

# Effect of Financial Aid Processing Policies on Student Enrollment, Retention and Success

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*The results of a comprehensive survey of the California community college financial aid offices and data from the California Community Colleges Chancellor's Office provide insight into how financial aid office characteristics and financial aid policies and procedures affect the enrollment, retention, and success of financial aid students at the California community colleges. This article describes the condition of the financial aid offices at the California community colleges in 2001–2002, and discusses implications for policy action at both the local and state level.*

There is extensive research on financial aid and higher education. Whereas some has focused on financial aid recipients in the aggregate (e.g., Wei, Horn, & Carroll, 2002), other research—such as the Survey of Undergraduate Financial Aid Policies, Practices, and Procedures (SUFAPPP; The College Board and the National Association of Student Financial Aid Administrators, NASFAA, 2001)—has provided important data on financial aid offices and their practices. More recently, others have used qualitative methods to examine the financial aid perceptions of Latino youth (Zarate & Pachon, 2006).

The Department of Education permits financial aid offices a certain amount of latitude in administering their programs, for example in setting satisfactory academic progress policies and procedures. The SUFAPPP results (The College Board and NASFAA, 2001) report such variation, at least to some extent. To date, however, no study of financial aid has examined variations among financial aid offices and sought to relate those variations to financial aid student outcomes. It seems reasonable to expect that variation in the policies and procedures of community college financial aid offices in areas such as additional verification requirements, the time to check delivery, and staffing level would have an effect on financial aid students. Such an effect is what the present study set out to examine.

## Background

The California community colleges are open-enrollment, low-cost institutions. Although a significant portion of financial aid students apply for financial aid early, a large number of students enroll shortly before instruction begins. Financial aid delivery begins the week before school starts and, since costs are low and on-campus student housing is uncommon, nearly all aid is disbursed directly to students. Once the initial financial aid disbursement has been made, students receive funds on a rolling basis. California community college students are often low-income; the timely delivery of financial aid to purchase of books and cover living expenses is important to them. Policies and

procedures, staffing levels, and other financial aid office characteristics that impinge upon financial aid processing therefore may also impinge upon financial aid student outcomes.

In early 2002, commissioned by the California Community Colleges Chancellor's Office, Victoria Whistler conducted a survey of all 108 community colleges in California. Her financial aid survey quantified financial aid office differences for the first time, examining major differences in director salaries, staffing, relations with other offices, and length of time to process financial aid. It is likely that some of these differences affect the enrollment rate, retention, and success of the students being served.

The current study explores the relationship between financial aid policies and procedures at the California community colleges and the enrollment rate, retention, and success of students receiving financial aid, using the data from Whistler's survey; additional demographic and descriptive college data; and enrollment, retention, and success data for financial aid students enrolled during the 2001–2002 academic year.

## Method

In addition to Whistler's (2002) data, I collected college descriptive data on size, ethnicity, gender, financial aid funds disbursed, and financial aid recipients (California Community Colleges Chancellor's Office, 2002); number of financial aid applications processed in 2001–2002 and institutional loan default rates (U. S. Department of Education, 2002, 2004); locale of community colleges (Peterson's, 2004). Dependent variable data on the retention and success of financial aid students were drawn from a special report from the California Community Colleges Chancellor's Office (2003). Data analysis followed the financial aid processing model shown in Figure 1.

The four groups of independent variables (see Appendix) correspond to the internal and external factors in Figure 1:

- (1) Institutional support of the financial aid office (22 variables) included the title and salary of the chief financial aid administrator, number of staff in the financial aid office, the ratio of full-time equivalent (FTE) staff to applications processed (calculated), and location of the office within the institution, among other factors.
- (2) Financial aid service policies (36 variables) included such factors as relations with other offices on campus, level of verification (federal and state), financial aid workshops given, and financial aid office needs and frustrations.
- (3) Financial aid delivery (8 variables) included the availability of emergency loans and book vouchers, length of time to process a financial aid application, and time of the first financial aid disbursement.
- (4) Demographics of the community college district (16 variables) included the school locale (urban, rural,

etc.), ethnicity, gender, and percentage of students receiving financial aid.

Some of the variables, such as the ratio of FTE staff to applications processed, were calculated from the data. In other cases, dummy variables were created. (For example, the presence of one of the large computer systems was encoded as 1 if present, 0 if not.)

