

RELATIONSHIPS BETWEEN AVAILABILITY OF FEDERAL STUDENT LOANS
AND ENROLLMENT: A COMPARATIVE CASE STUDY OF THREE
TENNESSEE UNIVERSITIES

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ABSTRACT

T. Glen Moody. RELATIONSHIPS BETWEEN AVAILABILITY OF FEDERAL STUDENT LOANS AND ENROLLMENT: A COMPARATIVE CASE STUDY OF THREE TENNESSEE UNIVERSITIES. (Under the direction of Dr. Andrew T. Alexson, Director, Ph.D. in Leadership Program), March, 2011.

The purpose of this qualitative comparative case study was to explore the relationships between the availability of federal student loans and enrollment of undergraduates at three Tennessee universities of different size over a five-year period. The researcher interviewed university administrative officers and financial aid administrators, reviewed financial aid and enrollment reports from federal, state, and education agencies and clearinghouses, examined internal and external university documents, observed financial aid operations, and conducted background research for the time period of the study. The researcher conducted extensive interviews with financial aid directors at each participant institution and conducted document analysis on-site and off-site of the universities. The interviews focused on an examination of the impact on university enrollment from a variety of resources of financial contributions on which students depend to pay for the cost of university attendance. Outside assistance and scholarships, expected family contribution, federal grants and scholarships, state grants and scholarships, institutional aid grants and scholarships, and federal or private loans provide the combined resources for payment of a student's college tuition and fees. This study confirmed many of the findings presented in the literature review and found that the availability of federal student loans at the study schools was an important resource to help students attend college who lack other means to fund the cost of a college education.

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CHAPTER 1

Introduction to the Study

Did the availability of federal student loans at three universities in Tennessee (during the 2004-2009 academic years) influence enrollment of students at those universities? The purpose of this qualitative comparative case study research was to identify and examine the relationships between availability of federal student loans and enrollment at three universities in Tennessee over a specific five-year period. The analysis of the comparative data provided implications for the inference and understanding of those relationships for other similar colleges and universities. The qualitative study provided tangible inferences that are generalizations to the population from the three case studies.

Citations for high school and state college information from the state of Tennessee provided examples of the direction in which education reform was heading. Recent legislative changes in state funding and curriculum changes for Tennessee were referenced as a paradigm for the approaches that many other states were taking in regard to state-regulated methodology changes.

Many students enter American colleges each year as new students who are unprepared and unable to engage at the basic level of college math and English. Most college freshmen require at least one remedial course or more, especially at less selective institutions (American Association of State Colleges and Universities [AASCU], 2009). According to a 2010 Tennessee education report, approximately half of Tennessee's public school students did not meet the state's academic standards in 2010 due to tougher grading and harder exams (Sarrío, 2010b). That report from the state board of education indicated that nearly 75% of eighth-grade math

students were not likely to graduate from high school with the ability to do college-level math. (Sarrio, 2010a).

When the Tennessee legislature passed the *Education Improvement Act of 1992*, the bill adopted the Basic Education Program (BEP), which required the state to make a contribution of several billion dollars, over time, to strengthen the educational program of Tennessee public K-12 schools. State Commissioner of Education Tim Webb did not believe that the additional funding had any significant impact on educational quality in Tennessee public schools. Webb indicated that the truth was finally being told by the 2010 education report in regard to the status of Tennessee's public schools and how students were faring. He believed that, having made teachers aware of the situation, they could now move forward in finding solutions (Sarrio, 2010b).

Another 2010 report on Tennessee education stated that (Tennessee), as a result of a new higher education funding model, state universities and colleges will no longer be able to obtain state support without improving student outcomes (Garrett, 2010). The newer model, produced by the Tennessee Higher Education Commission (THEC), required colleges to fundamentally change the way they do business, according to the commission chair, Jack Murrah. Billed as an incentivized approach to making schools more efficient and focused on productivity, the newer funding methodology, titled The Complete College Tennessee Act of 2010, used a rubric of nearly a dozen criteria to focus on retention and graduation rates (Garrett, 2010).

The recent transition of the federal student loan program from private financial institutions (banks) through the Federal Family Education Loan Program (FFEL) program to Direct Lending (DL) from the federal government (Department of Education) eliminated several

steps in the program administration for college financial aid departments (Alpha financial aid director, interview 1). However, financial aid directors have expressed a variety of concerns about this abrupt shift in resource allocation (Alpha financial aid director, interview 1; Beta financial aid director, interview 1).

Background of the Study

Federal student loans were available to students who attended colleges that the U. S. Department of Education *Office of Postsecondary Education* recognized as accredited in the *Database of Accredited Postsecondary Institutions and Programs*. These colleges could administer distribution of Title IV funds to qualified students. Colleges in this research study participated in administration of federal student loans. The several colleges in the U. S. who operated without accreditation were unable to participate in the federal student loan program (United States Department of Education Database of Accredited Postsecondary Institutions and Programs).

Accreditation and the Authority of Colleges to Administer Federal Student Aid

SACS. The Southern Association of Colleges and Schools (SACS) is a regional accrediting association for colleges from eleven states in the South. The executive offices are in Atlanta, GA. Most collegiate member schools in SACS are primarily liberal arts colleges and universities. SACS is one of six private, voluntary, nonprofit regional accrediting associations in the United States. It is comprised of three commissions: the Commission on Elementary and Middle Schools, the Commission on Middle and Secondary Schools, and the Commission on Colleges (COC). The member institutions of the COC are located in 11 states within the southern region of the U. S. (Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North

Carolina, South Carolina, Tennessee, Texas, and Virginia) and in Latin America (Southern Association of Colleges and Schools Commission on Colleges [SACSCOC], 2010).

TRACS. The Transnational Association of Christian Colleges and Schools (TRACS) is a national accrediting association with executive offices located in Forest, VA. The principle purpose of TRACS is to provide an accreditation program for postsecondary institutions that offer certificates, diplomas, or Associate, Baccalaureate, or graduate degrees, whether at accredited or candidacy level. The accreditation process ensures that the institutions have quality academics, stable financial conditions, and support services available for students. Accreditation will also allow institutions to participate in federally-funded programs so that their students may benefit from the additional funding to assist in funding their education (TRACS, 2009).

Through accreditation, a member institution commits to rigorous foundational and operational standards that reflect compliance and implementation of measurable academic and institutional goals that reflect the quality of education provided for the organization's constituents, commissioners, and the U.S. Department of Education. The U.S. Department of Education (USDE) recognizes TRACS as a national institutional accrediting agency. TRACS is a self-governing organization of Christian postsecondary institutions and is a member of the Council for Higher Education Accreditation (CHEA).

Each year, the USDE publishes a list of nationally recognized accrediting agencies that have been determined to be reliable authorities regard the quality of training offered by educational institutions beyond the inception of accreditation status (TRACS, 2009).

Accredited schools are colleges that have completed the series of reports, examinations, and evaluations throughout the accreditation process. This process moves from applicant to

candidate to accredited status. After an institution receives accreditation, the accrediting agency monitors compliance through periodic Quality Compliance Review (QCR), scheduled at the fifth year of a ten-year accreditation term.

Title IV, The Higher Education Act of 1965. Prior to 1965, American college students and their families paid for their college education through a variety of sources. Private scholarships and grants, institutional scholarships and grants, family financial contributions, student employment, and other benefactors and sources combined to assist students in funding their collegiate education.

Part A of the Title IV federal legislation created the Educational Opportunity Grant directed toward higher education students of extraordinary financial need (Higher Education Act [HEA] of 1965). Higher education institutional officers, who administered grants provided through this program, determined which students qualified as well as the amount of grant that their institution offered each student.

Part B of Title IV established the Guaranteed Student Loan Program. This program made available needs-based loans from private lenders (banks and other similar lenders), but the loans were guaranteed against default by the federal government. In addition, the loan program paid the interest on the loans accrued while the student was still in college. After the student completed or stopped attending college, the program subsidized the loan by paying the difference between the program's low interest rate and the market rate (Simmons, 2008).

