

# NASFAA's quickscan survey results

January 15, 2010

## Budget Cuts

### **Financial Aid Offices Face Budget Cuts and Increasing Workload**

The majority of college financial aid offices have seen cuts to their operating budgets this year compared to the 2007-08 academic year when the recession began, according to the National Association of Student Financial Aid Administrator's latest QuickScan Survey.

Sixty-two percent of financial aid offices reported operating budget cuts this year and 22 percent reported that their operating budgets were cut by 11 percent or more. Seven percent said they expected budget cuts later this year. Another 30 percent received level funding through the recession and only 5 percent reported an increase in their operating budget.

Many financial aid offices face level or reduced funding as their workload increases due to record numbers of financial aid applicants, awards, and appeals ([www.nasfaa.org/publications/2009/rqssverification120709.html](http://www.nasfaa.org/publications/2009/rqssverification120709.html))

"Financial aid administrators are being forced to do more with less," NASFAA Interim President Joan Crissman said. "As we continue reforming the federal student aid programs to better work for students, it is vital that we do so with an eye towards reducing administrative burdens on institutions, which ultimately leads to fewer costs for students."

Financial aid offices at every type of higher education institution (public, private, nonprofit, for profit, two-year, and four-year) seem to have been equally susceptible to budget cuts in recent years. There were no significant differences in the frequency or severity of budget cuts between institution types.

Survey respondents were split on how budget cuts were implemented. Most (41 percent) said their school implemented budget cuts across the board, while 34 percent said budget cuts happened on an office by office level.

Financial aid offices with budget cuts have implemented a variety of strategies to cut costs. Reducing staff travel is the most common strategy with 61 percent of survey respondents cutting travel. Other common strategies include: reducing office supply and equipment expenses (56 percent); forgoing salary or cost of living increases (51 percent); reducing staff training (32 percent); and implementing hiring freezes (33 percent).

Other strategies reported by survey respondents, include:

- Gaining efficiencies through increased automation of processes and communications
- Deferring projects
- Relying on efficiencies and costs savings from previous years to balance out cuts recently implemented.
- Reducing office hours

## Future Budget Outlooks

The outlook for 2010-11 academic year budgets varied widely by institution type with for profit institutions having the brightest outlook and public institutions facing the toughest budgets:

- **four-year, public institutions** - 42 percent expect cuts in future budgets, 20 percent expect level funding and only 2 percent expect a budget increase; 36 percent didn't yet know
- **two-year, public institutions** -33 percent expect cuts in future budgets, 22 percent expect level funding and only 6 percent expect a budget increase; 38 percent didn't yet know
- **private, nonprofit institutions** - 14 percent expect budget cuts, 39 percent expect level funding and 7 percent expect a budget increase; 39 percent didn't yet know
- **for profit institutions** – Only 3 percent expect budget cuts, 50 percent expect level funding and 29 percent expect a budget increase; 18 percent didn't yet know
- **graduate and professional institutions** - 19 percent report cuts, 36 percent report level funding and 9 percent report a budget increase; 34 percent didn't yet know

