human Resources | Staff counts by occupational category, full-time/part-time status, and FTE calculations. | Allows comparison of instructional staff, management, professional staff, office support, IT, and other categories. | Job titles and actual functions can vary across campuses. |
| College Board / IPEDS | National tuition trends adjusted for inflation. | Separates nominal increases from real increases. | Averages can mask state and institutional differences. |
| Chronicle / WSJ reporting | Narrative evidence, case studies, and expert framing. | Identifies operational mechanisms behind administrative growth. | Articles are not substitutes for audited institutional data. |

## What Counts as Administrative Bloat?

For this paper, administrative bloat means the growth of non-instructional administrative spending, non-instructional staffing, and managerial/professional layers beyond what is necessary to operate the university, satisfy legal obligations, support students, and improve measurable educational outcomes.

| Category | Include in administrative-bloat analysis? | Reasoning |
|---|---|---|
| Institutional support | Yes - core category | This is the cleanest IPEDS spending proxy for central administration, executive management, finance, legal, HR, general administration, and institutional operations. |
| Student services | Yes - contextual category | Advising, admissions, enrollment management, counseling, career services, residence-life support, student activities, and similar functions can be necessary, but rapid growth can become an amenities-and-services arms race. The Chronicle specifically links professional-staff growth to student services and expectations. [9] |
| Academic support | Yes - contextual category | Includes support services tied to instruction, research, and public service. Some growth may be libraries, instructional technology, curriculum support, and academic administration; some may be duplicative dean/associate-dean structures. |
| Management occupations | Yes - staffing proxy | IPEDS HR management FTE helps track layers of supervisory and executive capacity relative to instructional staff and enrollment. [4] |
| Business/financial, office/admin, IT, compliance, legal, communications | Yes - staffing proxy when available | These categories often capture back-office and professional staff. They are not inherently wasteful, but growth should be benchmarked against enrollment, instruction, and outputs. |
| Research staff and grant-funded research administration | Use caution | Research universities appear administratively heavy because large research enterprises require grant compliance and technical staff. Counting all research-related staff as bloat can distort the analysis.Better information is needed for direct accountability of 1.) Research purpose and 2.) What is the point? |
| Hospitals, auxiliaries, athletics, housing, dining | Separate track | IPEDS core expenses generally exclude auxiliaries, hospitals, and independent operations. These may still affect public trust and student charges, but they should not be mixed into core academic expense ratios without adjustment. [3] |

The recommended test is not “faculty versus everyone else.” A better test is whether non-instructional spending and staffing are growing faster than enrollment, degrees, retention, instructional spending, classroom capacity, student support outcomes, and legally required compliance workload.

# National Findings

## 1. Inflation alone does not explain long-run tuition growth.

College Board's 2024 Trends report is the cleanest national summary because it adjusts prices to constant 2024 dollars. It reports that average published tuition and fees at public four-year institutions increased from $5,740 in 1994-95 to $11,610 in 2024-25 after adjusting for inflation. In other words, the long-run increase was not merely inflation. [5]

However, the same report shows that the inflation-adjusted public four-year tuition peak occurred before the most recent period: between 2014-15 and 2024-25, average published in-state tuition and fees at public four-year institutions declined by $530, or 4%, in 2024 dollars. [5] That distinction matters: long-run real increases are real, while recent annual increases may be moderated by caps, politics, discounting, and post-pandemic enrollment pressures.

## 2. Administrative growth is real, but the composition matters.

IPEDS HR data are designed to measure staff by employment status and occupational category. In the 2024 UK DFR methodology, FTE staff equals full-time staff plus one-third of part-time staff, and the categories include instructional staff, research staff, public service staff, instructional support staff, management staff, and other occupations. [4] Nationally, Cleveland Fed analysis of IPEDS data found that faculty were the largest pre-2013 employee group, but faculty still represented only about 40% of total employees in 2011. [7]

The Chronicle's reporting underscores why the issue is not simple. It identifies several forces behind administrative growth: student demand for more services and amenities, mental-health and career support, professional advising, admissions and enrollment complexity, and support for academically underprepared students. [9] Those functions may be defensible individually, but the accumulation creates a larger administrative apparatus that must be paid for by tuition, fees, appropriations, grants, auxiliaries, or cross-subsidies.

## 3. The causal chain is mixed: tuition rises because costs rise, but costs also rise because institutions expand scope.