Purpose of the Study

With the increasing demand for college training by employers and society, many Americans participate in higher education. As the cost to obtain a college degree increases, many

students and parents consider all of the available options for ways to fund the cost of a college or graduate school education (Wilkinson, 2005). The purpose of this study was to provide an understanding of the relationship between enrollment and the availability of federal student loans at the studied universities over the five-year time period.

Research Questions

1. Did the availability of federal student loans influence enrollment at three Tennessee colleges over a specific five-year period?
2. Did a five-year trend indicate that some students who enrolled in these three colleges would not have enrolled if federal student loans were not available to them?
3. What are the relationships between availability of federal student loans and enrollment?
4. What are the implications of the relationships between the availability of federal student loans and enrollment?

Significance of the Study

Implications

Since the adoption of the Higher Education Act (HEA) of 1965, financial aid has become an increasingly important component of higher education for many American students. As the cost of college education has continued to increase at a level higher than the rate of inflation, the impact of student financial need has affected family contributions, the cost of attendance, the demand for financial assistance in paying for college, and the financial operations of collegiate institutions. The primary significance of the study was the implications that it presented for a

broader awareness and the opportunity for improvement of delivery methods of student services, especially in the area of financial aid and through the availability of federal student loans.

The primary focus of this study was on the observation, comparison, and analysis of the relationships between federal student loan availability and college enrollment. The project utilized a comparative case study where differences were readily observable. The benefit of a broad current look at the state of student financial aid and the inherent need for federal student loans in the American collegiate system was another significant expression of the study.

Applications

Through an overview of the current situation offered by this multiple case study, the research will benefit those (professionals) interested in the relationships between federal student loans and college enrollment. For leaders of unaccredited colleges who wish to consider the benefits of accreditation through availability of Title IV funds for their students, the opportunity to review this case study research can provide incentives for possibilities of enrollment growth, institutional advancement, and accreditation compliance for the future of their institutions. Schools that are presently in the application or candidacy phase of accreditation may benefit from a clearer understanding of the implications for Title IV funding in their institutions as they proceed through the steps to full accreditation.

Student services administrators in accredited schools can benefit from examples in a comparative study that provide illustrations of practices, processes, and procedures that the three different schools in the study utilize while having different perspectives on student financial aid issues. Accreditation officials may observe the direct application of change in financial aid programs and the effect of those changes on a defined population of diverse students.

The research included administrators of schools who can benefit from a focused examination of their own program as they are able to observe how their approach to administration of student services in general, and financial aid services in particular, compare to other schools in their geographic region.

Ronald Ehrenberg (2002), Professor of Economics at Cornell University and author of *Tuition rising: Why college costs so much*, believes that colleges today operate on a starkly different model from business, creating an incentive for collegiate institutions to increase spending at an inappropriate rate. Further, Ehrenberg suggests that a lack of institutional fiscal restraint by colleges could result in a loss of public confidence and possible broadening of federal oversight regulations.

Definitions of Key Terms and Acronyms

Similar to other professions, fields of study, and disciplines, the student financial aid world uses a large number of specialized terms and acronyms that are unique to that arena. The following list describes and defines the essential terms regularly used by professionals in this field. Several of the definitions of financial aid terms are in the National Association of Student Financial Aid Administrators (NASFAA) student aid glossary, 2010 revision. The study will define lesser-used terms as they occur. A more complete glossary of terms is included in Appendix J.

- *Academic Year*: An academic year represents a period of at least 30 weeks of instructional time during which a full-time student is expected to complete at least 24 semester or trimester hours, or at least 36 quarter hours, at an institution that measures program length in quarter hours (Emory financial aid glossary).

- *Consolidation Loan*: A consolidation loan allows a borrower with different types of loans to combine multiple loans into a single loan with one interest rate and one repayment schedule (National Association of Student Financial Aid Administrators [NASFAA], 2010).
- *Cost of Attendance (COA)*: This includes the tuition and fees for a student, plus the institution's estimate of the cost of room and board, transportation and commuting costs, books and supplies, and personal expenses (NASFAA, 2010).
- *Department of Education, U.S. (USDE)*: This federal government agency administers assistance to students enrolled in postsecondary educational programs (NASFAA, 2010).
- *Expected Family Contribution (EFC)*: EFC is the amount of money a student and his or her family can expect to contribute toward the student's cost of attendance. The EFC formula considers: family income; accumulated savings, the amount of taxes paid; family size; the number of children simultaneously enrolled in college; the age of the older parent and how close they may be to retirement; and the student's own financial resources (United States Department of Education, Office of Educational Research and Improvement [USDEOERI]).
- *Federal Pell Grant (Pell)*: Pell grants are federal grants for students who are undergraduates and do not have a previous college degree (United States Department of Education, Federal Pell Grant Program, 2010).
- *Federal Perkins Loan (Perkins)*: Perkins loans are part of a low interest (need-based) loan program for both undergraduate and graduate students (United States Department of Education, Federal Perkins Loan Program, 2009).
- *Federal PLUS Loan (FPLUS)*: Plus loans are long-term loans available to parents of dependent students (NASFAA, 2010).

- *Federal Stafford Loan* (subsidized and unsubsidized): Stafford loans are long term, low interest loans. The federal government department of education (DE) guarantees the loans (NASFAA, 2010).
- *Federal Supplemental Educational Opportunity Grant (FSEOG)*: These grants are for undergraduate students of exceptional financial need who have not completed their first baccalaureate degree and who are financially in need of this grant to enable them to pursue their education (NASFAA, 2010).
- *Federal Work-Study Program (FWS)*: FWS is a part-time employment program that provides jobs for undergraduate and graduate students who are in need of such earnings to meet a portion of their educational expenses (NASFAA, 2010).
- *Federal Family Education Loan (FFEL) Programs*: FFEL or FFELP is the collective name for the Federal Stafford (subsidized and unsubsidized), Federal PLUS Loan, and Federal Consolidated Loan programs. The federal government guarantees the loans (NASFAA, 2010).
- *Federal Student Loans*: In this study the operational definition of federal student loans refers to student loans from the federal government through the USDE direct lending (DL) loan program and student loans through the FFEL programs which the USDE guarantees (NASFAA, 2010).
- *Financial Aid*: Financial aid is a broad term that describes any financial student assistance, including scholarships, grants, loans, and campus employment that is outside of the student and the student's family contribution (NASFAA, 2010).

- *Financial Aid Administrator*: An individual who is responsible for preparing and communicating information pertaining to student loans, grants or scholarships, and employment programs, and for advising, awarding, reporting, counseling, and supervising office functions related to student financial aid (NASFAA, 2010).
- *Financial Aid Award*: A financial aid award is an offer of financial or in-kind assistance to a student attending a postsecondary educational institution (NASFAA, 2010).
- *Free Application for Federal Student Aid (FAFSA)*: The financial aid application document completed by the student, and the student's parents if applicable, that collects household and financial information. The FAFSA is the foundation document for all federal need analysis computations and database matches (United States Department of Education, Federal Student Aid, Free Application for Federal Student Aid).
- *Full Time Equivalent Students (FTE)*: The full-time equivalent (FTE) of students is a single value providing a meaningful combination of full time and part time students. IPEDS data products currently have two calculations of FTE students, one using fall student headcounts and the other using 12-month instructional activity (United States Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System).
- *Integrated Postsecondary Education Data System (IPEDS)*: The Integrated Postsecondary Education Data System, which began in 1986, involves annual institution-level data collections. All postsecondary institutions that have a Program Participation Agreement with the Office of Postsecondary Education (OPE), U.S. Department of Education (throughout IPEDS referred to as “Title IV”) are required to report data using a web-based data collection

system. IPEDS currently consists of the following report components: institutional characteristics; 12-month enrollment; completions; human resources, finance; and student financial aid (United States Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System).

- *National Association of Financial Aid Administrators (NASFAA)*: The National Association of Financial Aid Administrators formed out of regional associations in 1966. Its primary focus is needs based financial aid (Wilkinson, 2005).
- *Scholarship*: Scholarship aid represents a monetary contribution that a third party gives to the student. It does not require repayment or employment (NASFAA, 2010).
- *Student Aid Report (SAR)*: The SAR summarizes applicant information, an Expected Family Contribution for the student, and displays other special messages related to the student's application (NASFAA, 2010).
- *Taxable Income*: Taxable Income represents income earned for students and spouses and/or their parents (NASFAA, 2010).
- *Title IV Programs*: Title IV programs are those federal student aid programs authorized under Title IV of the Higher Education Act of 1965 (NASFAA, 2010).
- *William D. Ford Federal Direct Loan (DL) Program*: Direct Loans is the collective name for the Direct Subsidized, Direct Unsubsidized, Direct PLUS Loan, and Direct Consolidation Loan Programs. The federal government provides loan funds for these programs to students and parents (NASFAA, 2010).

