# A Scan of Our Changing Environment, 2004-2005

By the 2004-2005
NASFAA Research Committee

N·A·S·F·A·A
NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

# Acknowledgments

This Environmental Scan was sponsored by the 2004-2005 Research Committee of the National Association of Student Financial Aid Administrators (NASFAA). Members of the Committee include: Ms. Bonnie C. Joerschke (Purdue University, West Lafayette, IN, and Committee Chair); Mr. Ronald G. Allan (Georgetown University, Washington, DC); Mr. Irvin W. Bodofsky (State University of New York Upstate Medical University, Syracuse, NY); Dr. Thomas Melecki (National Student Loan Program, Lincoln, NE); Mr. Richard Eddington Shipman (Michigan State University, East Lansing, MI); Dr. Barry W. Simmons, Sr. (Virginia Polytechnic Institute and State University, Blacksburg, VA); Ms. Alisa F. Cunningham (Institute for Higher Education Policy, Washington, DC, and Committee Advisor); and Mr. John K. Curtice (State University of New York, Albany, NY, and Commission Director).

Additional comments and suggestions on the Environmental Scan were provided by members of the 2003-2004 Research Committee, whose members included: Ms. Colleen R. MacDonald (Stanford University Graduate School of Business, Palo Alto, CA, and Committee Chair); Mr. Ronald G. Allan (Georgetown University, Washington, DC); Mr. Irvin W. Bodofsky (State University of New York Upstate Medical University, Syracuse, NY); Ms. Ruth Carolin (Ohio State University, Columbus, OH); Mr. Albert G. Hermsen (University of Michigan, Ann Arbor, MI), Ms. Stacey R. McCorison (Duke University School of Medicine, Durham, NC); Dr. Thomas Melecki (National Student Loan Program, Lincoln, NE); Mr. Anthony M. Spano (University of Oklahoma Health Sciences Center, Oklahoma City, OK); Ms. Alisa F. Cunningham (Institute for Higher Education Policy, Washington, DC, and Committee Advisor); and Mr. Michael J. Bennett (Brookdale Community College, Lincroft, NJ, and Commission Director).

The Research Committee would like to thank Kenneth Redd, NASFAA's Director of Research and Policy Analysis, who compiled the information used for this report.

• • • • •

For further information on the Environmental Scan, contact Kenneth Redd at (202) 785-0453, ext. 138 or by e-mail at *reddk@nasfaa.org.*

# Contents

# List of Figures and Tables

# Introduction

Debt, debt, and more debt. Borrowing levels by the federal government, most state governments, and American citizens have hit record levels over the past few years. Due primarily to federal tax cuts, a slowing economy, and expenses for the "War on Terror," the federal budget faced a deficit of $521 billion at the start of fiscal year (FY) 2004. At about the same time, the 50 states collectively faced budget deficits totaling roughly $21.5 billion. And, even more ominously, the collective amount of total debt from credit cards, car loans, and other forms of consumer financing rose from $1.7 trillion in January 2001 to more than $2 trillion in February 2004.

How will this collective debt affect future appropriations for higher education, particularly with the upcoming reauthorization of the Higher Education Act? Will the emphasis on war and homeland security divert attention from federal support for postsecondary education and student financial aid? How will support for higher education and student aid at the state government level be affected by current events? And how will the environments for financial aid administrators and NASFAA be influenced by these events?

This "Environmental Scan," developed by the Research Committee of the National Association of Student Financial Aid Administrators (NASFAA), is designed to review and analyze the internal and external events and trends that may affect our future. The Scan is particularly timely now that the Association will soon begin writing and implementing a new five-year strategic plan; this is a good time to analyze events and activities from external and internal sources that may affect progress on the new strategic plan. In the future, the Research Committee will update the Environmental Scan periodically to keep NASFAA members apprised of the political, economic, and other conditions and events that may shape our future.

This Environmental Scan is designed to review and analyze the internal and external events and trends that may affect our future

The Research Committee used a variety of sources to complete this Environmental Scan, including: past surveys of the NASFAA membership; formal and informal communications from the Association's Board of Directors and other leaders; data from state and federal sources that examine changes in total government revenue and expenditures generally and higher education spending specifically; and reports from the news media and other sources that gauge the public's views on higher education and other events that affect our lives.

Given the complexities of today's world, the multiplicity of factors that influence the students we serve, the institutions for which we work, and the professional associations to which we belong, it is difficult to know where to begin. But every activity has to start somewhere, so we have chosen to begin by examining some of the political and economic realities that are likely to affect us at the federal and state levels in the years ahead. Next, the focus moves to the financial realities that might influence our students and other education consumers, followed by a look at the rapidly changing characteristics of these consumers. Our examination will then turn to the environment of the education industry, and finally to the environment of the financial aid administrator and of NASFAA itself. While this examination is by no means intended to be complete, we believe it provides enough substance to allow all NASFAA members to think about where we are and where we want to be.

• • • • •

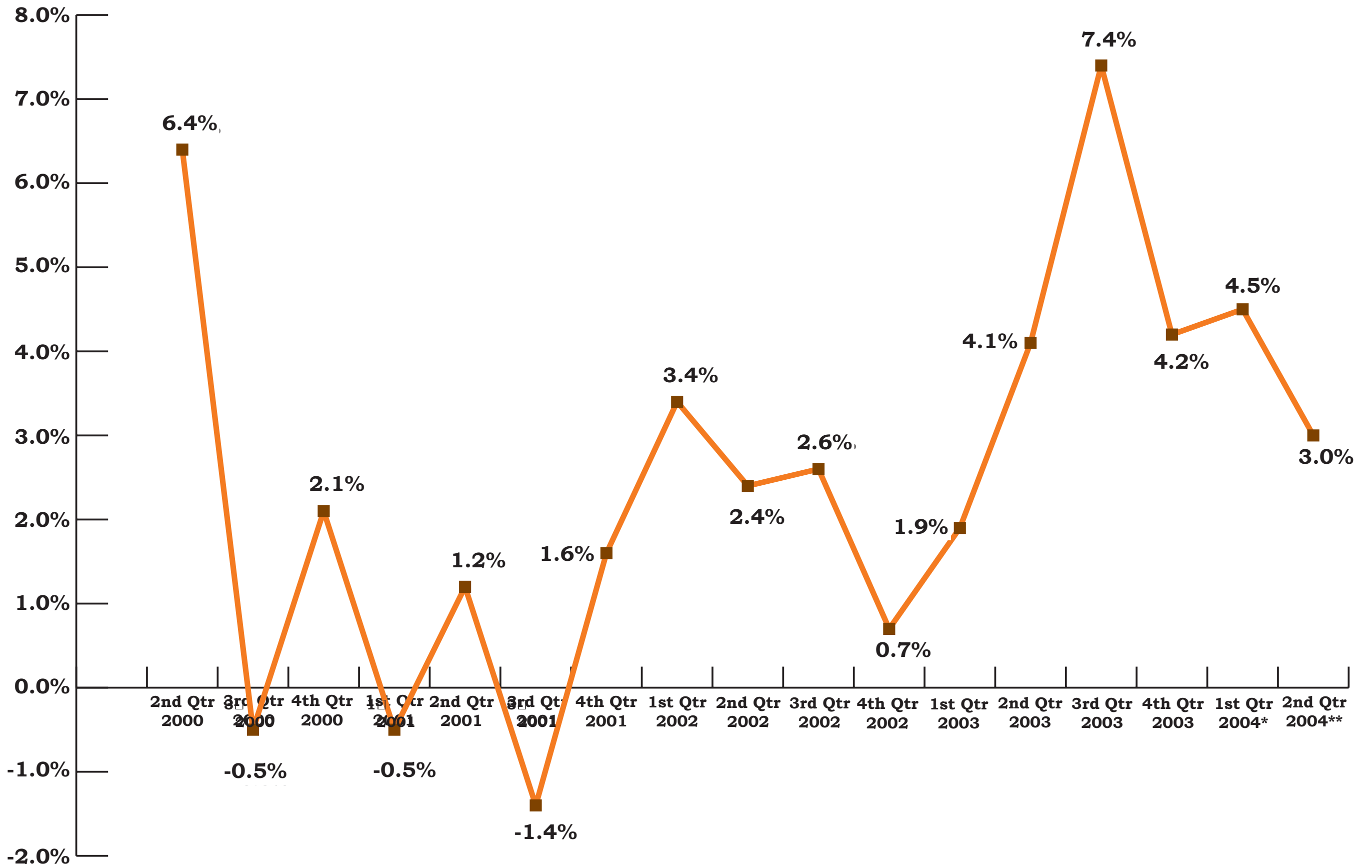
# Financial and Political Realities at the Federal Level