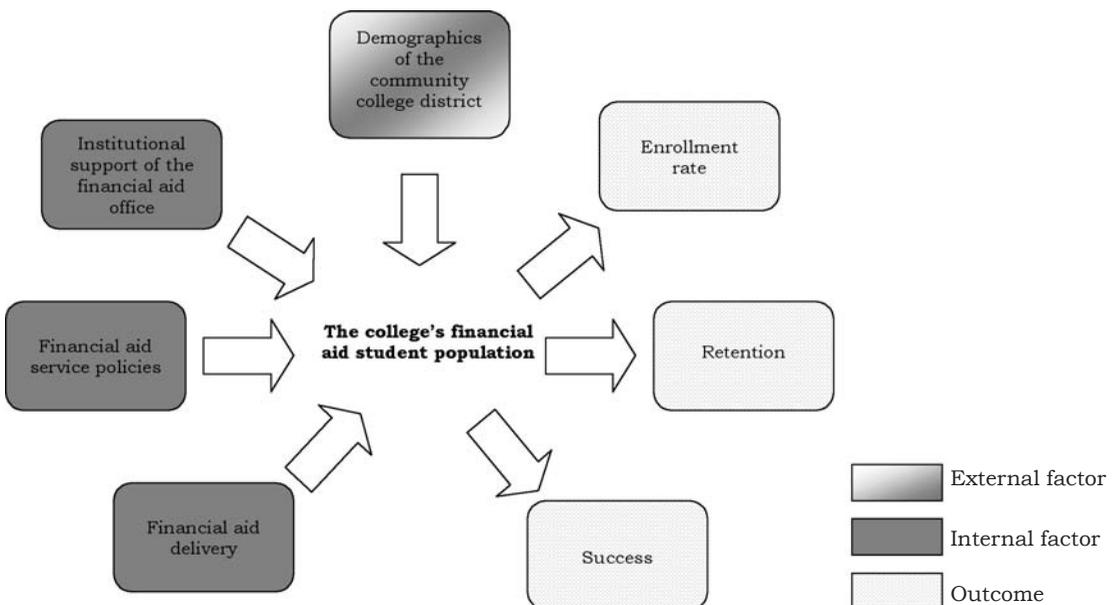
### Definitions

The three dependent variables of the study are defined as follows:

- (1) *Enrollment rate* is defined as the number of Federal Pell Grants disbursed by an institution divided by the total applications processed by the U. S. Department of Education for that institution during 2001–2002.
- (2) The definition of *retention* (California Community Colleges Chancellor's Office, 2002) is the percentage of classes completed with any grade except a W (withdrawal) during the 2001–2002 academic year.
- (3) The *success rate* (California Community Colleges Chancellor's Office, 2002) is the percentage of classes completed with a grade of A, B, C, or Cr (credit) during the 2001–2002 academic year.

For the purpose of this study, a *student* is defined as someone recorded in the Chancellor's Office Management

**Figure 1**  
**Financial Aid Processing Model**



Information System (MIS) database. In California, an MIS record is created only if the student enrolled in at least one class during 2001–2002. A *financial aid student* is defined as a student recorded in the MIS database with a Pell-eligible expected family contribution (EFC), regardless of whether the student actually received financial aid. In 2001-02, Pell-eligible EFCs ranged from 0 to 3550.

### *Data Analysis*

This exploratory study on the entire population of Pell-eligible students enrolled at the California community colleges during 2001–2002 uses the college as the unit of analysis. SPSS, a statistical program, facilitated the stepwise regression analysis—a statistical method that “steps” through the independent variables within each group. The variables reported by the program are those that best account for the variance in the dependent variable. Stepwise regression analysis gives “voice” to the data (see, for example, Judd & McClelland, 1989).

Three stepwise regressions (one for each dependent variable) used the four blocks of independent variables mentioned above. As this is a population study of all enrollments during the 2001–2002 academic year (and the state of financial aid offices in California during that time period), there is no need for tests of significance relating the likelihood that the findings of a sample apply to some larger population. In this study, the findings represent conditions existing in 2001–2002, both within the population of California financial aid students and in the financial aid offices at the California community colleges. The results may apply to other years and to financial aid programs in other community college systems only to the extent that these are similar to the California community colleges during 2001–2002. The study also examines the correlations between the dependent and independent variables. As such, the results do not imply causality; they do not suggest that changes in the independent variable might by themselves “cause” student success to increase or decrease.