Organization of the Study

The research relied heavily on the professional conclusions and individual experiences of financial aid directors, university financial administrators, academic leaders, and institutional leaders of the colleges in the study. Within that perspective, use of objective data and tangible application of financial aid decisions lends credibility to the multiple case study. The intentional design of the parameters of the study restricted inclusion of anecdotal material, limited the timeframe of the study, and limited the schools in the study to a geographic area in the same state.

The study used pseudonyms in place of the names of universities and individual participants in the research with the intention to avoid bias or unintended perceptions of the circumstances, data, or professional opinions. All other aspects of the study used real names, dates, places, documents, and identities. Pseudonyms for the universities in the study are Alpha University, Beta University, and Delta University.

The case study method of qualitative research used interviews, observations, and document analysis in order to project implications of the relationships between the availability of federal student loans and enrollment at the three institutions in the study. The case study time period extended from school years 2004-2005 through 2008-2009.

Chapter 1 includes an introduction to the study, the background for the setting of the study, the purpose and significance of the study, and a brief list of definitions for terms and acronyms used in the study. An additional glossary of terms and acronyms that are unique to student financial aid are included in Appendix J.

Chapter 2 covers a review of the literature on financial aid practices, resources, professional research, and the abundance of materials produced by the federal government, including legislation, USDE directives and instructions, methodology of financial aid administration, and documents produced by state, regional, and national professional associations. This section includes explanations and discussions of changes and updates in both federal laws and USDE directives.

Chapter 3 details the process, strategies, and directions of the research. This section includes explanations of methods of investigation, procedures for interviews, and practices utilized in document analysis.

Chapter 4 presents the composite body of the research as it compares, contrasts, and analyzes the similarities and differences of the relationships between availability of federal student loans and enrollment for the institutions in the study.

Chapter 5 presents the discussion of the results of the study and the implications from the analysis of the results. It includes the inferences that the study of these institutions offers for other institutions and the broader context for federal student loans at American colleges. This chapter includes recommendations for further research, a larger-scale study, public policy considerations, and institutional self-examinations.

CHAPTER 2

Review of the Literature

Student Enrollment Trends

The myriad of concerns about money, student loans, worldview, curricular changes, and social and cultural changes on campuses can rattle the focus of students who often find the hurdles of the higher education marathon too much to endure. State governing bodies continue to express concern about the lower percentage of graduates who complete their undergraduate studies in six years. However, registrars see a larger number of adult students and part-time students who intentionally plan to extend their tenure beyond this precarious standard (Wilkinson, 2005; Dillon & Carey, 2009).

The National Center for Educational Statistics (NCES) provided data for enrollment and graduation for U.S. colleges. According to NCES projections, expectations are that college enrollment will continue setting new records from Fall 2010 through 2018, with a 9% increase in enrollment over that time span. The calculations use a base enrollment of 19.6 million students in Fall 2009. The research found that “traditional college age population” (ages 18-24) declined during the late 1980s and early 1990s, but increased by 14% between 1998 and 2008. During this same period (1998-2008), full-time college student enrollment increased 37% and part-time student enrollment increased 24%, due to the vast increase in non-traditional students (NCES Projections of Education Statistics, 2009, p.4).

The NCES predicted increases in total enrollment in degree-granting institutions between Fall 2007, the last year of actual data, and Fall 2018. The NCES defined degree-granting institutions as postsecondary institutions that offer associates’s, baccalaureate, or higher degrees.

They must also participate in federal financial aid programs. The expected growth is differential by student characteristics such as age, sex, and attendance status (part-time or full-time). The study expects increased enrollment in both public and private degree-granting institutions (National Center for Education Statistics, 2009).

The report also predicted changes in age-specific enrollment rates and college-age populations affecting enrollment levels between 2007 and 2018. An important factor is the expected increase in the population of 25 to 29 year-olds, a population demographic that is already active in the workforce and generally classified as adult students or non-traditional students. Many colleges are attracting a large number of these students through distance education programs (National Center for Educational Statistics, 2009).

For-Profit Institutions

In 1974, John Sperling took a year's leave of absence as a tenured professor at San Jose State University and created a remedial college program for entering freshmen called Community Research and Development. As he expanded the program in order to train teachers and police officers to effectively address teenager delinquency, the University of Phoenix was born (Bartlett, 2009). According to the Integrated Postsecondary Education Data System (IPEDS) datacenter, 2009 enrollment for the University of Phoenix exceeded a half-million students, and the school website indicates that it has over a half-million alumni (University of Phoenix, 2010). The IPEDS data also includes three other for-profit universities (Kaplan, Ashford, and Strayer) in the top ten ranking by student enrollment, accounting for another 250,000 between them.

Many of the for-profit schools began as commercial, business, or professional training institutes, like DeVry Institute of Technology, National College for Business and Technology, and Argosy Education Group (Ruch, 2001). The Health, Education, Labor and Pensions Committee of the U. S. Senate, chaired by Tom Harkin, produced a stinging report against for-profit education in September 2010. The report, titled *The Return on the Federal Investment in For-Profit Education: Debt Without a Diploma*, criticized the fast growing for-profit schools, based on their large increases in Pell grant dollars, federal student loans, and other federal education subsidy dollars. According to the report, “between fiscal year 2009 and 2010, two schools saw increases of \$56 million in non-Title IV student aid funds received and a third is on pace to see an increase of up to \$85 million.” (United States Senate Health, Education, Labor and Pensions Committee, 2010, p. 2.).

For-profit universities derive the bulk of their income from student tuition and fees because they usually do not provide room and board for students and because they have investors instead of philanthropic donors, unlike their non-profit counterparts (Sperling, 2000). As a group, for-profit institutions have a much higher federal student loan default rate than students at public and private non-profit institutions. Due to this situation, new regulations, which will take effect in 2014, provide substantial punitive measures against colleges with high default rates and low job placement rates, a unique requirement of for-profit schools (Brainard, 2010).

The Tennessee Association of Independent Colleges and Schools is an organization of for-profit schools and colleges in Tennessee. In 2010, these for-profit colleges (called proprietary schools) began lobbying for articulation agreements with public and private universities equal with the mandate issued by the governor in January 2010, covering community colleges (Garrett,

2010). In 2009 according to the Tennessee Higher Education Commission (THEC), there were 330 for-profit campuses in Tennessee serving 80,000 students (Tennessee Higher Education Commission [THEC]).

In Tennessee, the THEC Division of Postsecondary School Authorization oversees and monitors private proprietary, for-profit, and not-for-profit schools offering training or education leading to a vocation, college credit, or issuance of an educational credential. This agency may grant authority to a wide variety of Tennessee institutions, whether degree-granting or not. In addition to academic institutions, these institutions include trade, career, professional, and trade schools as well as out-of-state institutions that have presence and/or recruitment practices in Tennessee. Seventy-nine of these schools participate in Title IV federal student loan programs (THEC).

Distance Education

Although the large for-profit universities originally grew their enrollment primarily through distance education programs, the four largest ones (DeVry, Phoenix, Strayer, and ITT had a combined total campuses and teaching sites in 470 U. S. cities in 2010 (Cassidy Turley, 2010). The largest of these for-profit universities, the University of Phoenix had 200 sites in 2010 (University of Phoenix, 2010).

Early distance education programs developed as internet accessible versions of college correspondence courses from an earlier era (Ruch, 2001). Although accrediting associations were hesitant to award accreditation to some of the pioneer programs, a large number of regionally accredited colleges and universities now offer distance education degree programs. THEC recognizes distance education programs offered by postsecondary educational institutions

operating in Tennessee with THEC approval or appropriate exemption. On their website, THEC noted that today's educational market includes thousands of distance education providers, which may exist almost anywhere within the global environment since the only defining element of distance education is that the instructor and student are physically separated. Their communications may include written correspondence, video or audio instruction, teleconferencing, and/or internet. The minimum standards that apply to traditional programs also apply to distance education institutions (THEC). Many of these distance education programs in Tennessee participate in Title IV federal student aid for online programs.