Many of the economic and political trends of the past year can be traced to the tragic events of September 11, 2001. Soon after the terrorist attacks, Congress and President Bush turned their attention to increasing federal spending in an effort to prop up the economy and protect jobs in the airline and other industries most immediately affected by the assaults on the World Trade Center and the Pentagon. The Administration and Congress also began a major focus on domestic security issues. Passage of the USA Patriot Act of 2001 and creation of the Department of Homeland Security are just two examples of the Administration's and Congress' efforts to prevent future horrific acts from occurring on American soil. But the greatest examples of the Administration's anti-terrorism efforts are the continuing wars in Afghanistan and Iraq, both of which show no sign of ending soon.

The economic and political trends of the past year can be traced to the events of September 11, 2001.

Even before the tragic events of September 11 and the beginning of the War on Terror, economic and other factors were threatening to take federal attention and support away from higher education generally and

**Figure 1**
**Inflation-Adjusted Quarterly Percentage Change in U.S. Gross Domestic Product, Second Quarter 2000 to Second Quarter 2004**




*Revised estimate.
**Preliminary estimate.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, *National Income and Products Accounts Second Quarter 2004 GDP* (Advance). BEA News Release, July 30, 2004, Table 1, p. 9.

federal student aid specifically. After several years of rapid economic growth and unprecedented federal government surpluses, Congress and the Bush Administration were faced with a sharp economic downturn. The Bureau of Economic Analysis reports that economic growth, as measured by the Gross Domestic Product (GDP), fell from 6.4% in the second quarter of 2000 to just 2.1% in the fourth quarter of that year (see Figure 1).

The economic situation was worsened by the terrorist attacks. Losses to the airline, tourism, and other industries were in the billions. Reports from the Bureau of Labor Statistics show that 415,000 jobs were lost in October 2001 alone. In 2001, the economy fell into a recession and recovered only modestly in 2002 and the early part of 2003. In roughly the same period, the unemployment rate increased from 4.2% to 6%. The decline in economic activity, combined with the federal tax cuts and income tax rebates Americans received as part of the Economic Growth and Tax Relief Reconciliation Act of 2001, led to much slower growth in federal revenue and the resulting record federal budget deficit.

Fortunately, the national economy appears to be growing again. As Figure 1 shows, GDP jumped 7.4% in the third quarter of 2003, 4.2% in the fourth quarter, and 4.5% in the first quarter of 2004. Federal revenue has also begun to increase and the projected federal deficit has fallen to $445 billion—still a record high, but lower than the initial estimate of more than $500 billion. Further, the unemployment rate has begun to fall slowly. It is possible that our "jobless recovery" in economic activity might turn into a full-fledged period of economic expansion.

The increased appropriations to support the war effort come at the same time as more and more Americans have turned to higher education for job retraining and other purposes.

This good economic news has to be tempered by the fact that economic growth slowed recently, as GDP increased by just 3% in the second quarter of 2004. At the same time, the wars in Afghanistan and Iraq continue to take attention, resources, and—most importantly—lives of American soldiers and Iraqi citizens. In the recently passed Department of Defense appropriations bill, the Congress approved an additional $25 billion to finance military and reconstruction operations in both regions. This supplemental appropriation is in addition to the $87 billion in new funds President Bush requested and Congress approved in 2003. Some experts believe the Armed Forces will need an additional $60 billion or more before the end of 2004 to wage war on both fronts.

The increased appropriations to support the war effort come at the same time as more and more Americans have turned to higher education for job retraining and other purposes. Data from the U.S. Department of Education show that the number of students applying for financial assistance rose from around 11 million in 2001-2002 to nearly 14 million in 2004-2005. The number of students eligible to receive Federal Pell Grants soared 12% from 2001-2002 to 2002-2003, and the Pell Grant shortfall is expected to grow to nearly $3.7 billion during 2004-2005.

## FY 2005 Budget

In spite of these trends, the Bush Administration's top budget goals for FY 2005 and beyond are in areas unrelated to student aid. According to the Office of Management and Budget, the President's FY 2005 spending plan has these three goals:

- Increase defense spending by 7%.
- Increase homeland security appropriations by 10%.
- *Hold the increase in the rest of discretionary spending to 0.5% while continuing to raise funding for the No Child Left Behind elementary/secondary school reforms* [emphasis added].

Additionally, President Bush also promises to fight any efforts to roll back the tax reductions that were passed in 2001, which will make it even harder for NASFAA and the other higher education associations to advocate for the new dollars needed to increase aid for Federal Pell Grants, fund other priorities, and begin new initiatives through the reauthorization of the Higher Education Act.

Meanwhile, federal budget resolutions are at an impasse, and it is unlikely an appropriations bill for federal education programs will be passed before the September 30 deadline. It is likely that at least one continuing resolution will be needed to keep the government in operation into FY 2005. How appropriations for federal student aid might be affected by this stalemate is currently unclear. The good news, however, is that most Americans continue to support the federal student aid programs. According to surveys commissioned by the Student Aid Alliance, 87% of Americans believe that that it is "very important" or "somewhat important" for the federal government to increase funding for financial aid; only health care and Social Security received greater levels of support. Congress certainly needs to be aware of the vital importance most citizens place on student aid funding.

## 2004 Elections

Arguments over the federal budget deficit, domestic spending, tax cuts, the War on Terror, and the economy have left the Congress and electorate bitterly divided. Opinion polls predict that the elections for president and the U.S. House and Senate will once again be very close. The July *Time* magazine poll gave Massachusetts Sen. John Kerry a 46% to 43% lead over President Bush. However, it is still too close and too early to make any predictions in the race for the presidency. Polls further suggest that elections for seats in the House of Representatives and Senate are also too close to predict at this stage.