*Loan Default Rates.* After running the original models, loan default rates were identified as another element of interest. A fourth stepwise regression analysis was run with loan default rate as the dependent variable and against all of the other independent variables.

## **Results**

The major findings of the study relate to the relationships between the different independent variables and the three dependent variables (see Tables 1, 2, and 3). Table 4 presents factors associated with loan default rates. (See the Appendix for full definitions of variables.)

The beta statistic in the tables represents the strength of the relationship between the independent variable and the dependent variable; the higher the beta, the stronger the relation. A beta of 0.5, for example, means that a one-unit change

**Table 1**  
**Factors Associated With Enrollment Rate ( $r^2 = .730$ )**

<b>Factor</b>	<b>B</b>	<b>SE</b>	<b>Beta</b>
Pell percent of students	1.661	.166	.798
Total ISIRs processed	-5.705E-06	.000	-.238
Business major	-4.684E-02	.013	-.204
Asian	-.141	.049	-.184
Verify overall	1.472E-02	.005	.168
FTE student	6.041E-03	.003	.127
ISIRs per FTE	-3.978E-05	.000	-.125

*Note.* ISIR = Institutional Student Information Report; FTE = full-time equivalency. See Appendix for definitions of factors.

**Table 2**  
**Factors Associated With Retention ( $r^2 = .398$ )**

<b>Factor</b>	<b>B</b>	<b>SE</b>	<b>Beta</b>
Dean position	4.810E-02	.013	.311
Loan Percent of students	1.532	.459	.299
Pell advance	-2.661E-02	.009	-.279
Big 3 system	-2.029E-02	.008	-.226
Staff training	-1.747E-02	.009	-.181
Processing time (weeks)	3.148E-03	.002	.176
Business major	1.752E-02	.010	.152
Upgrade staff	-1.321E-02	.008	-.137

*Note.* See Appendix for definitions of factors.

in the independent variable would result in a 0.5 unit change in the dependent variable. Conversely, a beta of  $-0.5$  means that a one-unit change in the independent variable would result in a 0.5 unit change in the dependent variable, but in the opposite (negative) direction. The correlation coefficient,  $r^2$ , represents the total variance accounted for by the independent variable reported in the tables. An  $r^2$  of 0.5, for example, means that the independent variables listed in the table account for 50% of the total variance of the dependent variable.

Whistler's (2002) survey included a number of open-ended questions asking respondents to describe the most frustrating part of financial aid at their school, the biggest obstacles faced in administering financial aid, and what they would need or need to change to have full capacity to administer financial aid. The obstacles were categorized and are summarized in Table 5.

**Table 3**  
**Factors Associated With Success ( $r^2 = .307$ )**

<b>Factor</b>	<b>B</b>	<b>SE</b>	<b>Beta</b>
Zero EFC percent enrollments	-.207	.084	-.282
Big 3 system	-2.586E-02	.009	-.270
Upgrade staff	-2.197E-02	.009	-.214
ISIRs per FTE	-3.389E-05	.000	-.199
BOGFW per Pell	-2.061E-02	.016	-.122

*Note.* EFC = expected family contribution; ISIR = Institutional Student Information Report; FTE = full-time equivalency. See Appendix for definitions of factors.

**Table 4**  
**Factors Associated With Loan Default Rate ( $r^2 = .349$ )**

<b>Factor</b>	<b>B</b>	<b>SE</b>	<b>Beta</b>
Native American	170.153	43.401	.347
Administration major	2.859	.997	.247
Pell percent of students	27.318	10.089	.243
Disbursements per semester	1.599	.702	.203

*Note.* See Appendix for definitions of factors.

These results indicate the number and percentage of colleges of the 108 California community colleges in 2001–2002 who reported these obstacles and frustrations. Responding to Whistler's (2002) open-ended questions, these were spontaneous comments on the needs of individual financial aid offices.