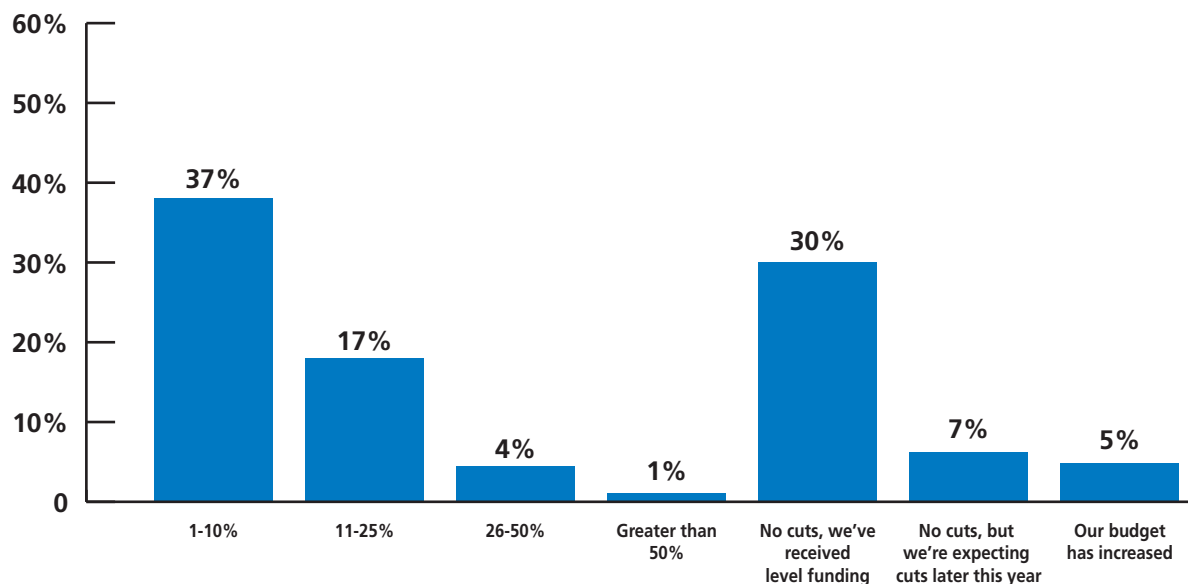
Overall, financial aid offices were generally split between having budget cuts (25 percent) or level funding (31 percent) for the 2010-11 academic year. Nearly 40 percent said their future budgets were unknown. Only 7 percent said they expected a budget increase in the coming year.

## The Numbers

By what percentage has your office's operating budget been cut in 2009-10 from before the recession began in 2007-08?

Answer	Percentage	Number
1-10 percent	37 %	291
11-25 percent	17 %	137
26-50 percent	4 %	33
Greater than 50 percent	1 %	4
No cuts, we've received level funding	30 %	236
No cuts, but we're expecting cuts later this year	7 %	55
Our budget has increased	5 %	41

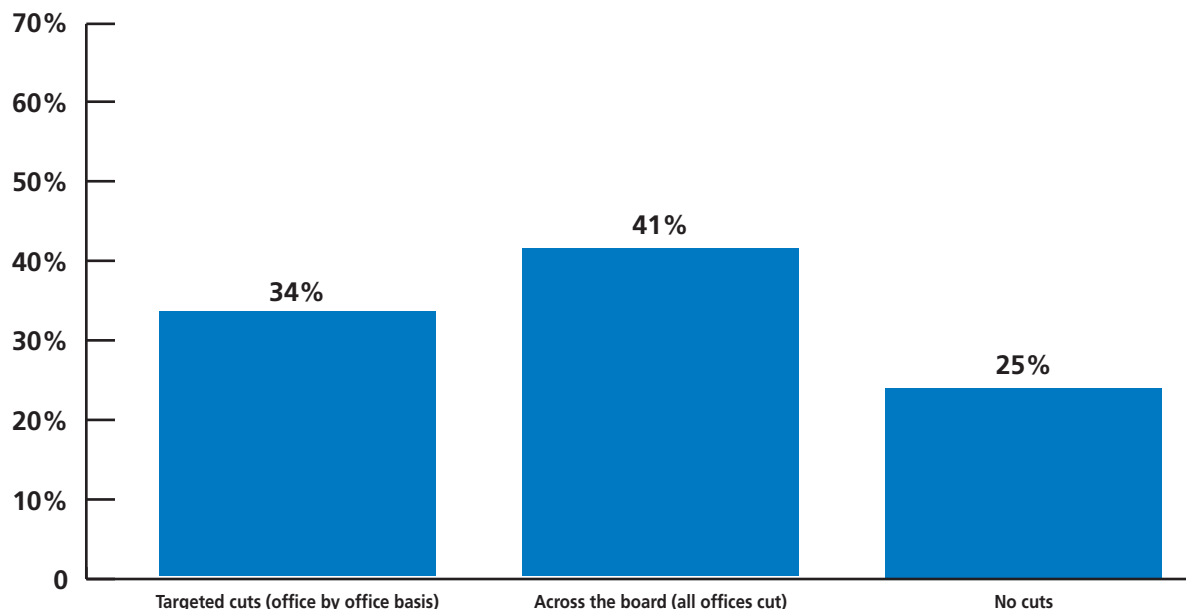
Number of Respondents: 797



**If your school has implemented budget cuts, have the cuts been implemented on an office-by-office basis or across the board?**