## Reauthorization of the Higher Education Act

Unfortunately, the reauthorization process appears to be mired in election-year politics and Congressional gridlock. On May 5, the House Committee on Education and the Workforce introduced its reauthorization bill, H.R. 4283, "The College Access and Opportunity Act." The bill is intended to focus the Higher Education Act on its original purposes of increasing access to current and future students and expanding opportunity to those who are underrepresented in higher education. Unfortunately, because of the current economic climate and growing federal deficits, the House Committee is trying to make the bill budget-neutral. The Senate has yet to introduce its reauthorization bill.

The House Committee legislation as introduced includes these key provisions:

- Pell Grant authorization levels would not be increased because they are currently well above the maximum award levels.
- A new program would reward first- and second-year Pell Grant-eligible students who have completed a rigorous "State Scholars" program of study in high school with an additional $1,000 per year.
- Tuition sensitivity provisions in the Pell Grant program would be eliminated.
- The allocations formula used for the three campus-based aid programs would be modified over time to reduce the percentage of dollars distributed to institutions through the conditional guarantee.
- Loan origination fees in the Federal Family Education Loan (FFEL) and Direct Loan (DL) programs would be eliminated, but a 1% fee would be charged to students, comparable to the existing guarantee fee.
- Several provisions would further ensure that FFEL and DL programs operate on a "level playing field."
- Loan limits for first- and second-year students under the FFEL and DL programs would be increased, as would the limit for unsubsidized loans for graduate and professional students.
- The interest rate on all new FFEL and DL loans would be variable and capped at 8.25%.
- The Single Holder Rule would be eliminated.
- Holders of loans would be required to report borrowers' status to all national credit bureaus.
- A new provision would enable borrowers to have an interest-only repayment option for a period of time.
- A single definition for an institution of higher education would be used to allow degree-granting for-profit institutions to compete for other types of non-Title IV aid programs.

- The 90/10 requirement, which requires for-profit institutions to have no more than 90% of their total revenue from federal student aid programs, would be repealed.
- The current 50% limitation on the number of credit hours students can take through distance education instruction would be eliminated.
- All institutions would be required to develop and publish a detailed transfer-of-credit policy.
- The drug provisions would be modified to say that students will be denied federal aid only if they are convicted of a drug offense while receiving Title IV aid.
- The bill reinstates the option for institutions with low federal student loan default rates to be exempt from the 30-day delayed disbursement requirement and the single disbursement loan requirement (the expired provisions).

The House Committee bill includes a number of the student aid proposals that NASFAA's Reauthorization Task Force advanced—such as the reduction of the loan origination fees for students in both the FFEL and Direct Loan programs, and the use of a "fair share" approach for distributing the federal campus-based aid funds to postsecondary institutions. However, NASFAA has asked the Congressional members to consider changes to H.R. 4283 that will provide additional benefits to our students and postsecondary institutions. For example, while the proposed modest increases in federal student loan limits are certainly welcome, the annual and aggregate loan limit changes that have been put forth in H.R. 4102, the "Access and Equity in Higher Education Act," introduced by Rep. Robert Andrews, would provide even greater resources for students and families struggling to meet postsecondary expenses.

Given the deep divides between Democrats and Republicans on Capitol Hill and the close and contentious nature of the coming elections, it is unlikely that the current Congress will complete action on reauthorization.

In his remarks at the NASFAA National Conference in Minneapolis, MN, in July 2004, NASFAA President Dallas Martin said that he believes that a Republican initiative to move reauthorization forward may be put forth before the end of this session of Congress. Dr. Martin predicted that the House of Representatives will continue to conduct hearings on the provisions contained in H.R. 4283, but the bill will not be brought to a vote before the full Committee during this session of Congress.

There is growing speculation that Congress will not pass the Higher Education Act reauthorization bill during this legislative session. House Democrats and Republicans are deeply divided over many of H.R. 4283's provisions, and time is short for them to work out compromises before Congress adjourns for the year. Moreover, the Senate may postpone introduction of its bill until next year. Given the deep divides between Democrats and Republicans on Capitol Hill and the close and contentious nature of the coming elections, it is unlikely that the current Congress will complete action on reauthorization. It is thus very likely that Congress will simply adopt a straightforward one-year extension of the Higher Education Act and the new Congress will start the reauthorization process over next year.

The fragile economic recovery, continuing federal budget deficit, uncertain direction of the presidential and Congressional elections, and the war against terrorism will undoubtedly play prominent roles in federal efforts for higher education and reauthorization of the Higher Education Act. These issues lead to important questions and issues to be considered by NASFAA:

- How can NASFAA help to advocate for future increases for federal financial aid expenditures while the War on Terror continues?
- If federal aid expenditures decline, should NASFAA undertake a course of action that would focus more attention upon state, private, and alternative funding programs?
- Are there new services that NASFAA can provide to institutions, students, and parents to help them more effectively adjust to the new financial and political realities?

• • • • •

# Financial Realities at the State Level

The economic slowdown has had an even more dramatic effect on the budgets of most state governments. Even before the September 11 attacks, many state economies were at or near recession. During 2002 and 2003, revenue declines in several states became severe. The American Association of State Colleges and Universities reports that during 2001, governors from Arizona, Connecticut, Florida, and Nebraska called their legislatures into special sessions to decide how to close budget shortfalls that ranged from $160 million to more than $1 billion. In California, the budget shortfall was more than $30 billion.

Thomas Mortenson of *Postsecondary Education OPPORTUNITY* has identified three additional factors that have hurt states' ability to increase funding for higher education:

- Rapid growth in state expenditures for health care, Medicaid, and corrections—particularly the increase in prison populations. These costs have begun to crowd out all other state-supported activities.
- The inability of states to tax medical, legal, and other services and the use of the Internet. The tax structures used by most states were designed to collect dollars based on the sale of goods. As the economy becomes more service-oriented, and more goods are purchased via the Internet, states will continue to miss out on revenue.
- Many states enacted numerous income tax cuts in the 1990s. These cuts collectively reduced state revenue by $40 billion between 1995 and 2000. Most states have yet to rescind these cuts despite their shrinking tax collections.

A number of states have tried to increase income and sales taxes in order to correct the imbalances and increase education funding. With a few exceptions, these efforts have been defeated. Thus, the revenue shortfalls have hurt many NASFAA-member institutions and the students they serve, as governors and legislators have chosen to cut state appropriations to community colleges and public four-year institutions in order to cover their budget deficits. In Washington state, for instance, the legislature cut $112 million from the state's higher education system in the most recent budget year. In California, new Gov. Arnold Schwarzeneggar's first budget called for reducing state support for higher education by $750 million. In Ohio, state higher education appropriations for fiscal year 2002 were reduced by 1.2%. Georgia's Gov. Barnes ordered all state agencies, including the education department, to slash their spending by 2.5% in FY 2002 and 5% in FY 2003. In total, state funding for higher education dropped 4%, from $62.8 billion in FY 2002 to $60.3 billion in FY 2004.

Revenue shortfalls have hurt many NASFAA-member institutions and the students they serve, as governors and legislators have cut state higher education appropriations.