Whistler's survey of financial aid offices at the California community colleges was conducted spring 2002; budget reductions at the Chancellor's Office for fiscal year 2002–2003 eliminated analysis of the tabulated data. As a result, a large portion of the results of the study are descriptive in nature, reporting on the state of the financial aid offices (MacCallum, 2005).

#### *Institutional Integration*

The typical California community college financial aid office is poorly integrated into its institution and the financial aid director does not have appropriate status at the institution. This conclusion is based on:

- The range of financial aid director position types: just 14 were at the dean level (full, associate, or assistant), 61 were directors, and the remaining 33 were officers, supervisors, managers, or coordinators (Whistler, 2002).

## **Findings and Recommendations**

**Table 5**  
**Financial Aid Offices Reporting Frustrations and Obstacles**

<b>Frustration/Obstacle</b>	<b># of Colleges</b>	<b>Percent</b>
Need additional staff	78	72.2%
Cumbersome regulations	71	65.7%
Poor college integration	61	56.5%
Lack of IT support	60	55.6%
Need office funds	48	44.4%
Need office improvements	42	38.9%
Outreach services to students	40	37.0%
Staff training	29	26.9%
Upgrade staff	26	24.1%
Need additional funds for students	24	22.2%

*Note.* IT = information technology (i.e., institution’s computer center). See Appendix for definitions of factors.

- Placement within the institutional hierarchy as indicated by the variety of chief financial aid administrator (CFAA) immediate supervisors: fewer than half (47) reported to a vice president, 51 reported to a dean, and the remaining 10 reported to associate deans, assistant deans, or directors (Whistler, 2002).
- The wide range of annual salaries: from \$37,500 to \$99,500 (Whistler, 2002).
- From the open-ended survey questions, over half the offices chose the item “poor integration into the college” as one of their major frustrations (see Table 5).
- Some financial aid offices (16) report that they are poorly positioned physically on their college campuses (Whistler, 2002).

The CFAA being a dean was positively related to the retention of financial aid students (see Table 2), a tangible indication of the importance of proper integration of the financial aid office into the college structure.

*Implication for Policy Action.* The California community colleges should more fully integrate their financial aid offices into the administrative structure of the institution by raising the status of the office and its director. CFAA job title, salary, and location within the college hierarchy should be carefully examined and improved if needed. At the state level, the Chancellor’s Office should institute a campaign to improve the image of the financial aid office and financial aid recipients—including acknowledging the state funding income the typical aid recipient brings to the

institution, financial aid success stories, and research showing that the retention and success rates of students on financial aid are not markedly different from those of non-aided students. CFAAs need tools, training, and encouragement to work within their institutions to communicate these messages to their board, administration, faculty, staff, and students.

### *Financial Aid Staffing*

Financial aid staffing is an issue at the California community colleges. This conclusion is supported by:

- The number of Institutional Student Information Reports (ISIRs) processed per FTE staff member, which varied widely across institutions (from 141 to 1,492 per FTE staff member; Whistler, 2002).
- Nearly three quarters of the survey respondents reported that their biggest frustration is the need for additional staff (see Table 5).
- Both the total number of ISIRs processed and the number processed per FTE staff member were found to be negatively related to enrollment rate (see Table 1).
- The number of ISIRs processed per FTE staff member was found to be negatively related to success rates for financial aid recipients (see Table 3).

The need to upgrade staff was negatively related to both the retention and success of aid awardees (see Tables 2 and 3). This last result implies that it is not just the quantity of staff that is at issue; quality is important as well.

*Implication for Policy Action.* The concept of a staffing formula for California community college financial aid offices has been around for years, but because of the difficulties of measuring office workload responsibilities, a formula has proven to be elusive. The problems inherent in developing a staffing formula are exacerbated by the wide variety of financial aid office responsibilities revealed by Whistler's survey. However, these findings indicate that it may be time to revisit this concept. Perhaps a simple formula based on ISIRs per FTE staff or on Fiscal Operations Report and Application to Participate (FISAP) figures would be a good place to start. In addition, the Chancellor's Office may wish to consider the establishment of minimum position levels for financial aid offices, similar to their current specifications for the state-funded Extended Opportunity Programs and Services offices. Position levels should at least apply to the CFAA, but could also address technical staff, counselors in the financial aid office, and those on the front line in the office.