The WSJ article supplied for this paper frames the public concern directly: flagship universities raise tuition while expanding spending on buildings and programs. [12] That framing is important because families experience the university as one bill, even when the underlying accounting separates tuition, mandatory fees, housing, food, auxiliaries, debt, scholarships, research, and hospital operations.

The best interpretation is that tuition is an output of an institutional cost model. Inflation raises baseline costs. State funding changes shift who pays. But administrative and programmatic expansion determines how much cost pressure the institution chooses to absorb, reduce, defer, or pass on. Administrative bloat is therefore better understood as a structural amplifier of tuition pressure rather than the only cause.

# Recommended Administrative-Bloat Dashboard

The following dashboard should be built for each institution, using a 10- to 15-year trend and peer comparison. The key is to track ratios, not just dollars, because research universities can grow in enrollment, grants, and complexity.

| Metric | Formula | Data source | Interpretation |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Administrative expense per FTE | (Institutional support + selected student services + selected academic support) / 12-month FTE | IPEDS Finance + 12-month Enrollment | Rising faster than inflation and instructional spending suggests administrative expansion. |
| Administrative share of core expenses | Administrative proxy expenses / total core expenses | IPEDS Finance | Shows whether administration is consuming a larger slice of the academic mission budget. |
| Instructional priority ratio | Instruction expenses / administrative proxy expenses | IPEDS Finance | Declining ratio signals resources moving away from instruction. |
| Management density | Management FTE / instructional staff FTE | IPEDS HR | Shows growth in managerial layers relative to teaching capacity. |
| Professional-staff density | Non-instructional professional FTE / student FTE | IPEDS HR | Captures advising, compliance, IT, student services, communications, and other professional staff. |
| Student-services growth test | Student services expense per FTE vs. retention/graduation/career outcomes | IPEDS Finance + institutional outcomes | Distinguishes support that improves outcomes from service proliferation. |
| Mandatory-fee pressure | Mandatory fees per student and fee-funded unit spending | CPE/institution schedules | Tracks whether fee-funded activities are replacing tuition discipline. |

# Kentucky Research Universities: UK and UofL

## CPE ceiling context

For AY 2025-26 and AY 2026-27, CPE capped resident undergraduate tuition and mandatory fee increases at the research universities - UK and UofL - at no more than $675 across the two years, with no more than $450 in either year. If institutions use the maximum allowed increases, CPE estimated an average system increase of 3.8% in 2025-26 and 1.9% in 2026-27, or 5.7% over two years. [13] UK's FY27 tuition presentation restates the same ceiling as no more than $675 or 5.0% over two years and no more than $450 or 3.3% in any one year. [14]

This ceiling matters because it means the resident undergraduate sticker price at UK and UofL is constrained by statewide policy. A tuition increase within the cap does not automatically prove administrative bloat. But a tuition increase within the cap also does not disprove administrative bloat. The relevant question is whether internal cost growth forced the institution to use the cap, and whether administrative or non-instructional units were prioritized over instruction, affordability, or need-based aid.

## University of Kentucky

UK's own tuition schedule states that effective fall 2025, full-time undergraduate students enrolled on the UK Campus are assessed mandatory fees capped at $717.50 per term. [15] UK also reports that FY 2024-25 was the eighth year Kentucky used performance-funding models, that the public university model uses student-success metrics, and that the 2024 General Assembly increased the university performance funding pool to $81.9 million for FY 2024-25. [17]

For administrative-bloat analysis at UK, the highest-value next step is not another topline budget number; it is a functional-spending and workforce reconciliation. The legislature and public should ask UK to provide a 10-year trend for institutional support, student services, academic support, instruction, mandatory fees,

management FTE, business/financial operations FTE, office/admin support FTE, IT FTE, communications/government relations FTE, and all vice-presidential/dean/associate-dean units. The data should be reported per 12-month FTE student and as a share of core expenses, with auxiliaries, health care, and grant-funded research shown separately.

### University of Louisville

UofL's published 2026-27 annual undergraduate cost page lists tuition and fees for on-campus Kentucky and Southern Indiana residents at $13,614. With the listed room and meal assumptions, the on-campus total is $26,388 before books and supplies. [16]

For UofL, the same administrative-bloat dashboard should be applied, but with particular care in separating academic core spending from medical, research, and auxiliary operations. UofL's research and health-related structure can make broad "administrator" counts misleading unless staff are classified by function and funding source. The proper question is whether administrative and student-services growth has improved measurable student outcomes or simply increased the fixed cost structure that must be recovered from tuition, fees, grants, state funds, and other revenue.