Most states increased their tuition and fee charges at public institutions in order to compensate for the lost revenue from government sources. According to the College Board's *Trends in College Prices* report, the national average tuition and fee charge at four-year public colleges and universities jumped 14.1% between 2002-2003 and 2003-2004; at community college, average tuition rose 13.8%. Over the past decade, average inflation-adjusted tuition prices at four-year public colleges grew 47%; at four-year private institutions, tuition prices grew 42%, and at community colleges, tuition rose 22% (see Table 1). It is likely that these major jumps in tuition will continue for the foreseeable future. The University of Minnesota, for instance, increased its tuition and fee charges by 14% from 2002-2003 to 2003-2004. Tuition at California's four-year public colleges and universities rose by 14% in 2004-2005 and is set to rise by 8% in 2005-2006.

Without question, these increases have caused a great deal of anxiety among current and prospective college students and their families, many of whom believe that only the wealthiest of families can afford to attend selective institutions. As Adolph Reed, Jr., writes in the *Charlotte Observer,* "Many universities are retreating from their commitments to provide low-cost education for state residents… State schools

**Table 1**
**Weighted Average Tuition and Fee Prices for Full-Time, Full-Year Undergraduates at Postsecondary Education Institutions, 1993-1994 and 2003-2004**

| | 1993-1994 | 2003-2004 | Pct. Change | Pct. Change (Inflation Adjusted) |
|---|---|---|---|---|
| Four-Year Public | $ 2,535 | $ 4,694 | 85.2% | 47.2% |
| Four-Year Private | 11,007 | 19,710 | 79.1% | 42.4% |
| Two-Year Public | 1,245 | 1,905 | 53.0% | 21.6% |

Source: The College Board, *Trends in College Prices, 2003.*

have traditionally been the ladders to good jobs for students from working and middle-class families. But that ladder is no longer standing." An article in the *New York Times* states, "Teenagers from wealthy families are beating out middle- and working-class youngsters, both at top private colleges and flagship state universities whose historic mission of broad access is receding into memory." Due to these concerns, financial aid personnel at NASFAA institutions undoubtedly will face even greater pressures for getting assistance to students from middle- and lower-income families.

In spite of the state revenue shortfalls, state policymakers have made great efforts to increase grant funding for postsecondary education students. From 1992-1993 to 2002-2003, funding for state grant programs jumped 122%. However, much of these new grant funds have been spent on "merit-based" aid programs. A recent study from the National Association of State Student Grant and Aid Programs (NASSGAP) shows that, since 1990, state spending for merit- and other "non-need" aid jumped more than 200%, while need-based grants rose 41%. In total, about one-quarter of the total state grants awarded in 2002-2003 were distributed to students based on their high school grades, SAT scores, or other non-need or "merit" criteria. Merit-based and other non-need scholarships generally have benefited students from middle- and upper-income families. Primary examples of these scholarships are the Georgia HOPE Scholarships, Florida's Bright Futures Scholarships, and Michigan's Merit Awards.

Since 1990, state spending for merit- and other "non-need" aid jumped more than 200%, while need-based grants rose 41%.

The good news is that, like the national economy, a number of states have seen signs of improvement in revenue, as rising employment and business activity have brought increased tax revenue. A report from the National Conference of State Legislatures shows that more than two-thirds of the states expected to finish the 2004 fiscal year with small surpluses. However, not all states are out of the woods of revenue troubles. Maryland, for instance, expects to enter its 2005 legislative session with a deficit of $800 million. In California, the budget deficit may be $16 billion. The fragile recovery in state funding may thus be just a small break in the growing revenue shortfalls that some states may face for years to come.

• • • • •

# Financial Realities Affecting Education Consumers

While the economic slowdown has affected federal and state governments severely, the greatest impact undoubtedly has fallen on consumers. The astronomical rise in consumer debt has come at a time when income growth has been slowing. According to the College Board, the median income of families with a head of household age 45 to 54 (the families most likely to have children of traditional college age) has grown just 10% the past decade. Growing debt and slower income growth have had devastating consequences for many families. According to the *Washington Post,* the number of consumer bankruptcies rose to 1.63 million in 2003, up 6% from the year prior. Further, the average American household now holds $9,200 in credit card debt, and about 4.1% of card holders are 30 days or more delinquent on their card payments. Last year, nearly 9 million consumers sought services from credit counselors or other debt-management agencies.

Rising debt is particularly troubling for college students. Due in part to increasingly high tuition prices, more students have borrowed federal and non-federal loans in order to enroll in college. The total amount borrowed under the major federal student loan programs—Subsidized and Unsubsidized Stafford Loans and PLUS loans from the Federal Family Education Loan and Direct Loan programs and Federal Perkins Loans—jumped nearly 265% in the past ten years, according to the College Board's *Trends in Student Aid* report (see Table 2). In roughly the same time period, non-federal loan volume swelled 466%. The U.S. Department of Education's most recent National Postsecondary Student Aid Study (NPSAS) reveals that nearly 60% of graduates from four-year public and private colleges and universities leave their institutions with federal loan debt. The average amount borrowed by four-year public graduates in 1999-2000 was $15,074, and the average cumulative loan indebtedness for four-year private college bachelor's degree recipients was $16,516.

Current and prospective college students face rising costs, fears of continued economic malaise, and increased debt.

Even more ominous has been the rapid growth in the use of credit cards by postsecondary students. Data cited by the JumpStart Coalition show that 83% of all undergraduates have at least one credit card; the median balance on credit cards among college students jumped 43% between 2000 and 2001. More than one-quarter of college students report using at least one credit card to pay their education-related expenses. These students had an average credit card balance of $3,400 when they received their degrees or certificates from their schools.

In sum, these are the new financial realities facing current and prospective college students and their families:

- Rapidly rising college costs, which show no sign of slowing.
- Fears of continued economic malaise.
- Increased debt from student loans, credit cards, and other forms of consumer financing.

What effect these new realities will have on the postsecondary education plans of current and prospective students is not completely clear. In past years, many families believed the promise of higher salaries and other benefits of higher education justified the expense of postsecondary education. But will future students be willing or able to take on more debt in order to attend college?

## The Changing Demographic Characteristics of Education Consumers

The fiscal challenges facing education consumers and states come just as the population of potential college attendees begins to accelerate. A study from the Western Interstate Commission for Higher Education finds that in 2008-2009, the number of high school graduates will grow to a record 3.2 million. Many of these new graduates will very likely be seeking postsecondary education, and proportionally more will come from racial/ethnic minority populations. While the total traditional college-age population—persons age 18 to 24—will grow 14% between 2000 and 2015, the number of Latinos is expected to jump 50%, and the Asian/Pacific Islanders population will rise 59%. White, non-Hispanic growth, on the other hand, will be only 3%.

But will these racial/ethnic minority students actually attend college? Data from recent editions of *Postsecondary Education OPPORTUNITY* paint a bleak picture. In 2000, just 53% of Hispanic high school graduates entered college in the fall immediately following their high school graduation, compared with 56% of African Americans and 66% of White, non-Hispanics. Low-income and minority students have traditionally been underrepresented in higher education, and current trends suggest that even more of these students may be unable to enroll.