Financial aid offices will need additional funds to help implement these recommendations. Perhaps the amount provided by the state could be categorical funding based on a percentage of total aid awarded, the number of ISIRs processed, or on college FISAP figures.

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*The long-term effect of implementing a large computer system would be an interesting and important topic for future research, especially because these programs represent a significant outlay of precious public funds.*

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### *Conversion to Computerized Data Systems*

Another finding of interest was the strong negative relationship between the presence of one of the “Big 3” computer systems (i.e., Banner, Datatel, PeopleSoft) and both financial aid student retention and financial aid student success (Tables 2 and 3). These systems are complex data processing programs that require a substantial amount of staff time for conversion and implementation. Such staff time may take away from student service in the financial aid office. Moreover, during the lengthy implementation of one of the large systems, customer service may suffer as the staff struggles to learn the new program and how to use it efficiently to help students.

*Implication for Policy Action.* As these computer programs are relatively new, it is possible that any effect they have on retention and success is temporary, lasting until the implementation is complete, staff is trained, and the financial aid office returns to normal. However, the long-term effect of implementing a large computer system would be an interesting and important topic for future research, especially because these programs represent a significant outlay of precious public funds.

### *Staff Training*

There is a clear and compelling need for staff training in the California community college financial aid offices. This conclusion is supported by:

- More than one quarter of the financial aid offices reported a need for staff training when responding to Whistler’s (2002) open-ended survey questions (see Table 5).
- The staff training variable was inversely related to the retention of financial aid students; schools that reported the need for staff training tended to have lower retention rates (see Table 3).

*Implication for Policy Action.* Financial aid training is readily available to the California community colleges at a variety of venues, but it appears that a number of colleges are unable to access such training for their staff. Because financial aid is such a complex field with implications for institutional liability if administered improperly, it may be appropriate for the Chancellor’s Office to recommend minimum financial aid initial staff training and yearly training to remain current with financial aid rules and regulations.

### *Student Relationships*

Some financial aid offices appear to be less student-friendly than others. This conclusion is supported by:

- Having a CFAA with a degree in business or accounting (the “business major” variable) was negatively related to financial aid enrollment rate (see Table 1), but had a positive relation with financial aid student retention (see Table 2). It is possible that financial aid directors with a business or accounting background provide an office environment that

engages students less well than a financial aid director with a counseling or social sciences background.

- Verification beyond the minimum specified in statute was inversely related to enrollment rate (see Table 1).
- The length of time to process financial aid was positively related to retention (see Table 2), which may indicate that at-risk students become frustrated and drop out before receiving their first financial aid disbursements. Those that can survive until the first check is delivered are more likely to be retained.
- The “loan percent of students” (see Appendix) was positively related to retention (Table 2), implying that community colleges that attempt to limit student indebtedness by denying loans tend to have lower retention rates. In 2001–2002, 10 California community colleges awarded no loans to students. Of the remaining schools, the percentage of loan compared to total aid awarded ranged from 0.11% to 31.53%, with an average of 8.9% (California Community Colleges Chancellor’s Office, 2002).
- The number of student workers in financial aid is positively related to enrollment rate (see Table 1).

*Implication for Policy Action.* All colleges, especially those with a financial aid office run by someone with a business or accounting educational background, should consider their operation from a customer service standpoint and implement improvements to make their financial aid programs more student-friendly—through staff training, by hiring counselors to work in the office or by developing strong liaisons with the college counseling office, and by hiring students to work in the financial aid office. The Chancellor’s Office could take the initiative in this regard by offering workshops on best and recommended practices (including verification) at the annual California Community College Student Financial Aid Administrators Association conference.

Doing verification beyond the minimum required by law has no intrinsic benefit to the financial aid office, to the institution, or—as these findings disclose—to the enrollment rate of financial aid students. The financial aid programs were created to provide access to higher education for those who cannot afford the cost. It is counterproductive to impose an additional level of verification—and, therefore an additional delay in financial aid disbursement—if, as a result, the enrollment rate of the very students financial aid is designed to help is reduced.

