## Coping Strategies of Public Universities During the Economic Recession of 2009

Results of a Survey on the Impact of the Financial Crisis on University Campuses

Association of Public and Land-Grant Universities, November 2009

Most states closed their 2009 budget gaps with a combination of service reductions, revenue increases, and appropriation rescissions. Even with nearly \$54 billion in American Recovery and Reinvestment Act (ARRA) funds for the 2010 budget cycle, states were required to make further reductions. In the early fall of 2009, the Association of Public and Land-grant Universities (ALPU) surveyed its 188 member universities. Nearly one-half of the institutions experienced cuts of 10% or greater. Major findings included:

- 50% of APLU institutions reported net declines in revenues.
- 55% reported that declines in state appropriations harm their ability to hire and retain faculty and staff, invest in next technology, sustain student support services and maintain campus infrastructure.
- Nearly 80% reported reductions in both permanent and temporary staff positions.
- Tuition and fee increases were the norm across all institutions as universities struggled to find new sources of revenue in the face of stable or increasing enrollments.
- More than 50% believed more cuts in state funding were likely. Even institutions that
  escaped severe cuts expressed concern about the ability of long-term funding by their
  respective state government.

State contributions to public research universities have steadily declined in real terms by more than 15% in the last 20 years. The current recession magnifies the cumulative effects of the decline in financial support. Public research universities are a critical source of students who continue to doctoral study and are the major source of bachelor's and doctoral recipients on agriculture, computer science, engineering, education, and foreign languages. These institutions are the primary path to a bachelor's degree for minority students.

Short-term strategies to close gaps or manage cuts – receiving over 50% support - included:

- Reduce temporary or part-time staff positions 78%
- Reduce permanent staff positions 77%
- Reduce temporary or part-time lecturer or adjunct faculty 70%
- Utilize federal stimulus funds 70%
- Reduce purchasing 68%
- Defer maintenance expenditures 63%
- Collapse course section into fewer, larger sections 58%
- Limit or freeze out-of-state travel 55%
- Reduce graduate assistant/student worker positions 52%
- Lay off permanent staff 51%

Long-term budget cutting and revenue enhancing strategies receiving over 50% support:

- Invest in energy savings (HVAC, insulation, windows, etc.) 78%
- Conduct a strategic review of administrative structures 67%
- Increase enrollment in specific areas (e.g. out-of-state, online) 63%
- Conduct a strategic review of academic programs 59%
- Conduct a strategic review of online/distance education 58%
- Conduct a strategic review of facility/plant operations 55%
- Conduct a strategic review of tuition structures and levels 53%
- Conduct a strategic review of academic support services 52%
- Conduct a strategic review of course schedules and calendars to enhance full use of facilities - 0 51%

Differing levels of decreases in state support produced different results. Universities with cut of 10% or greater were most likely to report more drastic and permanent measures. For instance, while one-third of institutions with decreases of less than 10% reported laying off both permanent and temporary staff, more than 75% of universities with decreases of 10% or greater reported laying off staff. Similarly institutions with larger decreases were significantly more liked to reduce, eliminate or collapse courses, defer maintenance expenditures, and mandate furloughs.