Additionally, many of the new racial/ethnic minority students who do enroll in postsecondary education may be less prepared for college-level studies. Prior research indicates that just 47% and 53% of Black

### Table 2
### Financial Aid Awarded (in Millions) to Postsecondary Education Students, 1992-1993 and 2002-2003, by Aid Program

| | 1992-1993 | 2002-2003# | Pct. Change | Pct. Change (Inflation Adjusted) |
|---|---|---|---|---|
| Federal Pell Grants | $ 6,176 | $ 11,716 | 89.7% | 48.0% |
| Federal Supplemental Educational Opportunity Grants | 580 | 725 | 25.0% | -2.0% |
| Leveraging Educational Assistance Program | 71 | 66 | -7.0% | -28.0% |
| State Grants | 2,125 | 5,628 | 164.8% | 66.0% |
| Institutional Grants | 7,194 | 20,367 | 183.1% | 62.0% |
| Other Grants | 1,592 | 3,320 | 108.5% | 49.0% |
| **Total Grants** | **$17,738** | **$ 41,822** | **135.8%** | **22.0%** |
| Stafford Subsidized Loans* | 10,937 | 22,384 | 104.7% | 60.0% |
| Stafford Unsubsidized Loans* | 323 | 19,936 | 6072.1% | 4736.0% |
| Federal Perkins Loans | 892 | 1,265 | 41.8% | 11.0% |
| Federal PLUS* | 1,279 | 5,393 | 321.7% | 230.0% |
| **Total Federal Loans** | **$13,431** | **$ 48,978** | **264.7%** | **185.0%** |
| Non-Federal Loans** | n/a | 7,552 | 466.1% | 380.0% |
| Other Loans*** | 2,791 | 110 | -66.2% | -97.0% |
| **Total Loans** | **$16,222** | **$56,640** | **249.2%** | **173.0%** |
| Federal Work-Study | 780 | 1,218 | 56.2% | 22.0% |
| Education Tax Credits | n/a | 5,437 | 61.1% | 45.0% |
| **Total Aid, All Types** | **$34,740** | **$105,117** | **202.6%** | **137.0%** |

#Estimated. n/a means not available.
*Includes funds from the Federal Family Education Loan and Federal Direct Student Loan Programs.
**Percentage change is from 1995-1996 to 2002-2003. Non-federal loans include state-sponsored loans and private/alternative loans.
***Includes Supplemental Loans for Students, income-contingent loans, and loans from other sources.
Source: The College Board, *Trends in College Prices, 2003.*

and Latino high school graduates, respectively, were considered "college qualified" (that is, considered qualified to enroll in a four-year public or private college or university without needing to take remedial courses), compared with 68% of White students. Thus, college access will remain an issue of both financial wherewithal and academic ability for many education consumers from minority families. Increasingly, these consumers will want and need programs that provide both financial assistance and academic support. In the near future, these issues may come to the forefront for NASFAA members and federal and state education policymakers.

Our society currently is not well prepared to provide postsecondary education opportunity and financial assistance to our fastest growing college populations.

Concurrent with the growth in the number of traditional-age college students from minority families, the number of older students (age 30 and older) is predicted to increase from about 4 million in 2000 to 4.3 million in 2012. Like many minority students, these older, non-traditional students will want and need additional academic and other services in order to succeed.

Some research and anecdotal evidence suggests that low-income, minority, and older students are much less willing than White and traditional-age enrollees to take out student loans. As mentioned previously, states and institutions have increasingly used merit- and other non-need-based scholarships to award meritorious students, who tend to come from middle- and upper-income families. Thus, it appears that our society currently is not well prepared to provide postsecondary education opportunity and financial assistance to our fastest growing college populations.

These trends and characteristics are by no means a comprehensive description of the emerging education consumer issues that will confront NASFAA and its member institutions in the years ahead. However, they enable us to consider some questions and challenges we will soon face. For example:

- Will financial aid funds and services be prepared to support the new "emerging majority" of Latino, Asian, and African American students?
- Does NASFAA need to help member institutions develop more appropriate informational services to aid low-income students, particularly students whose first language may not be English?
- What role should NASFAA play in helping to develop more effective and automated student aid delivery systems that will serve all students?
- What role can NASFAA and its member institutions play in helping to bridge the gap in college attendance among low-income and Latino high school graduates?
- How should financial aid packages be adjusted to help older students enroll and succeed in college?

• • • • •

# The Education Industry Environment

In some ways, the education industry appears to be thriving in spite of facing many economic and political challenges. Despite steep tuition increases, many colleges have reported record student enrollments. The U.S. Department of Education expects enrollments to swell from 16 million in 2004 to 18.2 million by 2013. Further, voluntary financial support to higher education institutions rose nearly 30%—to a record $23.9 billion—from 1998 to 2003. And technology continues to improve services to students and faculty.

Increases in enrollment have been due in no small measure to the efforts of financial aid programs, funding for which has increased by 137% over the past decade. In 2002-2003, total aid to students reached a record $105.1 billion, according to the College Board (see Table 2). College Board data show that institutional grant aid has more than doubled the past ten years.

Nearly one-quarter of four-year private colleges and universities have suffered severe losses in tuition and fee revenue.

Still, the rapidly rising amounts of financial aid have caused a good number of colleges and universities to face severe financial pressures, and the picture for the future does not look any brighter. Research from Lumina Foundation for Education has found that nearly one-quarter of four-year private colleges and universities have suffered severe losses in tuition and fee revenue due to the growth in student aid budgets. The report warns: "The rapid increases in [institutional aid dollars] have resulted in losses in net revenue, have not improved retention or graduation rates, and have caused institutions to decrease spending on instruction and other vital services to students. Private colleges and universities will have to try other strategies before even more institutions follow a path heading toward disaster."

In addition, Robert Atwell, former president of the American Council on Education, recently wrote: "...higher education is in its most dire financial condition since World War II... and I don't think things will get better until sometime after the year 2010." In addition to increasing aid budgets, public and private colleges face pressure to increase spending for new computers and high technology for faculty, rising health care costs, and other cost increases. These pressures have led to smaller increases in spending on plant maintenance, academic support, instruction, and student services.

Other sectors of the higher education industry have also seen radical changes. For aid administrators, there are now many more products and services from lenders, consulting companies, and, in some cases, the federal government. More institutions have turned to enrollment management companies to meet revenue and enrollment goals. The competition for education-related customers among these providers has become quite fierce, leading to additional benefits and some cost savings for aid administrators and institutions. But recent mergers and acquisitions among lenders and other service providers has also meant a reduced number of choices of independent vendors. One example of this trend is the acquisitions of Nellie Mae and USA Group, Inc., by Sallie Mae. Bank mergers and other acquisitions have reduced the number of lenders that participate in the Federal Family Education Loan Program by 58% over the past 10 years.

Public and private colleges face pressure to increase spending for new computers and high technology for faculty, rising health care costs, and other cost incrceases.

Overall, the education industry is in relatively good shape. Despite rising tuition prices and a decline in state support for higher education, the American public generally has shown strong support for educational institutions and service providers. However, the industry is facing a number of challenges. The demand for services from students and families is very high at the same time as funding is on a decline and competition amongst colleges and universities and other service providers is growing. In the midst of this financial retrenchment, institutions are trying to use their resources more effectively to improve their programs and services. In addition, more students are turning to distance education and other non-traditional providers of education and training, which may take tuition revenue and other dollars away from traditional "bricks-and-mortar" postsecondary institutions. And concerns about terrorism and visa/immigration issues are forcing many institutions to turn away foreign students, who have been a major source of revenue for a number of schools. Foreign students also have accounted for many of the scientists, engineers, and other professionals that have helped American higher education keep its lead over other countries in a number of areas. The reduced numbers of these students could have negative consequences for our postsecondary institutions and our economy.