## Policy Implications

### Do not accept "inflation" as a complete explanation.

Inflation can justify some cost pressure, especially in salaries, benefits, utilities, insurance, and technology. But because public four-year tuition rose substantially in real terms over 30 years, inflation cannot be the full explanation. [5]

### Require functional-spending transparency before approving tuition increases.

Universities seeking tuition or mandatory-fee increases should produce a standardized 10-year table showing instruction, research, public service, academic support, student services, institutional support, O&M, scholarships/fellowships, auxiliaries, hospitals, and debt-related costs.

### Separate necessary student support from administrative expansion.

Mental-health counseling, disability services, financial aid, advising, and career services may be legitimate student supports. But the test should have outcomes. If student-services spending rises, universities should show whether retention, completion, time-to-degree, job placement, or student need indicators improved.

### Audit management layers and high-salary administrative units.

IPEDS functional categories are too broad to answer the public's question. Institutions should publish an organizational-layer report showing presidents, provosts, vice presidents, associate/assistant vice presidents, deans, associate/assistant deans, directors, executive directors, chiefs of staff, special assistants, and communications/government-relations staff.

### Tie tuition requests to affordability offsets.

When a university seeks the maximum allowed tuition increase, it should identify administrative savings, program consolidations, fee reductions, or need-based aid offsets. Otherwise, tuition setting becomes a ratchet: every cost increase becomes a student charge.

## Suggested Oversight Questions

**1.)** Please provide 10-year IPEDS functional expense trends for instruction, academic support, student services, institutional support, operation and maintenance of plant, scholarships/fellowships, and other core expenses, both total and per 12-month FTE student.

**2.)** Over the same period, how many FTE employees were classified as instructional staff, management, business/financial operations, office/administrative support, computer/IT, communications, legal/compliance, student services, academic advising, and institutional research?

**3.)** Which administrative categories grew faster than enrollment, instructional spending, and degree production?

**4.)** What portion of the proposed tuition or mandatory-fee increase is attributable to salaries and benefits, utilities, debt service, student services, institutional support, and compliance?

**5.)** For every student-services or academic-support unit that increased spending, what measurable student outcome improved?

**6.)** What administrative units or positions were eliminated, consolidated, or reduced before students were asked to pay more?

**7.)** How much revenue is generated from mandatory fees, which offices spend that revenue, and what student role exists in approving or reviewing those fees?

**8.)** How does the institution distinguish grant-funded research administration from tuition-funded administration?

**9.)** What is the ratio of instructional spending to institutional support spending, and how does that compare with peers?

**10.)** If the institution used the maximum CPE ceiling, why was the maximum necessary?

## Conclusion

The strongest evidence supports a disciplined middle position. Inflation is real, but it is not enough. Administrative bloat is real, but it must be defined precisely. A serious review should not count every non-faculty employee as waste; nor should it allow universities to hide every administrative expansion behind complexity, compliance, or student support. The right test is whether non-instructional spending and staffing have grown faster than students, instruction, and outcomes. If they have, then tuition increases are not merely inflationary adjustments. They are also the price of institutional choices.

For UK and UofL, the immediate policy task is to require a public, standardized administrative-bloat dashboard before future tuition and mandatory-fee approvals. CPE already controls the ceiling. The next step is to make institutions prove that every dollar below that ceiling is necessary, mission-related, and tied to measurable student value.

# Appendix A: Citation Index

**[1] IPEDS / NCES.** IPEDS is the federal postsecondary data system used by institutions, policymakers, and students; DFRs draw from institutional submissions. https://nces.ed.gov/ipeds/dfr/2024/ReportHTML.aspx?unitId=157085

**[2] IPEDS Finance.** IPEDS Finance collects revenues, expenses by function, assets and liabilities, and scholarships/fellowships. https://nces.ed.gov/ipeds/survey-components/2

**[3] IPEDS DFR definitions.** IPEDS core expenses include instruction, research, public service, academic support, student services, institutional support, scholarships/fellowships, and other core expenses, while excluding auxiliaries, hospitals, and independent operations. https://nces.ed.gov/ipeds/dfr/2024/ReportHTML.aspx?unitId=157085