Effects of Financial Aid Availability on Student Enrollment

Several studies, conducted prior to the advent of spiraling increases in college tuition that began to occur in the last decade of the 20th century, presented broad analysis of the relationship between college enrollment trends in general and student aid, especially in the form of needs-based grants. McPherson and Schapiro (1991) examined the relationship between net cost of college and enrollment. Numerous other studies looked at the impact of price on students' postsecondary education decisions (Leslie & Brinkman, 1987, 1988 [as cited in Heller, 1997]; Gillespie & Carlson, 1983; Lewis, G.L., 1988).

Lewis examined the aggregate financing of student aid by the federal government, state governments, and institutions from 1963-1989. She identified major trends in student aid funding from an historical perspective, giving particular attention to federal program changes that influenced changes in funding methodology. She covered all major programs and her report used comparisons in current and constant dollars. Her analysis explained trends in the composition of aid delivered (grants, loans, and work-study). She included comparisons over time, identified by

programs, in the numbers of recipients and aid per recipient. Adjustments in educational costs were compared with fluctuation in personal income and aid to show how the difficulty increased for families and students to pay for higher education in the late 1980s (Lewis, G.L., 1989).

Speaking to the direct relationship of financial aid to enrollment, Scannell (1992) noted that the desirability or the value of the product delivered to students should be the primary focus by college financial aid and admissions departments. He pointed out that, regardless of the amount of aid a school offered to students, the ultimate amount that parents and students would be willing to pay depended on their perception of the value of the education that the institution provided.

Altbach, Berdahl, and Gumport (1994) addressed how the financial decisions of higher education leaders and the influence of financial support by state and federal government impacts students, the delivery of student services, faculty and staff, and society in general. Wilkinson believes social, cultural, economic, and political forces overly influence the elements of student financial aid. Detailing the history of enrollment management, he described the conflicting philosophies and practices that contribute to the confusing world of college admissions and financial administration. By providing a history of the financial aid administration practices of American colleges, Wilkinson presented a perceptive overview of the current state of student financial aid policies and ways that he believes they influence enrollment (Wilkinson, 2005).

Wilkinson (2005) observed that the amount of need that is unmet (the gap between a student's financial resources and the cost of college) is usually more for lower-income students even though they often attend cheaper colleges. This situation results in many students who are qualified to enroll in college being unable to go to college, partly due to lack of funds but also

due to fear of debt. He believes that, despite the increased availability of grants and loans for need-based students, both private colleges and state governments spend more money on scholarships based on merit rather than need.

Professor Robert Reich, former Secretary of Labor, gave examples in a 2000 *Chronicle of Higher Education* article of how many selective universities became even more selective in the late 20th century, by offering more merit-based and less need-based financial support (Reich, 2000). A 2002 report on tuition discounting as a means of crafting enrollment by Hubbell and Lapovsky found that, in comparison to other colleges, the nation's most expensive and most selective colleges attract more students who are actually able to pay full charges and less students who are not (Wilkinson, 2005).

Wharton conducted a study to measure student financial wellness during the spring of their first year in college. The survey instrument included questions regarding objective, subjective, and behavioral measures in relation to the students' knowledge and perspectives on personal finance. The researcher considered survey results, along with enrollment and admissions data, and tested the correlation to determine the relationship of personal financial characteristics with academic success measures. She found that in addition to the relation of student personal finances to academic productivity, there were other measures that indicated that students' financial attitudes and behaviors often were misaligned with their financial resources. While there was a significant correlation, overall, between student debt and reported stress from debt, it was not particularly strong (Wharton, 2007).

Academic success measures included grade point average and hours earned, both of which are outcome measures that generally correlate with the time required to complete a (four-

year) baccalaureate degree. Wharton's research identified a viable structural equation model that supports the inclusion of personal finance variables in predicting student academic success. It also included time-to-degree related policies and university programs related to student personal finance in relation to study findings. Lam (1999) and Wharton (2007) found that students at a large university, who received financial aid in the form of loans only, had a lower grade point average but graduated faster than other groups.

Sams (2007), who was the university bursar at East Tennessee State University (ETSU), did extensive study to discover and assess the quality of financial services delivered to students enrolled at ETSU. She conducted the research during October and November 2006 through data collection utilizing an online student survey instrument. Results of the data analysis revealed student dissatisfaction issues with the students' perceived quality of delivery of the existing financial services at the institution, particularly, those financial aid services provided through the students' online access portals.

According to the 2009 report from the National Association of College and University Business Officers (NACUBO), *Tuition Discounting Study*, schools were increasing institutional aid in order to maintain enrollment levels. The current national economy had exerted pressure on institutions to provide more student financial aid. According to the findings:

The results of these trends for independent institutions have been threefold:

- (1) Many independent institutions have increased their grant awards to undergraduate students in an effort to keep enrollments stable. The average institutional grant in 2008 covered more than half of the mandatory tuition and fees for freshmen students, resulting in an all-time-high discount rate.
- (2) In spite of the crisis, private colleges and universities

continued giving institutional grants to the same percentage (82 percent) of full-time freshmen in 2008 as in the previous year. (3) On top of all that, higher education endowments, often a source of funding for institutional grants, suffered great losses in 2008 and 2009.

The combination of negative factors—the pressure from a highly competitive industry, the all-time-high tuition discount rate, and the loss of value of endowments—led many institutions to experience net tuition and fee revenue losses in 2008. The following study analysis, along with comments from chief business officers representing institutions that participated in the NACUBO study, sheds light on changing times for tuition discounting (Merea, 2009, ¶3).

In the U. S. House of Representatives Subcommittee on Higher Education, Lifelong Learning, and Competitiveness, Chairman Hinojosa (D-TX) summarized the state of access to higher education in the United States in this excerpt from his opening remarks:

In our first hearing, we discussed how the United States is falling behind in producing college graduates. Our current investments in higher education are not on the scale we need to educate enough of our people to remain globally competitive.

In our second hearing, we discussed how well we are preparing low-income and first-generation students for college. Although we learned that we have some very effective programs such as TRIO and GEAR UP, they only reach a small fraction of the population that qualifies for the programs. Again, we are falling short (Hinojosa, 2007, p. 3).

Concerning reform issues in higher education, Zemsky (2009) suggested that many of the pleas for change in higher education have come from the outside, while “a public that still has faith in an enterprise that it really doesn’t understand,” confuses many of the reform issues. Other recent analysis is changing that approach with works by veteran educator like Rupert Wilkinson (2005, pp. 176-177), who expressed concern about the way that colleges profile and target students for financial aid by recruiting students who can bring the most federal and state grant dollars to the institutions, with less consideration for institutional culture, mission, and character.

Noel-Levitz, Inc. (2004) is a national consulting firm that works with higher education executives in the United States to assist in accomplishing goals for recruitment and enrollment. In their 2004 National Enrollment Management Survey, the research indicated it appears that recruiters representing private colleges and universities are more likely to communicate financial aid awards to prospective students in order to gauge their reactions than public institutions.

Van der Klaauw (2002) studied an important problem faced by colleges and universities – that of evaluating the effect of their financial aid offers on student enrollment decisions. He found that the issue has affected the aid offer variable in a student enrollment equation. His research showed how discontinuities in an East Coast college's aid assignment rule could exploit methodology to obtain credible estimates of the aid effect without having to rely on arbitrary exclusion restrictions and functional form assumptions. He presented semiparametric estimates based on a regression–discontinuity (RD) approach in order to affirm the importance of financial aid as an effective instrument in competing with other colleges for students.

Van der Klaauw's (2002) analysis indicated specific correlations between lower tiered applicants with higher Scholastic Assessment Test (SAT) scores and non-enrollment, suggesting that if a particular college offered less student aid to that subgroup (compared with a similar GPA subgroup with lower SATs), those higher SAT students were more likely to enroll elsewhere. His analytical assumption was that all other factors were similar in the two subgroups.