Given the factors discussed in this section, aid administrators and other parties within the education industry should be mindful of the following issues:

- Institutions need to consolidate programs, refocus their missions, and develop new initiatives that respond to changing clientele needs and priorities.
- Continued consolidation among loan providers and other service companies within higher education may limit choices for colleges and universities.
- Despite continuing budget constraints, many institutions will need to expand financial aid and student support services to minority and low-income students.
- Both public and private, non-profit institutions will continue to face competition from distance education providers, and this could lead to even greater losses of revenue.
- Financial constraints could make it harder for institutions and other providers to recruit and retain qualified faculty, aid administrators, and other personnel.
- For students, rising tuition levels and restrictive enrollment policies at four-year institutions pose problems of both affordability and access. Will an increasing number of low- and middle-income students enroll in community colleges?
- Maintenance of physical plant facilities has been hard hit on many campuses, and these activities may continue to be vulnerable to budget cuts in the future.

As an institutional membership association, NASFAA is obligated to be aware of these trends and do its part to help members address these realities.

# The Financial Aid Administrator Environment

Rising college prices mean that aid administrators are serving more financially needy postsecondary enrollees than ever before. NPSAS results show that the proportion of undergraduates who received financial aid grew from about 50% in 1995-1996 to 55% in 1999-2000. As increasing college prices cause even more students to seek financial assistance, aid administrators may have to carry an even greater burden in the future.

The increased workload for aid administrators has come at a time of great change in the financial aid profession. The past decade has brought increases in regulations, new need analysis rules, and, on some campuses, reductions in staffing and operating budgets. Recently, there have been calls for higher education cost controls, proposals that would change the rules for loan consolidation, and efforts to reduce the chances for "inducements" between aid offices and lenders or other service providers. These proposals have certainly challenged aid administrators, a number of whom feel frustrated and powerless. At many campuses, aid administrators truly are expected to do more with less.

The past decade has brought increases in regulations, new need analysis rules, and, on some campuses, reductions in staffing and operating budgets.

While many challenges remain, there is certainly some hope for the future. A number of the proposals contained in the FED-UP initiative, sponsored by Rep. Howard P. "Buck" McKeon of California, sought to reduce some of the costly, redundant, and overly bureaucratic regulations aid administrators currently confront on a daily basis. While these proposals have not yet passed, it is possible that they could be part of the next Higher Education Act reauthorization. Further, the recent NASFAA Salary Survey report shows improvements in compensation levels for aid administrators over the past seven years, as campus chief executive officers have become more aware of the importance of the aid programs at their schools, and the potential liability they could incur if the programs are not properly managed.

Even more encouraging is that many aid offices have assumed new roles to help meet the changing needs of today's students. Our new Survey of Graduate Aid Policies, Practices, and Procedures (SOGAPPP) shows that the majority of aid offices serving graduate/professional students provide financial planning, budgeting, and consumer credit counseling to students in addition to packaging financial aid. These aid administrators should be commended for expanding services to help students limit their use of credit cards or other forms of indebtedness. Additionally, other research has found that aid administrators have become involved in efforts to recruit and retain low-income and minority students on their campuses. More and more aid administrators have come to realize that they must become part of the solution to the problems surrounding expanding access to higher education.

And yet, financial aid staff at many schools still feel underpaid and unappreciated for their responsibilities and the fiscal impact they have on their institutions. Further, results from NASFAA's past Membership Surveys and the Survey of Undergraduate Financial Aid Policies, Practices, and Procedures (SUFAPPP) show that there has been some decline in the perception of many aid administrators about the importance of their role as viewed by their superiors, and their feelings regarding having enough autonomy to perform their jobs. The most recent SUFAPPP study shows that many aid offices with large student enrollments do not have access to newer technologies that might help aid personnel better assist an increasing number of students and families.

Financial aid staff at many schools still feel underpaid and unappreciated for their responsibilities and the fiscal impact they have on their institutions.

Other recent research demonstrates that many aid administrators are still not being consulted on or involved in their institutions' policy or pricing discussions. Aid administrators often feel torn between the various roles they are forced to play: On one hand they are key members of their institutions' management teams and actually are employed by that entity. On the other, they have a fiduciary responsibility for outside public funds that often impose restrictions and rules an institution would rather ignore. In their offices they attempt to be counselors in whom students and parents can confide, but must turn around and carry out verification regulations that force them to question and verify nearly every piece of information they receive. They are generally liberal in their views of wanting to help the disadvantaged and underserved, but are forced to be conservative in allocating and stretching every scarce aid dollar to assist and bring into the institution as many students as possible.

In sum, aid personnel face a number of challenges:

- They are expected to manage a continually growing mountain of paperwork more efficiently.
- They must digest an ever-changing mass of regulations, and stay abreast of and rally against the political tides that continually threaten to erode the financial base of aid programs.
- They must be able to furnish data showing that every dollar expended is within the exact parameters of each program account.
- They are asked to volunteer their services within both their communities and their professional associations.
- And they must be especially mindful of their ethical obligations in order to preserve the trust and confidence of students and families that so many have worked to cultivate over the years.

A financial aid professional clearly wears many hats, and needs to develop many diverse skills in order to meet the needs of this environment. Fortunately, most administrators have the experience to meet these challenges. The most recent NASFAA Salary Survey found that 47% of aid administrators have at least ten years of experience in student aid administration; on average, aid administrators have nearly 12 years of professional experience. But even these seasoned professionals often seek additional training in order to respond to all of the challenges they face and to improve service and accountability to their students and institutions. NASFAA has helped meet aid administrators' needs by providing additional training sessions through a variety of training workshops and other programs. NASFAA's expanded offerings through the fall and spring training workshop series and other training opportunities are designed to assist aid administrators in their attempts to adjust to their ever-evolving and more difficult workloads.

Aid administrators often look to their professional associations to assist them with their tasks and to provide them with the information, materials, and techniques to perform their jobs well. They also look forward to meetings and seminars that assist them in their professional development and provide an opportunity to discuss matters of mutual concern with their colleagues. NASFAA must support these needs and be a strong advocate for the aid administrator if it expects to maintain the trust and commitment of its members.

• • • • •

# The NASFAA Internal Environment

This Environmental Scan is being written just as NASFAA and its members are about to develop a new Strategic Long-Range Plan. This new plan, which will set the goals of the Association for the 2006 to 2011 period, will touch on a number of the issues presented here. In addition, the membership may also want NASFAA to address other issues that have emerged in the early part of the new century, such as:

- The increasing use of private/alternative student loans.
- Changes in state and private (non-federal) grant programs.
- Foreign students and immigration/visa issues.
- Calls for federally mandated controls of tuition price increases.
- Efforts to improve graduation rates or other measures of "college accountability."
- The effects of the increasing use of Web-based or automated financial aid services.
- Issues concerning graduate and professional students.
- The rising use of higher education tax credits and tax-advantaged college savings plans.
- Issues surrounding college student privacy.
- Efforts to combine financial aid services with other departments on campus.

