



A CASE STUDY OF RECLASSIFICATION EFFORTS AT PROPRIETARY INSTITUTIONS

Reclassification can help financial aid offices attract and retain skilled staff, improve efficiency, and ensure roles align with institutional needs. Read more about our overall work on reclassification at nasfaa.org/reclassification.¹

This case study summarizes the interviews on reclassification efforts at three proprietary institutions and provides practical insights to help directors navigate the process effectively.

KEY DRIVERS AND COMMON PRACTICES FOR RECLASSIFICATION

Adapting to Institutional Restructuring

- Many reclassification efforts were triggered by changes in reporting structures or leadership transitions that required financial aid offices to reorganize under the new administration.
- Some directors found that shifting financial aid to a new department provided an opportunity to reevaluate job roles, responsibilities, and salary structures to ensure better alignment with institutional goals.
- In some cases, outsourcing administrative functions (such as compliance or back-end processing) allowed institutions to shift internal roles toward more student-facing responsibilities, requiring reclassification efforts.

Salary Adjustments to Address Market Competitiveness

- Directors recognized that staff salaries were often misaligned with market rates, leading to recruitment and retention challenges.
- Many institutions conducted salary benchmarking studies to justify pay adjustments, using local cost-of-living data, peer institution salaries, and even state-mandated salary transparency laws.
- Some institutions adjusted staff salaries and new hire starting pay to ensure better retention and hiring competitiveness.

Navigating Informal and Institution-Specific Reclassification Processes

- Unlike many public institutions with formalized HR processes for reclassification, proprietary institutions often had more flexibility and ambiguity in how reclassification could be pursued.
- Some directors had to build a case through internal presentations and leadership advocacy rather than following a pre-established HR process.
- Budget cycles still played a role, with many institutions only allowing salary adjustments during annual merit review periods, though some were able to secure off-cycle approvals when necessary.



"We had a leadership transition that moved financial aid under a different reporting structure, and that opened the door for us to look at job classifications and salaries. I worked with HR to review job descriptions, compare responsibilities, and identify inconsistencies. We spent weeks refining role expectations before submitting our recommendations, and in the end, we adjusted salaries and titles to match better the work being done."

Director, proprietary institution.



"When we started reviewing financial aid positions, we quickly saw that some employees were managing people while others in the same job title had no supervisory responsibilities. We engaged HR, mapped out all job functions, and realigned titles to reflect leadership responsibilities, ensuring fairness and consistency across the department."

Director, proprietary institution.

¹ This summary was written with the assistance of generative AI, 2025.

Institutional restructuring, market-driven salary adjustments, and flexible yet ambiguous internal processes often shape reclassification at proprietary institutions. Financial aid directors who successfully navigated reclassification aligned their efforts with leadership transitions, used salary benchmarking to advocate for pay adjustments, and adapted to institution-specific reclassification procedures. While proprietary institutions may have fewer bureaucratic hurdles than public institutions, directors still had to build strong justification cases and strategically time their requests for approval.

HOW FINANCIAL AID LEADERS NAVIGATE RECLASSIFICATION CHALLENGES

Balancing Transparency With Institutional Limitations

- Due to leadership or HR policies, some directors were restricted in how much they could share about reclassification efforts.
- To maintain trust, they focused on explaining the process in general terms, acknowledging uncertainty, and setting realistic expectations without making promises.
- Staff concerns were addressed by emphasizing long-term career growth opportunities rather than immediate changes.

Managing Anxiety and Uncertainty Among Staff

- Directors recognized that reclassification can create stress and uncertainty, especially when positions require internal applications or competitive hiring processes.
- They foreshadowed potential changes early to ease concerns and help staff understand how new roles and salary structures might evolve.
- Regular check-ins and open communication helped mitigate frustration, even when the process was slow or unclear.

Framing Reclassification as a Strategic Investment

- Successful leaders positioned reclassification to improve office efficiency, enhance student service, and ensure salary competitiveness rather than just an administrative task.
- Directors who tied their efforts to broader institutional goals, such as staff retention or operational restructuring, gained more substantial support from leadership.
- Encouraging staff to engage in professional development and skills-building helped align their roles with evolving institutional needs.