The National Association of Student Financial Aid Administrators (NASFAA, 2001) is a professional organization that provides member schools with assistance in understanding and implementing federal student aid programs at the individual institutional level. The USDE works with this organization to provide training and to disseminate comprehensive information about financial aid issues to employees of financial aid departments at the NASFAA national conference (NASFAA, 2001).

The Higher Education Act (HEA) explicitly prohibited participating institutions in the Title IV programs from making any commission, bonus, or other incentive payment (kickbacks) based on their success in securing enrollments or awarding student aid to any persons or entities involved in recruiting, admissions, or financial aid. The HEA added this provision in response to expressed concerns in the early 1990s about unscrupulous for-profit schools aggressively recruiting students. However, for a number of years after the addition, the regulations provided little guidance regarding interpretation of the provision (National Association for College Admission Counseling, 2006).

In 2002, the USDE responded to complaints from some institutions about lack of clarity and confusion regarding what they could or could not do in compensating admissions and

student aid staff. The 12 safe harbors that amended the regulations at that time addressed various eventualities such as merit increases, profit sharing, and paying for leads on the Internet.

Later, the USDE decided to remove all of the safe harbors, stating that unscrupulous persons used those safe harbors to get around the intent of the HEA. The USDE maintains it has expended considerable resources in the evaluating whether institutional compensation plans were legitimate since the introduction of safe harbors (NACUBO, 2010). The Department's final regulations, issued on October 29, 2010, abolished 12 safe harbor provisions on incentive compensation in the 2002 amendments to the Higher Education Act.

Federal Financial Aid Programs and Issues

For the purposes of this research, the terminology of federal student loans refers to loans that must be repaid (with some exceptions) by the borrowers. It does not include scholarships, grants, or work-study compensation. As of July 1, 2006, this kind of federal student aid falls into four categories of loans (USDE, FFEL, 2009):

1. Subsidized Stafford loans have the interest paid by government when student is in school and during periods of grace and deferment.
2. Government does NOT pay *unsubsidized* Stafford loan interest when the student is in school or during periods of grace and deferment.
3. PLUS loans enable parents to borrow to pay the costs of higher education for their dependent undergraduates and for graduate students to pay their own costs.
4. Consolidation loans combine more than one federal education loan into a single loan.

Title IV Authorization

Authorization to operate as a Title IV institution permitted the qualified institution's students (if the student qualifies under other descriptors) to apply for federal student aid through that institution. Requirements for acceptance as a Title IV institution include, but are not limited to, the following qualifications:

Eligible institution: An eligible institution is one that qualifies as—

1. An institution of higher education, as defined in 600.4;
2. A proprietary institution of higher education, as defined in 600.5; or
3. A postsecondary vocational institution, as defined in 600.6; and
4. Meets all the other applicable provisions of this part. (HEA, 1965)

Federal Family Education Loan (FFEL) Programs

Title IV-B of the HEA authorized the loan programs (formerly called the Guaranteed Student Loan [GSL] programs), which include the Federal Stafford Loan, Federal PLUS, Federal Supplemental Loans for Students (Federal SLS), and Federal Consolidation Loan programs. In these programs, lenders used their own funds to make loans to enable students or their parents to pay the costs of the students' attendance at eligible institutions. Title 34 of the Code of Federal Regulations (CFR), part 668 detailed the Federal Stafford Loan, Federal PLUS, Federal Supplemental Loans for Students (SLS), and Federal Consolidation Loan programs and all related provisions.

Legally Authorized

The appropriate agency or official of the state in which the institution is physically located granted legal status to an institution through a charter, license, or other written document

issued by the authorizing agency. In Tennessee, this agency is the Tennessee Higher Education Commission.

Nationally and Regionally Recognized Accrediting Agency

An authorized agency or association is one that the Secretary recognizes to be a reliable authority to determine the quality of education or training offered by an institution or a program offered by an institution. The USDE Secretary recognizes these agencies and associations under the provisions of 34 CFR, part 602, and publishes a list of the recognized agencies in the Federal Register.

Title IV Compliance

As accrediting associations, institutional compliance of Title IV programs is a component of the oversight administration by TRACS and SACS. In that role, the accrediting associations require member institutions to maintain and provide accurate records of institutional, state, and federal financial aid programs. The TRACS accreditation manual specifically states that an institution's financial aid program is to be managed efficiently and maintain compliance with all federal, state, and other applicable regulations (TRACS, 2009). Eight hours of in-service, educational training is required for all persons working with federal programs at an institution, even if the institution outsources the administration of financial aid to a third party.

Ensuring Continued Access to Student Loans Act (ECASLA)

Congress passed the Ensuring Continued Access to Student Loans Act (ECASLA) in May of 2008, due to extensive concerns about prevailing credit market conditions that could disrupt the availability of federal student loans. ECASLA granted the USDE temporary authority to purchase federally backed student loans previously made by private lenders, effectively

providing a secondary market for the loans and assisting private lenders in gaining fiscal liquidity. Congress left the legal authority of the new purchases largely undefined, which allowed the USDE considerable discretion in designing and administering the transitional program. In doing so, the Department created four separate loan purchase arrangements under ECASLA: a put option; a short-term purchase program; a financing arrangement; and an asset-backed commercial paper support program (Delisle, 2009).

Changes in the Higher Education Act (HEA)

Congress originally passed the federal law that governs the administration of federal higher education programs, the Higher Education Act (HEA), in 1965 during the administration of President Lyndon Johnson. To allow for adjustments and improvements, the HEA must be re-approved, or "reauthorized," by Congress approximately every five years. In addition to major reauthorization bills, Congress passes a great deal of legislation that may have a fiscal or legal impact on the administration of the HEA. The Health Care and Education Reconciliation Act of 2010 (HCERA, or H.R. 4872) caused a great deal of public debate over the topic of universal healthcare (Branigin, 2010). However, the inclusion of legislation, which created an entirely new approach to federal student aid (The Student Aid and Fiscal Responsibility Act), was widely overlooked. President Obama signed this broad-based legislation on March 30, 2010 (Texas Guaranteed Student Loan Corporation, 2010).

The Higher Education Opportunity Act of 2008 (HEOA, or H.R. 4137) enacted the tenth reauthorization of the HEA. President George W. Bush signed it into law on August 14, 2008. President Obama signed a Technical Corrections bill to the Higher Education Opportunity Act

(H.R. 1777) into law on July 1, 2009. In addition to revising the HEA, the HEOA also amended the Truth in Lending Act (TILA).

Transition to Direct Lending

In 2009, the federal government began a transition in methodology from offering FFEL student loans from private institutions to a program of Common Origination and Disbursement (COD) System. Commonly known as Direct Lending (DL), these loan funds come directly from the federal government. A number of reasons are given for this transition to Direct Lending including some illegal alliances and kickback incentives between financial institutions and loan officers, the insolvency of many private lending institutions, a higher than expected default rate among commercial colleges, and deceptive practices by a number of companies and institutions in student aid administration (Johnson, 2009).

Student Financial Aid Trends

The federal government and private lenders disburse federal education loans in excess of \$100 billion, as well as private student loans of \$10 billion each year (United States Department of Education, Institute of Education Sciences, National Center for Education Statistics, 2010). As the cost of a college education rises, dependency on student loans increases to meet the total student financial needs (National Center for Public Policy and Higher Education, 2008).

The cost of postsecondary education has increased faster than average incomes over the past two decades, making college less affordable for many students. Contributing factors include increased student demand, a relatively stable institutional supply, and declining state support. The national average cost for tuition at a public university has increased about 31%, after

inflation, over the last 5 years. However, grant aid covered only about half the increased costs over the last decade nationally (Schevitz, 2007).