#### *Outreach*

The performance of outreach varies widely among the California community college financial aid offices, with some offices doing much and others doing comparatively little. This finding is supported by:

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*All colleges ... should consider their operation from a customer service standpoint and implement improvements to make their financial aid programs more student-friendly.*

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- The number of financial aid workshops given in 2001–2002 ranged from 0 to 200, with an average of 31.8. Nineteen schools offered fewer than 10 workshops as part of their outreach effort, while 6 reported that they did more than 100 (Whistler, 2002).
- An inability to do proper outreach was reported by 40 colleges as being a major frustration or obstacle (see Table 5).

The financial aid application process is complex and can be daunting for many students and families. Indeed, 71 colleges reported cumbersome, changing financial aid regulations as an obstacle or frustration (see Table 5). Outreach activities may help to demystify the process, encourage students to apply early, and help to smooth the way for both the financial aid office and its students. In addition, it is possible that the enrollment rate of financial aid applicants may be increased with additional financial aid outreach.

*Implication for Policy Action.* The Chancellor’s Office should work with the California community colleges to develop materials to send to students who list a California community college on their FAFSA. Such materials could educate prospective students about the advantages of attending a community college and support outreach and recruitment from initial contact with the applicant.

*Changing Regulations*

Although not related to the dependent variables, one of the frustrations reported by nearly two thirds of the financial aid administrators is the cumbersome, changing financial aid regulations (see Table 5).

*Implication for Policy Action.* Over the years, the Chancellor’s Office has been a strong advocate for the California community college financial aid programs, in both Sacramento and in Washington, DC. In spite of recent budget cuts, it is important that the Chancellor’s Office, representatives from the California community colleges, and the entire financial aid community continue to work with Congress and the state legislature to simplify and rationalize the financial aid process and its rules and regulations.

*Socioeconomic Factors*

Inevitably, several socioeconomic factors were found to be related to the three dependent variables. These are:

- The Pell percent of total students (see Appendix) was positively related enrollment rate (see Table 1).
- The number of fee waivers per Pell (see Appendix) was negatively related to financial aid success (see Table 3).
- The zero EFC percent of total students (see Appendix) was negatively related to financial aid success (see Table 3).

These factors are related to the socioeconomics of the district in which the college resides and are indicative of special

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challenges faced by individual colleges and their financial aid offices.

*Implication for Policy Action.* It is important that the California community colleges chancellor as well as financial aid office staff remain sensitive to the needs of a diverse student body. The open-door policy of the California community colleges has eroded with fee increases over the years. Although fee waivers in California continue to provide access for needy students, fee increases produce a perception that education at the community colleges has become more expensive and less accessible. It is important that financial aid offices, through their policies and procedures and through ongoing staff training, continue to do whatever they can to keep the door to education open.

#### *Loan Default Rates*

Loan default rate data show that the financial aid policies and procedures examined in this study do not appear to be meaningfully related to institutional loan default rates at the California community colleges. Two of the factors (administration major and disbursements per semester) appear to be spurious; it is hard to imagine how either the educational background of the CFAA or the number of Pell Grant disbursements per semester correlate to a borrower repaying a loan after leaving postsecondary education. The Native American ethnicity variable is probably spurious, as well; there is nothing in the literature that indicates that Native American borrowers default more than other ethnic groups and their numbers are so small. That factor might, however, indicate that the distribution of Native Americans in California coincides with some other condition in California that might be related to loan defaults.

The one apparent, meaningful relationship (Pell percent of students) is a socioeconomic factor. This result may have been expected because it is commonly understood that the majority of loan defaulters are those who can't, rather than won't, repay. These results would indicate that the financial aid policies and procedures surveyed by Whistler (2002) are not meaningfully related to loan defaults.

#### *Current Trends*

This study is based on data from the 2001–2002 academic year. It must be acknowledged that education funding in California in recent years has included significant additional funding specifically for community college financial aid offices (although overall funding for community colleges statewide has tightened). This financial aid funding was designated for outreach, for the improvement of financial aid offices, and to hire additional staff in order to help mitigate some of the negative effects caused by the enrollment fee increase from \$11 to \$18 in 2003–2004 (California Community College Chancellor's Office, 2003), and to counter articles that detailed the number of low-income students who do not apply for financial aid (American Council on Education,

2004). These additional funds have allowed community college financial aid offices across California to improve their programs. Moreover, this additional funding appears to have become a part of the California community college budget. In light of the present findings, the importance of this additional funding must be acknowledged, especially because the enrollment fee rose again, to \$26 per unit in 2004–2005, and has now stabilized at \$20 per unit.