SPECIFIC EXAMPLES OF RECLASSIFICATION EFFORTS

Restructuring Job Titles for Fairness and Consistency:

- One institution thoroughly reviewed financial aid positions and found that some staff in the same job title had supervisory responsibilities while others did not. To address this inconsistency, the director worked with HR to realign titles based on leadership duties, ensuring fairness across the department.

Leveraging a Budget Cycle for Salary Adjustments:

- A director successfully used an annual merit review period to implement salary adjustments for multiple positions. They framed the reclassification effort as necessary to retain experienced staff and improve department efficiency, which helped secure approval during the institution's budget cycle.

"Our salaries were simply not competitive. We had employees leaving for higher-paying roles outside higher education, and it was hurting our operations. To push for reclassification, we gathered benchmarking data, analyzed peer institutions, and worked with leadership to show that we would continue losing talent without adjustments. It was a long process, but ultimately, we were able to implement salary increases that helped with retention."

Director, proprietary institution.

"I had to walk a fine line—encouraging staff to apply for reclassified roles while making it clear that I couldn't promise them the position. It was a lot of conversations about what the new job duties would look like and why we were making these changes."

Director, proprietary institution.

"The uncertainty was difficult for staff, so I focused on what I could control—keeping them informed on the general process and helping them see how these changes fit into our long-term vision for the office."

Director, proprietary institution.

Creating a New Compliance Role to Address Regulatory Changes:

- Recognizing the increasing complexity of financial aid regulations, one institution reclassified an existing role into a dedicated compliance position. This change allowed them to hire a specialist to focus on audits and regulatory updates, reducing the compliance burden on other staff members.

Shifting Job Responsibilities Through Third-Party Services:

- Another institution outsourced certain administrative functions to a third-party provider, which allowed them to shift internal staff into more student-facing roles. This restructuring prompted a reclassification of multiple positions to reflect the new responsibilities and improve service delivery.

KEY TAKEAWAYS FOR FINANCIAL AID DIRECTORS

- **Reclassification efforts are often tied to more extensive institutional changes.** Directors noted that shifts in leadership, departmental reorganizations, and new strategic priorities frequently provided opportunities to push for job reclassification.
- **Understanding institutional flexibility is crucial.** Proprietary institutions often have more informal reclassification processes than public institutions with rigid policies. Directors had to learn who controlled decision-making and how to frame proposals effectively to leadership.
- **Salary benchmarking helps secure approval.** Directors found that providing regional salary data, cost-of-living adjustments, and peer institution comparisons made it easier to justify pay increases and role adjustments.
- **Staff retention drives many reclassification efforts.** The ability to adjust job titles and salaries was often used to retain experienced staff, especially when employees were considering leaving for higher-paying opportunities outside higher education.
- **Advocacy and persistence are necessary.** Since reclassification was not always formalized, directors had to continuously advocate for their staff, build a strong case, and push for leadership approval over an extended period.
- **Effective communication with staff reduces uncertainty.** When directors were unable to share details about reclassification efforts, employees became anxious or skeptical about potential changes. Managing expectations through indirect discussions on career progression helped maintain trust.

NEXT STEPS:

Applying These Lessons to Your Institution

- Reclassification is a complex but valuable process for financial aid offices seeking to align job roles, responsibilities, and compensation with institutional needs. While this case study highlights real-world experiences from proprietary institutions, successfully implementing reclassification requires strategic planning, collaboration with HR, and strong advocacy.
- Explore our [Tips and Resources for Reclassification](#) document for practical strategies, key considerations, and resources to guide your reclassification efforts. This companion guide provides actionable steps financial aid directors can take, including how to justify a reclassification request, navigate institutional processes, and manage staff expectations.
- Visit NASFAA's [Career Awareness Toolkit](#), a comprehensive resource developed to help promote financial aid as a profession. The toolkit includes templates, outreach materials, and strategies to help raise awareness of the financial aid profession on campus and beyond.

For Employees Seeking Reclassification

If you are an employee looking to advocate for your reclassification — whether for a title change, salary adjustment, or better alignment of responsibilities — we have developed a dedicated guide to help you navigate the process. This resource provides practical steps to assess your role, gather supporting documentation, and approach your supervisor with a well-prepared request. For detailed guidance, access our [Employee Reclassification Guide](#).



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