As an organization that strives to represent all sectors of higher education, NASFAA is in a unique position to address these and other emerging issues. NASFAA has grown from its rather meager beginnings more than 30 years ago into a highly successful, fully functioning professional organization that now has more institutional members than any other higher education association in Washington, DC. While NASFAA is an institutionally based association, the voting members from these institutions are financial aid administrators. In the true sense of the word these people are NASFAA's customers.

Currently NASFAA's membership comprises nearly 2,700 postsecondary institutions employing over 10,000 financial aid personnel, as well as a number of constituent members, who represent lenders, loan servicers, students, and other partners in the postsecondary education industry. All of these partners have one goal in mind: to provide the best available services to students in the most timely and cost-efficient manner possible.

*As an organization that strives to represent all sectors of higher education, NASFAA is in a unique position to address emerging issues.*

NASFAA continues to be an excellent organization, serving all of its members equally in terms of access to publications, new training procedures, updates and alerts on student aid appropriations, and a host of other services. The strength of the Association is its people and volunteers. NASFAA, perhaps more than any other higher education group, has always relied upon extensive participation by a broadly representative but ever-changing group of volunteers to serve as members of the Board of Directors, as Commission Directors, on various committees, and in a wide variety of other roles. Through these volunteer roles, NASFAA is able to perform many tasks and offer a wide variety of services. NASFAA also greatly depends upon the State-Regional-National association linkages to help communicate and carry out many of its goals and objectives as well as to offer the leadership advancement opportunities that prepare its members to assume these diverse volunteer roles.

As we look ahead, it is important to review Association activities in order to determine where changes need to be made and where new initiatives need to be launched. To this end, NASFAA's new Membership Survey, which will be launched late in summer 2004, will provide new opportunities for members to give their opinions on the products, publications, services, and directions the Association should take over the next five years.

NASFAA has become the voice of the financial aid administrator in Washington and members expect that voice to represent their issues appropriately. Likewise, they expect that voice to give them the current facts and quality products upon which they have grown to depend greatly. In order to meet these expectations, NASFAA has expanded its full-time staff over the past 30 years, recognizing that volunteers cannot always be expected to devote the time or attention to the many ongoing matters and activities. NASFAA has also expanded its level of services in many areas, such as marketing, research, technical and training assistance, and publications.

On the other hand, NASFAA also faces increasing competition, as other associations, service providers, and the U.S. Department of Education are beginning to offer information and training that at one time only NASFAA was willing to provide.

NASFAA's task, therefore, is to continue to be the most informed advocate in the nation for your continued trust, support, and confidence. To this end, the results from the upcoming Membership Survey will be crucial guides for NASFAA as it begins its plans for the future.

As this Environmental Scan demonstrates, we all have many challenges ahead as we strive to "Open the Doors of Educational Opportunity" to more students and families. There is no time like the present to start work on planning the future.

Therefore, let us begin!

Submitted on behalf of the
2004-2005 NASFAA Research Committee
Bonnie C. Joerschke
Committee Chair
August 2004

• • • • •

# References


Alt, M. N., Chapman, C. D., & Kaufman, P. *Dropout Rates in the United States,* Washington, DC: U.S. Department of Education, National Center for Education Statistics Report No. 2002-114.

American Association of State Colleges and Universities. *EdLines,* October 12, 2001. Washington, DC: American Association of State Colleges and Universities. Available: [http://www.aascu.org/edLines/default.htm].

Associated Press. (11 May 2004). “Governor Reaches Spending Agreement with University Officials.” *Sacramento Bee.* Available: [http://www.sacbee.com/contents/politics/ca/story/9257714p-10180848c.html]

Baker, J. and Madzelan, D. (21 July 2004). “NASFAA 2004 Federal Update.” Presentation to the 2004 NASFAA National Conference, Minneapolis, MN. Available: [http://www.ifap.ed.gov/presentations/attachments/04NASFAAFederalUpdate2.ppt]

Council for Aid to Education. 2000. *Voluntary Support for Education 2000.* Washington: Council for Aid to Education. Available: [http://www.cae.org/vse/vse2000/t01.htm].

Council for Aid to Education. 2003. “Charitable Giving to Higher Education Stabalizes in 2003: Gifts from Alumni Rebound After A Sharp One-Year Decline.” Available: [http://www.cae.org/content/pdf/VSE-PressRelease2004.pdf]

College Board. 2004. *Trends in Student Aid,2003.* Washington, DC: Washington Office of the College Board.

College Board. 2004. *Trends in College Pricing, 2003.* Washington, DC: Washington Office of the College Board.

Durham, S. (6 October 2001). “Higher Tuition Raises Fears.” *Milwaukee Journal Sentinel,* p. 1B.

Durkin, T.A. 2000. *Credit Cards: Use and Consumer Attitudes, 1970-2000.* Washington, DC: Board of Governors of the Federal Reserve Bulletin, September.

Ellison, J. (2 January 2004). “College Crisis Puts Potential Students At Risk.” *Seattle Post-Intelligencer.* Available: [http://seattlepi.nwsource.com/local/155042_edyrahead02.html]

Federal Reserve Board. 2004. Consumer Credit Historical Data. Database. Available: [http://www.federalreserve.gov/releases/g19/hist/cc_hist_sa.html]

Gerald, D. E. & Hussar, W. J. *Projections of Education Statistics to 2011,* Washington, DC: U.S. Department of Education, National Center for Education Statistics Report No. 2001-083.

Gladieux, L. E. & Swail, W. S. 1999. “Financial Aid is Not Enough: Improving the Odds for Minority and Low-Income Students.” In J.E. King (Ed.) *Financing a College Education: How It Works, How It’s Changing.* Phoenix, AZ: American Council on Education/Oryx Press.

Guerard, E.B. (5 May 2004). “House Democrats, Republicans Argue Over Merits of Reauthorization Bill.” *Today’s News.* Washington, DC: National Association of Student Financial Aid Administrators. Available: [http://www.nasfaa.org/publications/2004/gheabilldebate050704.html]

Fry, R. 2001. “Demography and The Future of Higher Education Opportunity,” Paper delivered to the “Strenthening a Worthy Parternship: State and Federal Financial Policies Promoting College Opportunty” conference of the National Governors Association, Washington, DC, October.

JumpStart Coalition. 2004. *Making the Case for Financial Literacy—2004.* Available: [http://www.jumpstartcoalition.com/upload/Statistic2004.doc]

Kirp, D.L. (30 April 2004). “And the Rich Get Smarter.” *New York Times,* p. A27.

Maxwell, L. A. (10 January 2004). “Higher Ed Takes A Hit of $750 million.” *Sacamento Bee,* p. A1.

Milbank, D. (31 July 2004). “White House Predicts 2004 Deficit of $445 Billion—The Biggest Ever.” *Washington Post,* p. A02.

Montgomery, L. & Hernandez, N. (14 April 2004). “Md. Budget Agony Deferred Until ’05; As Session Ends, $800 Million Gap, Ehrlich Cuts Loom. *Washington Post,* p. B1.

Mortenson, T. 2001. “College Continuation Rates for Recent High School Graduates 1959 to 2000” *Postsecondary Education OPPORTUNITY,* No. 107, p. 1.