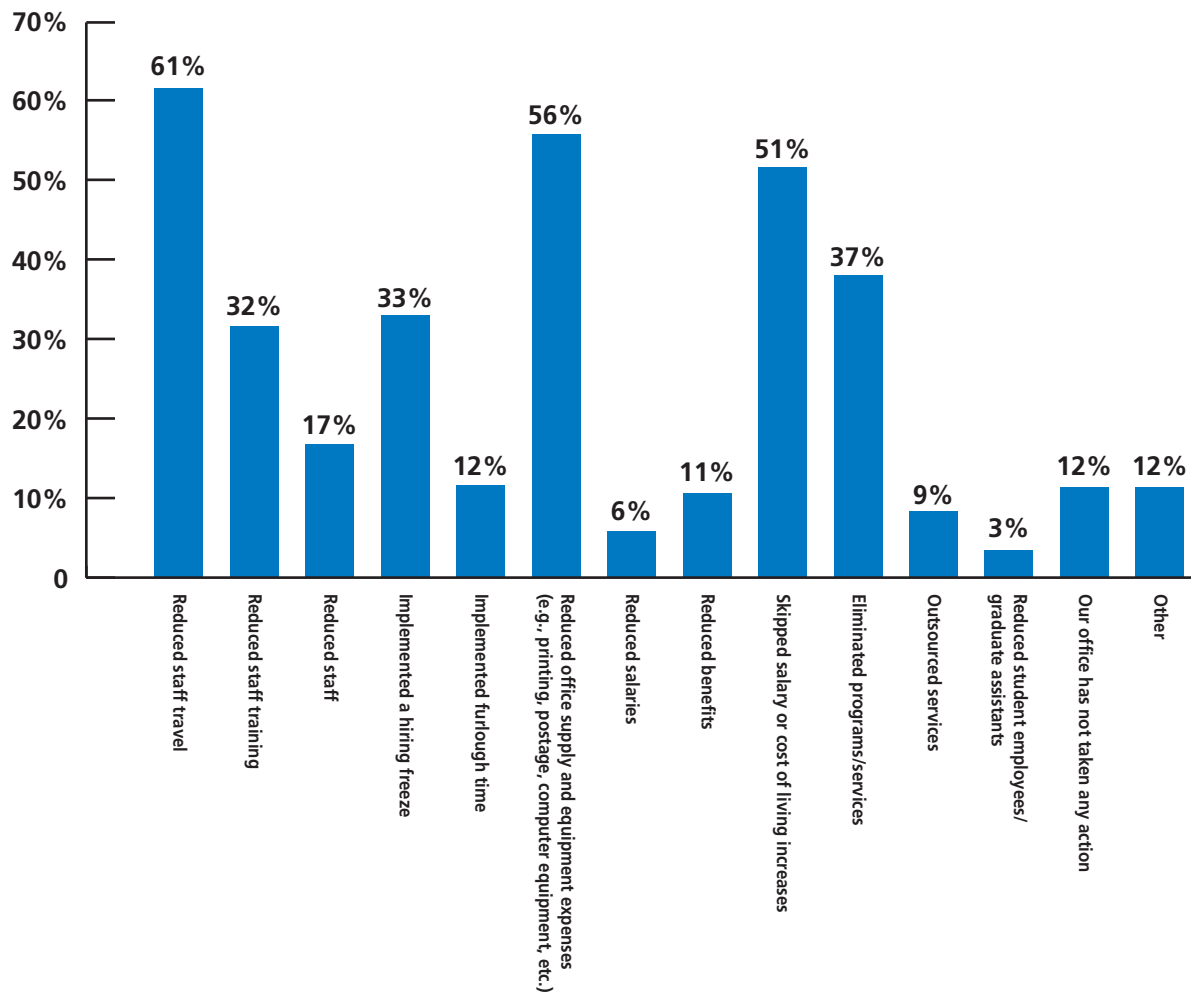
Answer	Percentage	Number
Targeted cuts (office by office basis)	34 %	267
Across the board (all offices cut)	41 %	328
No cuts	25 %	202