Finally, it must be recognized that with the increase in enrollment fees and with statewide outreach campaigns, such as the current “I Can Afford College” ([www.icanaffordcollege.com](http://www.icanaffordcollege.com)), California community college financial aid offices should expect an increase in financial aid applications over the coming years. Offices that are currently doing well may become beleaguered, while those that are merely beleaguered may become overwhelmed. Although it is important to increase the number of financial aid applicants, it is of even greater importance to provide financial aid offices with the resources needed to process those applications effectively and efficiently so as to help ensure student retention and success.

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## Appendix

### Independent Variables

Variable	Definition/Description
Academic (1)	CFAA holds academic management position
Administration major (1)	CFAA's degree is in education or public administration
Advance and grant (3)	Financial aid office has both a Pell advance and a book grant program
African American (4)	Percentage of African American students at the institution
All advance programs (3)	Financial aid office has all three advance programs (Book Grant, Emergency Loan, and Pell Advance)
Asian (4)	Percentage of Asian American students at the institution
Big 3 system (2)	Financial aid office uses one of the "Big 3" computer systems in processing financial aid (i.e., Banner, Datatel, PeopleSoft)
BOGFW per Pell (2)	Computed variable: number of fee waivers processed by financial aid office in relation to number of Federal Pell Grants
Book grant (3)	Financial aid office has a book grant program to help needy students ineligible for a Federal Pell Grant
Business major (1)	CFAA's degree is in business, finance, or accounting
CFAA salary (1)	CFAA's yearly salary
Counseling major (1)	CFAA's degree is in counseling
Critical relationships (2)	Average rating (1 to 5) of relationships between the financial aid office and offices critically important to financial aid processing (e.g., business office and computer services department)
Cumbersome regulations (2oe)	From the open-ended questions: financial aid regulations are cumbersome and constantly changing
Dean position (1)	CFAA is at the level of dean or higher
Default rate 2001 (2)	Institutional cohort default rate for 2001
Director position (1)	CFAA is at the level of dean or higher
Disbursements per semester (3)	Number of Federal Pell Grant disbursements financial aid office makes per term
Emergency loan (3)	Financial aid office has an emergency loan program for students; institutional monies are repaid by future financial aid
FA percent of enrollments (4)	Total financial aid disbursed in 2001–2002 as compared to total enrollment for 2001–2002
FA workshops (2)	Number of financial aid workshops conducted on campus or in the community during 2001–2002
FAO clustered (1)	Financial aid office is clustered with other student services
FAO in stu serv ctr (1)	Financial aid office is part of a student service center
FAO location (1)	Financial aid office is centrally located on campus or is remote
Female (4)	Percentage of female students at the institution
First disbursement (3)	When in the term the financial aid office makes the first disbursement to students
FTE clerical (1)	Total FTEs of clerical staff in the financial aid office
FTE counseling (1)	Total FTEs of counselors in the financial aid office
FTE IT (1)	Total FTEs of IT staff in the financial aid office or working elsewhere, but dedicated to financial aid
FTE professional (1)	Total FTEs of professional staff in the financial aid office (including CFAA, excluding counselors)