A 2007 Public Policy Institute of California (PPIC) study indicated that 84 % of California resident survey participants believed that affording college is a problem for students, and two-thirds of adults surveyed believed that that the cost of college prevents qualified, motivated students from pursuing higher education (Public Policy Institute of California [PPIC], 2007). The College Board (2008) listed the average cost of a college education for the 2007-08 academic year (including books, travel, and housing) in the following categories:

- About \$54,000 for a four-year in-state degree at a public college
- \$122,000 for a four-year degree at a private college
- \$2,261 a year for community colleges (no room or board)
- \$12,089 a year at a for-profit proprietary school

Among all states, California has the lowest costs nationally for public two-year postsecondary schools in its community college system with a rate of \$633 for annual tuition and fees for the academic year 2007-08, which represented a 13% decrease from 2006-07. Between academic years 1998-99 and 2008-09, average annual costs for undergraduate tuition, room, and board at public colleges and universities increased 32% and increased 24% at private colleges, adjusted for inflation (NCES Projections of Education Statistics, 2009).

In the U. S. House of Representatives Subcommittee on Higher Education, Lifelong Learning, and Competitiveness, Chairman Hinojosa (D-TX) summarized the state of access to higher education in the United States in this excerpt from his opening remarks:

A recent analysis by Post-Secondary Education Opportunity found that while in the 2005-2006 academic year 36.9 percent of resident under-graduate students were eligible for Pell grants, only 15.9 percent of students in the top 50 public institutions and only 9.7 percent of students at the top private institutions were Pell grant recipients. We are asking low-income and minority families to shoulder an increasingly unbearable financial burden for college.

The Advisory Committee on Student Financial Assistance reported that, between 2000 and the year 2004, the net price at a 4-year public college rose from 75 percent to 87 percent of family income for the lowest-income families. Students from low-income families bear a work-loan burden of over \$10,000 to attend a public university.

Post-Secondary Opportunity analyzed college affordability by race and income and found the following: The net price to the family as a share of family income is the greatest for blacks, Asians and Hispanics and the least for white and other race students and their families.

Additionally, a report by Excelencia in Education found that Latinos received the smallest financial aid packages compared to all other groups.

It should come as no surprise that many families see these barriers as insurmountable. The Advisory Committee estimates that over the next decade we will lose between 1.4 million and 2.4 million college-qualified students who will fail to enroll because of financial barriers (Hinojosa, 2007, p. 2).

The National Center for Public Policy and Higher Education (2008) produced the *Measuring Up 2008* report, with individual state data, which noted the disparity between

increases in student loans and the smaller increases in family income since the beginning of the 21st century. The report indicated college tuition has increased much more than price increases within other sectors of the economy by significant rates. For example, between 1982 and 2006 the Consumer Price Index increased 106% while the cost of college tuition and fees increased an average of 439%, and average family income increased 147%.

The higher costs created an accompanying significant increase in the need for financial aid, including student loans (College Board, 2008). Between 2004 and 2008, the average debt for graduation seniors with student loans increased from \$18,650 to \$23,200 (Delta University Financial Aid Department, 2010).

According to Clark (2007, ¶3), “The College Board says its research can't fully explain why college prices keep rising faster than inflation. Tuition at a typical public university, for example, has risen almost 10-fold in the last 30 years, from \$655 in 1977 to \$6,185 this year.” However, due to booming enrollment, extensive marketing, and broad availability of federal student aid, one might conclude that the current demand continues to exceed the supply of popular educational programs.

Problems Associated with Paying for a College Education

McPherson and Schapiro (1991) believed that part of the problem with the burden of student aid in America was confusion over the perspective of decision making that is somewhere in between the responsibility of the student and the parents rather than one or the other alone. They explained that American higher education is dependent on two different models of financial responsibility: the student responsibility system where each generation pays for its own

education (through loans) and the parental responsibility system, where each generation pays for the college education of its children.

Contemporary issues in higher education encompass a variety of topics and concerns, chief among which are financial issues. A survey among presidents of private colleges indicated that responding presidents reported that the leading areas targeted for cost savings were staff hiring; construction, renovation, and maintenance; travel; and salaries (Pals, 2008). Even among institutions that have vast resources, financial concerns are paramount at an economic time when, for example, Vanderbilt University's endowment for the College of Arts and Science lost a billion dollars in value during one recent reporting cycle (Capps, 2009). Although the broad effect of financial stability is important to all higher education institutions, several other issues also offer prominent concern for school administrators.

Often in higher education, large individual, foundation, corporate, and government financial sources provide funds for the fiscal liquidity that allows organizational leaders to add and expand programs based on the interests of said donors and sponsors (Altbach, Berdahl, and Gumport, 1994). This is one of the reasons that academic institutions, like the University of Tennessee, seek to attract more research grants, hoping to gain both prestige and enhanced endowments, as a "research-intensive university" (University of Tennessee, 2010).

Leadership

In many ways, educational institutions have operated like businesses for many years, with a top down structure of organizational leadership where the direction of the organization is largely determined by the chief executive officer, with the appropriate authorization of his or her board of directors (Laughlin & Andringa, 2007). Responsibilities for a board of directors include

development of organization policy, goals, and long and short-range plans. It is essential that boards of directors are accountable to their stakeholders and to their constituents or customers. This significant relationship should not vary whether the board is a public, private, profit, nonprofit, or governmental organization. The names and descriptions of stakeholders will be different among organizations, but the role of board leadership remains largely the same (Carver & Charney, 2004).

In a chapter titled, *The working relationship between a CEO and his directors*, Kevin Sharer, chair and CEO of Amgen, stated that it is easy to understand stakeholders' concerns regarding whether their interests are being represented. In a result, management practices and corporate governance have been subjected to more heightened scrutiny (Carey & von Weichs, 2003). Stakeholders are often concerned that cohesiveness between the board and the administration may deter organizational effectiveness and appropriate accountability. That is one reason that the board must be completely accountable to its primary constituents. Sharer explained further that the board of directors cannot and should not run an organization by itself. Rather, the board should concentrate on whether the organization is well run. When the board is given too much responsibility toward the administrative and operational duties of the organization, its focus is drawn away from its proper duties. The appropriate roles for the board and the CEO must be established in order to provide appropriate corporate governance (Carey & von Weichs, 2003).

Carver (2006) presented numerous examples of an appropriate and careful approach to providing a proper balance between board authority and administrative responsibility by the

CEO, but the key component is accountability. Other important directives include keeping the roles separate, avoiding unnecessary board intrusion, and understanding mutual expectations.

The board of directors must be confident that the CEO has the leadership skills and expertise to lead the organization. Workers want to feel valued by the leaders and by the organization. In some modern organizations, an approach that values shared leadership and servant leadership can often make a significant difference in operational success (Pearce & Sims, 2002).

Sometimes the core values of an organization change over time, either intentionally or unintentionally. In other cases, core values of an organization may gradually evolve to adapt to business conditions, market factors, or broad cultural change. It is not always a bad thing when it happens, but leaders need to be aware of changes in core values and should respond to these changes appropriately (Schein, 2004).

As organizational charts become flatter in institutions of higher education, a broader platoon of leaders makes administration decisions and application of those decisions. Demand for diversity from outside stakeholders, like parents, the general public, and financial supporters, causes the complexion of college and universities to include a great deal more than academic instruction. This continuous pressure to broaden the institutional image can create numerous unintended consequences or evacuation of institutional core values (Hatch, 1997).

Gabriela Silvestre (2008) studied the effects of tensions and misalignments between policy goals and implementation at two universities in Argentina and the resulting impact of global trends in higher education. She found indications that implementation of these policies has deeply affected the work of professors. A key element of her observations was the issue of the

strain created by the policies' intentions compared to the policies' implementation at various levels of the system.

In contrast to the board of directors, the administration of an organization applies board policy in order to reach organizational goals on a day-to-day basis. The administration is directly accountable to the board of directors, and the board is directly accountable to the stakeholders. In spite of these accountability factors, the perspective of understanding of new initiatives at the board level is often quite different from the understanding of the issues that filter down to the administrative and front line level (Carver, J., 2006).

Internally, college leaders could substantially improve the quality and quantity of interpersonal communication that occurs campus-wide. Communication will occur, whether or not the administration provides an adequate flow of it to all stakeholders. Without a holistic view of the purposes of higher education and a vulnerability to share and discuss broad concerns and issues, higher education leaders may fail to lead effectively (Hatch, 1997).

Communication is the key to a successful organization, which can take many forms in a higher education organization. Direct verbal communication, memos, phone conversations, chain-of-command communication, e-mails, letters, documents, policy manuals, and bulletin board notices may be avenues of daily communication within an organization (Goldhaber, 1993).