Number of Respondents: 797



**What actions has your office taken to deal with recession? (Mark all that apply)**

Answer	Percentage	Number
Reduced staff travel	61 %	489
Reduced staff training	32 %	259
Reduced staff	17 %	135
Implemented a hiring freeze	33 %	265
Implemented furlough time	12 %	92
Reduced office supply and equipment expenses (e.g., printing, postage, computer equipment, etc.)	56 %	444
Reduced salaries	6 %	44
Reduced benefits	11 %	88
Skipped salary or cost of living increases	51 %	403
Eliminated programs/services	9 %	71
Outsourced services	3 %	21
Reduced student employees/graduate assistants	12 %	96
Our office has not taken any action	12 %	98

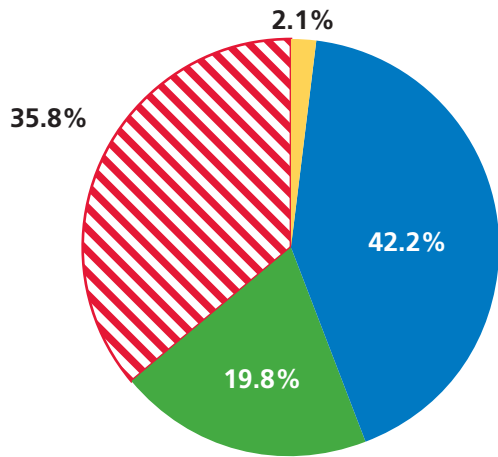


**Will your 2010-11 budget increase, decrease, or remain level when compared to your 2009-10 budget?**

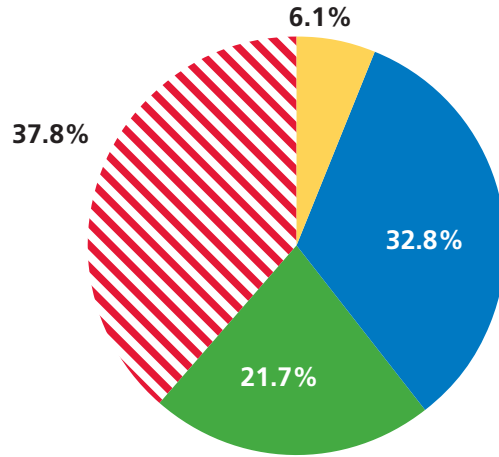
Answer	Percentage	Number
Increase	7 %	55
Decrease	25 %	198
Remain Level	31 %	245
Unknown	37 %	290

Number of Respondents: 788

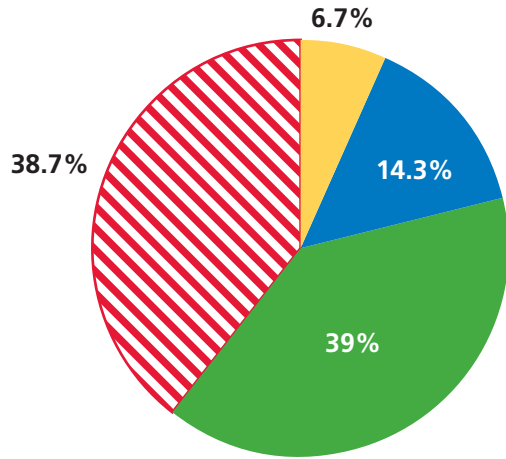
**4-Yr Public**



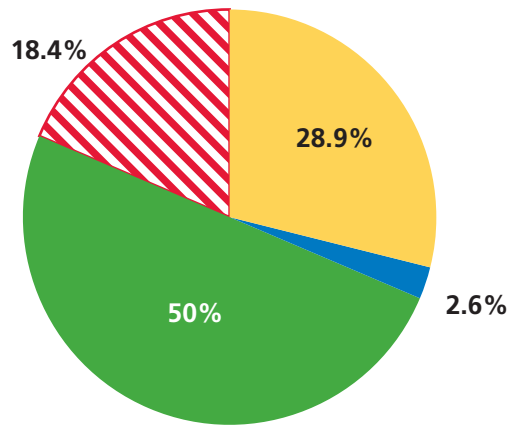
**Public 2-Yr**



**Private Nonprofit**



**For-Profit**



**Graduate/Professional**