Mortenson, T. 2001. “Trends in College Participation by Family Income 1970 to 1999,” *Postsecondary Education OPPORTUNITY,* No. 106, p. 1.

Mortenson, T. 2004. “State Tax Fund Appropriations for Higher Education, FY1961 to FY2004.” *Postsecondary Education OPPORTUNITY.* No. 139.

National Association of Student Financial Aid Administrators. 2000. *The Financial Aid Administrator at Work: Results from the 1996 Survey of Undergraduate Financial Aid Policies, Practices, and Procedures.* Washington, DC: National Association of Student Financial Aid Administrators.

National Association of Student Financial Aid Administrators and The College Board. 2002. *Financial Aid Administrators at Work in 1999-2000: Results from the 2001 Survey of Undergraduate Financial Aid Policies, Practices, and Procedures.* Washington, DC: National Association of Student Financial Aid Administrators.

National Association of Student Financial Aid Administrators (26 July 2004). "NASFAA's Martin Discusses Reauthorization at Conference." *Today's News.* Available: [http://www.nasfaa.org/publications/2004/gdallasreauthpresentation072604.html

National Association of State Student Grant and Aid Programs. 2004. *34th Annual Survey Report on State-Sponsored Student Financial Aid, 2002-2003 Academic Year.* Available: [http://www.nassgap.org/researchsurveys/34th%20NASSGAP%20Survey%20Report.pdf]

National Conference of State Legislatures. 2004. "State Budget Gaps Shrink, NCSL Survey Finds." *NCSL News.* Available: [http://www.ncsl.org/programs/press/2004/040428.htm]

Office of Management and Budget. *Overview of the President's 2005 Budget.* Office of Management and Budget Web Site. Available: [http://www.whitehouse.gov/omb/budget/fy2005/overview.html]

Onley, D.S. (26 July 2004). "Conferees Approve Defense Appropriations Bill." *Government Computer News.* Available: [http://www.gcn.com/vol1_no1/defense-technology/26720-1.html]

Redd, K. E. 2000. *Discounting Toward Disaster: Tuition Discounting, College Finances, and Enrollments of Low-Income Undergraduates.* Indianapolis, IN: USA Group Foundation.

Redd, K.E. (2004, March 19). "SOGAPPP Survey Shows Many Graduate/Professional Financial Aid Offices Provide Consumer Credit and Financial Planning Services to Students." *Today's News.* Available: [http://www.nasfaa.org/publications/2004/rnsogapppfinservices031904.html]

Reed, Jr., A. (30 October 2003). "College Costs Skyrocketing; Sluggish Economy Spurred Budget Cuts, Hefty Tuition Increases." *Charlotte Observer,* p. 13A

Reindl, T. 2004. "A Wake-Up Call for A (Still?) World Leader" *Memo to the President, 44(5):* p. 2.

Reindl, T. & Redd, K. 1999. *Institutional Aid in the 1990s: The Consequences of Policy Connections.* Washington, DC: American Association of State Colleges and Universities.

Sidoti, L. (8 October 2001). "Perspectives: Regents Start Campaign for Money Two Years Early." *Associated Press Newswrite.*

Singletary, M. (11 January 2004). "Only You Can Fix Your Credit." *Washington Post.* p. F01.

Singletary, M. (4 March 2004). "Growing Consumer Debt Requires Reliable Credit Counseling." *Washington Post.* p. E03.

Snyder, T. D. & Hoffman, C. M.. *Digest of Edcation Statistics 2000.* Washington, DC: U.S. Department of Education, National Center for Education Statistics Report No. 2001-034.

Student Aid Alliance. *Public Opinion Survey.* Student Aid Alliance. Available: [http://www.studentaidalliance.org/toolbox/opinion_survey.asp].

Swail, W.S., Perna, L.W., & Redd, K.E. 2004. *Retaining Minority Students in Higher Education: A Framework for Success.* San Francisco, CA: Jossey-Bass.

TheBakersfieldChannel.com. 2004. "Tuition to Increase, Financial Aid to Decrease at CSU." Available: [http://thebakersfieldchannel.com/print/3249040/detail.html?use=print

Treasaugue, T. (16 November 2001). "Continued Downturn in State May Mean UC Enrollment Cap." *The Press-Enterprise.* p. A8.

Weisman, J. (21 April 2004) "War May Require More Money Soon." *Washington Post.* p. A1.

Weller, C. 2001. *GDP Picture.* Washington, DC: Economic Policy Institute Web site [http://www.epinet.org/webfeatures/econindicators/GDPpict.html].

Western Interstate Commission for Higher Education. 2004. *Knocking at the College Door: Projections of High School Graduates by State, Income, and Race/Ethnicity, 1988-2018.* Boulder, CO: Author.

Williams, M. S. *Key Factors in Compensation of Financial Aid Administrators and Staff: A Report on the 2003 NASFAA Salary Survey.* Washington, DC: National Association of Student Financial Aid Administrators.

U.S. Department of Commerce, Bureau of Economic Analysis. (25 June 2004). *News Release: Gross Domestic Product and Corporate Profits.* Available: [http://www.bea.doc.gov/bea/newsrel/gdpnewsrelease.htm]

U.S. Department of Education, National Center for Education Statistics. 2001. *National Postsecondary Student Aid Study: Student Aid Estimates for 1999-2000.* Washington, DC: U.S. Department of Education, National Center for Education Statistics Report Number 2001-209.

U.S. Department of Education, National Center for Education Statistics. 2003. *Digest of Education Statistics.* Washington, DC: U.S. Department of Education, National Center for Education Statistics Report Number 2003-060.

U.S. Department of Education, National Center for Education Statistics. 2004. National Postsecondary Student Aid Study, 2000 Undergraduate Data Analysis System Dataset. Washington, DC: National Center for Education Statistics.

U.S. Department of Education, National Center for Education Statistics. 2004 National Postsecondary Student Aid Study, 1996 Undergraduate Data Analysis System Dataset. Washington, DC: National Center for Education Statistics.

U.S. Department of Education, National Center for Education Statistics. 2004. *Projections of Education Statistics to 2013.* Washington, DC: U.S. Department of Education, National Center for Education Statistics Report Number 2004-013.

U.S. Department of Education. Office of Postsecondary Education. *Federal Student Loan Programs Data Book.* U.S. Department of Education, Office of Postsecondary Education. Available: [www.ed.gov/OPE/PPI/DataBook94-6/tab14a.html].

U.S. Deparment of Education, Budget Service/Cost Estimation and Analysis Division. 2004. "Federal Pell Grants: Applicant Trends, Funding Shortfalls, & the FY 2005 Budget." Paper presented in Washington, DC, March.

U.S. Department of Labor, Bureau of Labor Statistics. 2001. *The Employment Situation: October 2001.* Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics. Available: [http://www.bls.gov].

U.S. Department of Labor, Bureau of Labor Statistics. 2004. *Labor Force Statistics from the Current Population Survey.* Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics. Available: [http://data.bls.gov/cgi-bin/surveymost].

Zaglaniczny, L. (2 October 2001). "Education Funding Budget Deal Finalized." *Today's News,* Washington, DC: National Association of Student Financial Aid Administrators. Available: [http://www.nasfaa.org/publications/2001/gfinaledfundingbudgetdeal100201.html

• • • • •