Leaders need to remind themselves often that the most dynamic sources of organizational power are informal interpersonal relationships and communication networks (Kanter, 1989). Kouzes and Posner (2002) acknowledge that different kinds of leaders communicate in different kinds of ways to the members of their organizations. Often, we prefer enthusiastic leaders that have a bounce in their step and a positive attitude. We readily follow someone that portrays an

exciting journey and who is imbued with a can-do attitude rather someone that presents us with a multitude of reasons that accomplishing something is going to be difficult, regardless of how correct they may be.

Education expert, E. D. Hirsch (1996, p. 144) reminds us, “Educators are often capable of understanding and developing complex scenarios for addressing a problem, but leaders must remember that specific training is often required to help their staff understand new programs, procedures, and paradigms.” Continual professional development and training is now an essential aspect of any professional vocation. Models change, structures require realignment, and continuous improvement must be a high priority for modern educators.

Higher Educational Leadership

Contemporary educational leaders are facing a wide variety of challenges, opportunities, and hazards in the current economic climate and rapidly changing American culture. Long gone are the days when a sleepy Southern town could incubate a collegiate institution where budding young scholars could be culturally isolated for a four-year period, in which they could enmesh themselves in the study of Faulkner, or Hemingway, or another niche of American literature. Modern higher education require students to make snap decisions about their futures and to determine what effect taking particular courses and exposing themselves to various professors will have in their undergraduate experience (Stripling, 2010).

In order to “begin with the end in mind,” a leader must have some comprehension about what the “end” involves or “looks like.” In providing a college education, leaders must have a practical idea about what describes an appropriate college education in order to determine what kinds of issues are involved in producing that result and what kinds of obstacles are potential

hazards to a student receiving that accomplishment and to a college administration delivering that kind of experience (Hacker & Dreifus, 2010).

Philosophically, the ideal of an appropriate college education varies greatly among perspectives of American citizens today. While many respondents might suggest the purpose of a college education is to prepare a person for a career or lifetime employments, each of those perspectives have a radically different image of what that success might entail. Does that mean trade school or medical school, Bible college or art institute, missionary training or business school? The mission and objectives of institutions vary in this regard (Weisbrod, Ballou, & Asch, 2008).

In the day of widely adopted institutional mission and vision statements, colleges remain focused on these guiding standards. Yet, leaders in many institutions of higher education still do not know what they want their institutions to “be,” or represent, or offer to students and their other constituencies. The variety of understandings about what is the core purpose of higher education exemplifies this point (Eastman, 2002).

College president James Mannoia (2000) has said that attending college has become a right rather than a privilege. This is unfortunate for many Americans as this belief obstructs discussions regarding the deeper purposes of educational institutions. In a symposium at Dallas Baptist University, Lamar Stockton (2004), offered the following opinion:

It seems we have traded well-rounded, intentional education for equal-opportunity vocationalism. We are robbing some of a good education in order to give everyone a mediocre education. Students today are simply fashioned into tools of production—a bureaucrat’s ideal. We go to high school in order to get out and go

to college. We go to college in order to get out (as quickly as possible), get a job and start making money. (p. 1)

In the case of many modern educational institutions, the description given by a 20th century American historian is passively, if not intentionally, accurate when he observed that education has truly become part of the business world rather than a separate process (Lucas, 1972).

Eckerd College president, Donald Eastman (2002), decried the paradigm shift in higher education toward purely economic and vocational emphases:

Higher education in America is now divided into two distinct kinds of places: Those in which the search for truth, for an educated intellect and imagination, is primary; and those in which preparation for a particular career is primary. While there is much that is healthy about this dual-purpose system of higher education, the vast numerical superiority of the second kind of education, amplified as it so often is by the "beer and circus" entertainment apparatus of college football and basketball, threatens to obscure and overwhelm the original purpose of colleges in America. That purpose was not to develop accountants - as important as they are to contemporary business - but to teach values and value-laden thinking to students who would later become, among other things, accountants. That was the kind of education Thomas Jefferson had in mind when he said that democracy depends upon the education of the governed. (p. 19A)

Renowned leadership professor, Warren Bennis, and James O'Toole (2005) give modern business schools a thrashing in a 2005 article in the *Harvard Business Review*. They believe that business schools have gone astray by failing to recognize that business is a profession, not an

academic discipline like physics and economics. As a result, business schools have embraced the scientific and academic model rather than the more appropriate professional model of medicine and law. Bennis and O'Toole observe that current MBA programs are intensely criticized for failing to teach useful skills, failing to train leaders, failing to infuse students with ethical behavior, and even failing to help graduates find high-quality corporate jobs, things that apparently distinguished the better schools in an earlier era. The solution, according to Bennis and O'Toole, is that, rather than reforming the curriculum, the scientific model must be replaced by a more suitable model engrained in a profession's special requirements.

Similarly, C. J. McNair and Bryant Richards (2008) are also critical of higher education. They argue that the shortage of capable accounting instructors, specifically Ph.D.s, is caused by the death of the teacher-scholar who has rapidly been replaced by researchers who publish in elitist academic journals. They further contend that this had led to a decline in pertinent inquiry and that exams on narrowly defined knowledge, that is often dated, had displaced teaching.

Summary

Two current professors from northeastern colleges removed the mystery from collegiate academic programs as they delivered indictments of Ivy League schools for their high prices and the low quality of a curriculum delivered largely by teaching assistants whose native language is not English. Outside of the Ivy League, they see the plethora of low paid adjunct instructors, who are teaching the majority of courses at some colleges, while they examine the poor quality of research produced by many of the professors who are not actually teaching classes (Hacker & Dreifus, 2010).

Parental concerns, the cost of a college education, student issues, and concerns about financial stability are factors that reflect an overall loss of direction for the purposes of higher education. Granted, colleges and universities will doubtless continue to produce workers for the American workforce at a very steep cost to those workers, but it appears that institutional focus and direction will be highly influenced by the sources of outside funding (Wilkinson, 2005).

This review of the related literature included studies, research, and examinations of trends in college enrollment in the United States since the inception of Title IV funding for accredited institutions. Conclusions of these reports recognize the need for a more complete understanding of the relationships between enrollment and the ability of students and their parents to pay for a college education. As the cost of college tuition continues to increase at a dramatic rate, the need for supplementary sources of funds has become even more pervasive.

It was the purpose of this study to explore the relationships between the availability of federal student loans and enrollment of undergraduates at three Tennessee universities of different size over a five-year period. The literature review indicated that enrollment has become more dependent on the availability of federal student loans as the cost of attending college has risen.

CHAPTER 3

Research Design and Methodology

The research project was a bounded multiple case study of three institutions of higher education. The research examined institutional internal data and interview discussion within the bounds of a five-year period between academic years 2004-05 and 2008-09. The design of the research restricted the parameters of the study to specific institutions, a specific timeframe, and to examination of particular relationships within the study.

Purpose of the Study

The purpose of the study was to examine the relationships between enrollment and availability of federal student loans at three study schools during the defined study period. The thesis of the study was: Availability of federal student loans contributes to enrollment. Four key questions directed the research:

1. Did the availability of federal student aid influence the ability of students to enrollment at three Tennessee colleges over a specific five-year period?
2. Did a five-year trend indicate that some students who enrolled in these three colleges would not have enrolled if federal student aid were not available to them?
3. What are the relationships between availability of federal student loans and enrollment?
4. What are the implications of the relationships between the availability of federal student loans and enrollment?

The researcher addressed these questions through a qualitative study of financial aid data and reports related to enrollment from three universities in Tennessee. The time-bound study examined the academic years from 2004-05 through 2008-09.

A multiple case study examined the significance of relationships between enrollment and availability of federal student loans during the study period at the three Tennessee universities. The case study examined the general impact of federal grants and Perkins loans, state need-based and merit-based scholarships and grants, and institutional grants and scholarships on students' ability to pay the cost of attendance. The case study also examined the practices, procedures, strategies, and professional opinions of the financial aid directors of the studied schools. Observations, discussions with institutional academic administrators, and document analysis of institutional, state, federal, and Title IV reports contributed to the study findings.