FTE student (1)	Total FTEs of student workers in the financial aid office
FTE technician (1)	Total FTEs of financial aid technical staff in the financial aid office
FTE total staff (1)	Total financial aid office FTEs
Hispanic (4)	Percentage of Hispanic students at the institution
HS workshops (2)	Number of financial aid workshops conducted at local high schools during 2001–2002
ISIRs per FTE (2)	Computed field: total ISIRs processed divided by total FTEs financial aid staff; a financial aid office workload measure
Lack of IT support (2oe)	From the open-ended questions: lack of computer support for the financial aid office
Level of education (1)	CFAA highest level of education
Loan percent of financial aid (2)	Computed variable; of total financial aid given to students, the percentage of student loans
Loan percent of students (4)	Percentage of student loan recipients at the institution
Location overall (1)	Combined score of the three location variables
Male (4)	Percentage of male students at the institution
Native American (4)	Percentage of Native American students at the institution
Need additional staff (2oe)	From the open-ended questions: financial aid office is understaffed
Need office funds (2oe)	From the open-ended questions: need additional funds for the financial aid office
Need office improvements (2oe)	From the open-ended questions: financial aid office needs maintenance and improvement
Need student funds (2oe)	From the open-ended questions: need additional funds for students
Obstacle rating (2oe)	From the open-ended questions: total number of the above 10 factors reported
Other ethnicity (4)	Percentage of other ethnicity students at the institution
Outreach services to students (2oe)	From the open-ended questions: do not have the funds or staff needed to do adequate outreach
Overall relationships (2)	Average rating (1 to 5) of relationships between the financial aid office and all offices listed
Pell advance (3)	Financial aid office has a Pell advance program advancing institutional funds to students who applied late and whose financial aid is delayed
Pell percent of financial aid (2)	Computed variable; of total financial aid given to students, percentage of Federal Pell Grants
Pell percent of students (4)	Percentage of Federal Pell Grant recipients at the institution
Poor college integration (2oe)	From the open-ended questions: poor integration of the financial aid office into the administrative structure of the college
Processing time (weeks) (3)	Length of time needed for financial aid office to process a check from the time student applies for financial aid
Relation with admissions (2)	Rating (1 to 5) of relationship between financial aid office and Admissions and Records
Relation with business off (2)	Rating (1 to 5) of relationship between financial aid office and business office
Relation with counseling (2)	Rating (1 to 5) of relationship between financial aid office and counseling office
Relation with DSPS (2)	Rating (1 to 5) of relationship between financial aid office and Disabled Students Programs and Services
Relation with EOPS (2)	Rating (1 to 5) of relationship between financial aid office and Extended Opportunity Programs and Services (a program for at-risk students)

Relation with faculty (2)	Rating (1 to 5) of relationship between financial aid office and faculty
Relation with IT dept (2)	Rating (1 to 5) of relationship between financial aid office and computer services department
Relation with stu govt (2)	Rating (1 to 5) of relationship between financial aid office and student government
Relation with transfer ctr (2)	Rating (1 to 5) of relationship between financial aid office and Transfer Center (an office that helps students prepare to transfer to the university)
Reports to VP (1)	CFAA reports directly to a vice president of the college
Rural (4)	Institution is in a rural setting
Staff training (2oe)	From the open-ended questions: do not have funding or time needed to provide adequate staff training
Student loan program (2)	Financial aid office participates in the student loan program
Total all programs (2)	Total number of programs administered by financial aid office
Total ISIRs processed (2)	Total Free Applications for Federal Student Aid (FAFSA) processed for 2001–2002
Unknown ethnicity (4)	Percentage of unknown ethnicity students at the institution
Unknown gender (4)	Percentage of unknown gender students at the institution
Upgrade staff (2oe)	From the open-ended questions: financial aid office staff job classifications are too low and need to be upgraded
Urban (4)	Institution is in an urban setting
Verify DOE (2)	Rate at which financial aid office verifies SAR information (minimum required, some intermediate amount, all students who apply)
Verify fee waiver (2)	Rate at which financial aid office verifies fee waiver application information (minimum required, some intermediate amount, all students who apply)
Verify overall (2)	Combination of the two foregoing variables
White (4)	Percentage of Caucasian students at the institution
Years in current position (1)	CFAA's years in current position
Years in FA (1)	CFAA's years of experience in financial aid
Zero EFC percent enrollments (4)	Percentage of students with a zero EFC at the institution—a measure of the percentage of low-income students at the institution

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Note. CFAA = chief financial aid administrator; FTE = full-time equivalency; IT = information technology (i.e., institution's computer center); ISIR = Institutional Student Information Report; SAR = Student Aid Report; DOE = U.S. Department of Education; EFC = expected family contribution. Numbers indicate in which group the variable was placed for the stepwise analysis of variance: 1 = institutional support of the financial aid office; 2 = financial aid service policies; 3 = financial aid delivery; 4 = external factors. Ten variables within the financial aid service policies (2oe) came from three open-ended questions on Whistler's (2002) survey regarding the CFAA's perceived obstacles in the administration of financial aid, the CFAA's perception regarding the obstacles students face, and if given the resources, what improvements CFAA would make in the financial aid office. These open-ended responses fell into ten categories.