**[4] IPEDS HR DFR definition.** IPEDS full-time-equivalent staff by occupational category sums full-time staff plus one-third of part-time staff and includes categories such as instructional, research, public service, instructional support, management, and other occupations. https://nces.ed.gov/ipeds/dfr/2024/ReportHTML.aspx?unitId=157085

**[5] College Board, Trends in College Pricing and Student Aid 2024.** Inflation-adjusted public four-year tuition and fees rose from $5,740 in 1994-95 to $11,610 in 2024-25; public four-year tuition and fees declined 4% in real dollars from 2014-15 to 2024-25. https://research.collegeboard.org/media/pdf/Trends-in-College-Pricing-and-Student-Aid-2024-ADA.pdf

**[6] NCES Condition of Education.** NCES reports national postsecondary expense data by sector and function. https://nces.ed.gov/programs/coe/indicator/cue/postsecondary-institution-expense

**[7] Cleveland Fed / IPEDS employment analysis.** Hinrichs finds faculty were the largest IPEDS pre-2013 employee group but still only about 40% of total employees in 2011. https://www.clevelandfed.org/publications/economic-commentary/2016/ec-201605-trends-in-employment-at-us-colleges-and-universities

**[8] Cleveland Fed / IPEDS expenditure analysis.** Hinrichs analyzes national expenditure trends using IPEDS and discusses differences from Delta Cost Project methods. https://www.clevelandfed.org/publications/economic-commentary/2016/ec-201610-trends-in-expenditures-by-us-colleges-and-universities

**[9] Chronicle of Higher Education, 5 Forces That Drive Administrative Bloat.** The Chronicle identifies professional-staff hiring, student services, advising, admissions/enrollment complexity, and competitive amenities as key drivers. https://www.chronicle.com/article/5-forces-that-drive-administrative-bloat/

**[10] Chronicle of Higher Education, Despite Sky-High Inflation.** The Chronicle reported that out-of-pocket tuition costs rose 2.79% over a 12-month period while economy-wide prices rose 8.3%. https://www.chronicle.com/article/despite-sky-high-inflation-no-sign-yet-of-surging-tuition-costs

**[11] Chronicle of Higher Education, Why Your University Has So Many Administrators.** Zeppos frames the problem as a puzzle: teaching is labor-intensive, but back-office functions should be getting cheaper. https://www.chronicle.com/article/why-your-university-has-so-many-administrators

**[12] Wall Street Journal.** The requested WSJ article frames the public concern as flagship universities increasing tuition while expanding spending on buildings and programs. https://www.wsj.com/us-news/education/state-university-tuition-increase-spending-41a58100

**[13] Kentucky CPE tuition ceilings.** CPE capped UK and UofL resident undergraduate tuition and mandatory fee increases at no more than $675 over AY 2025-26 and AY 2026-27, with no more than $450 in either year. https://cpe.ky.gov/news/stories/cpe-board-approves-tuition-ay2026-ay2027.html

**[14] University of Kentucky FY27 tuition presentation.** UK's FY27 presentation restates the CPE ceiling as no more than $675 or 5.0% over two years and no more than $450 or 3.3% in any one year. https://www.uky.edu/trustees/sites/www.uky.edu.trustees/files/BOT%20FY27%20Tuition%20and%20Fees%204-19-26.pdf

**[15] University of Kentucky tuition and fees.** UK's 2025-26 tuition page states full-time undergraduate students on the UK Campus are assessed mandatory fees capped at $717.50 per term. https://studentaccount.uky.edu/2025-26-tuition-and-fees

**[16] University of Louisville tuition and fees.** UofL's 2026-27 annual undergraduate tuition and fees list Kentucky and Southern Indiana resident tuition and fees at $13,614, with on-campus room and meal assumptions bringing total listed charges to $26,388 before books. https://louisville.edu/cost-aid/undergraduate-scholarships-aid/annual-undergraduate-tuition-fees

**[17] UK State and Student Support.** UK states FY 2024-25 was the eighth year Kentucky used performance funding, and that the 2024 General Assembly increased the university performance funding pool to $81.9 million. https://ubo.uky.edu/budget/state-and-student-support

**[18] Robert Kelchen.** Kelchen argues the administrative-bloat question is more complicated than a simple explosion of high-level administrators and notes growth in low- and mid-level academic support and student services staff. https://robertkelchen.com/2018/05/10/is-administrative-bloat-a-problem/