Research Design

The research design for this study was a qualitative comparative case study utilizing reported numerical data and professional opinions from the participant schools and reported numerical data from external sources. The researcher chose a comparative case study method because it allowed utilization of data in a contextual setting where the research analyzes time-bound data sets in order to determine the similarity of relationships within the individual case studies.

The researcher collected data from a variety of relevant documents, interviews, and surveys and cross-referenced statistical data between sources in order to identify and verify any apparent inconsistencies between those sources. Population data consulted national reporting databases for participating Title IV institutions. The data reflected the comparative profiles of all

participating institutions. The researcher extracted data for the institutions under study from the IPEDS reports and compared that data with internal institutional documents, files and student reports, without identification of individual students or any personally identifiable data.

Concurrent Data and Survey Reports

The researcher examined numerous financial aid reports and documents in the process of doing this study. Daily reports from *The Chronicle of Higher Education*, IPEDS, and *Inside Higher Education*, and occasional reports from Education Sector Events, TRACS, SACS, the FSA Listserv, Tennessee Center for Policy Research, Tennessee Association of Student Financial Aid Administrators (TASF AA), and NASFAA provided many historic, current, and ongoing surveys about financial aid issues.

Internal surveys from the institutions under study in this report provided helpful information and unique perspectives of the individual universities. Dissertations about specific institutions included survey data from student questionnaires, administrator observations, and institutional effectiveness evaluations.

Population and Samples

Population

The population for this study was the enrollment from school year 2004-2005 to school year 2009-2010 for the 6700 postsecondary education schools referenced in the National Center for Educational Statistics (NCES) reports to the Integrated Postsecondary Education Data System (IPEDS). Those schools are thereby qualified to participate in Title IV student loans funding.

Samples

The sample for this study was the 2004-2005 to 2009-2010 school year enrollment records for three specific Tennessee universities. Alpha University, Beta University, and Delta University were the pseudonyms used to identify the universities in the study.

Data Collection

All research information was completely confidential, and any institution-identifiable information was not available to other parties. The study did not include or utilize any individual student information. Comparative numerical analysis used proportional data based on percentages. Real numbers for school enrollment were included in the printed report. Document analysis used percentages of change and numerical change for comparisons in enrollment.

Procedures

The researcher initially made contact with the financial aid administrators or relevant officers of the schools and invited them to participate in the research. This contact was via email communication and personal invitations. Future contact with administration utilized telephone calls and personal visits and interviews with the contact person at each college.

The study did not mention the names of financial aid officers and administrators at each university in order to provide confidentiality. This privacy strategy promised complete confidentiality for comments, observations, professional opinions, and sample data from participating institutions. Participants were not identifiable by gender or position, but the confidentiality of identities did not cause any inaccurately portrayed or reported information or data.

Interviews

The researcher personally interviewed the professional staff members at each university. Administrative staff interviews included presidents, deans, enrollment staff, and financial aid staff. Administrator interviews took place on the university campuses over a twelve-month period as the researcher examined, analyzed, and evaluated enrollment documents. The researcher also queried staff as questions arose about enrollment data over the intervening periods under study.

Interviews with financial aid staff are one of the most important aspects of this study due to the vast amount of information that their offices create, handle, evaluate, and use for determination of informed decisions. These interviews include scenarios of the day-to-day operation of a university financial aid department, examples of professional judgment decisions, and descriptions of unique situations and decisions that each university and each financial aid administration faces on a regular basis.

Inclusive of the interviews are descriptions of the student body dynamics, internal and external influences on enrollment, as observed by the financial aid directors, and explanations about the institutions' financial stability and ability to offer institutional aid. The interviews also include discussion of factors and influences such as the Hope Scholarship, Pell Grants, and other federal, state, and institutional aid on enrollment and the need for financial aid in each institution.

The researcher used a prepared list of questions during the personal interviews with the participant financial aid directors. The nature of the questions allowed the directors to present expanded explanations for the strategies, methods, practices, and procedures of his/her financial aid department.

Contact information included a cover letter that introduced the study, explained the importance of the respondent, solicited the response of the respondent, and offered the participant schools a report of the findings and conclusions. This communication identified suggested dates for personal interviews and included a signed confidentiality agreement. The researcher made available conclusions of the study to participating school representatives, but did not reveal the identity of individual participating institutions or individuals to the participants or to any other person.

Dane (1990, p. 51) explained the difference between confidentiality, which “exists when only the researchers are aware of the participants’ identities and have promised not to reveal those identities to others” and anonymity, which “exists when no one, including the researcher, can relate a participant’s identity to any information pertaining to the project.” This report used confidentiality concerning institutional and individual participation and anonymity in reference to student records and data.

Observations

The researcher conducted observations at Alpha, Beta, and Delta University on six separate occasions between June 2010 and February 2011. These observations included the immediate neighborhoods, buildings and grounds, student activities centers, administrative offices, libraries, dining halls, residence halls and parking facilities. Field notes were used to record observations on these occasions.

The researcher observed the daily practices of financial aid professionals, attended financial aid conferences and training programs, and listened to interaction between federal financial aid officials and workshop participants. The researcher attended the national and state

annual meetings for the respective financial aid professionals. Workshops included detailed explanations of FAFSA preparation and analysis, as well as terms and requirements for appropriate financial aid ‘professional judgment’ decisions.

Review of Documents

Document review included many internal and external documents, reports, and publications. These included institutional fact books, institutional association fact books, and reports from state, federal, and financial aid reporting, training, and technical analysis agencies. The study examined other federal, state, and institutional programs that might have affected enrollment numbers from any secondary influence on the reported data. The validity of data and research in the study did not compromise confidentiality or student anonymity but allowed the study to stand alone without creating stereotypes or preconceived conclusions by readers of the study and reports that flow from the independent reporting of the data.

Longitudinal research referenced enrollment data from school year 2004-2005 to school year 2009-2010 from the National Center for Educational Statistics (NCES) reports to the Integrated Postsecondary Education Data System (IPEDS) using the 6700 postsecondary education schools which participate in Title IV federal loan programs. Equivalent data reports from the individual participating institutions included examination of internal and external institutional reports and records. The research utilized many external reports and documents for background purposes and informational perspective that did not directly contribute to the precise findings of the bounded case study.

Extended document review included a large number of papers, reports, analyses, reviews, and documents produced by the federal government, particularly the U.S. Department of

Education. The researcher also reviewed many documents that were from published and unpublished resources from federal and state government agencies, electronic archives, independent research organizations, and doctoral research. This study mentioned several of the reports from government and independent sources in the Literature Review in chapter 2 of this research.

Qualitative Study

Using qualitative research in a case study allows investigation into areas that quantitative reports cannot address. A case study enables a profiler to look at situations where there is little know about it contains or what is happening (Gillham, 2000).

Qualitative case study allows “inquiry into selected issues in great depth with careful attention to detail, context, and nuance” (Patton, 2002, p. 227). It positions the researcher in the context of his topic and allows observation, analysis, and evaluative opportunities that are not available through quantitative methods. As Gillham (2000) has said, it offers the ability for the researcher to find out what really happens by getting into the heart of a group or organization. The context of the case “is crucial in deciding whether or not a finding may have meaning in some other context as well” (Lincoln and Guba, 1985, p. 39).

Case Study Research

Merriam (1988) reminded us reporting case study research has no standard format. Creswell (2008) explained that the ubiquity in using too many cases to research a topic is because the more cases studied results in less depth than any of the cases if they were studied alone. The present study was limited to a study of three institutions for this purpose. The original research idea was to study approximately twenty institutions, but the researcher’s chair wisely

suggested a study with a limited number of cases in order to provide more adequate analysis and comparison of the details of the cases.

Bounded Case Study

The essential nature of a case study requires a clearly defined boundary around the context and phenomenon of the empirical enquiry (Stake, 2005). An ever-present danger to the researcher in a case study is the constant temptation to examine phenomena and data that are outside the boundaries of the research, hence the “single most defining characteristic of case study research lies in delimiting the object of study, the case” (Merriam, 2009, p. 40). In a case study, the “what is to be studied” (Smith, 1978, p. 316) is a bounded system. Deciding what to excluded from the study is often more difficult than understanding what to include in the boundaries of case study research.

Consent for Research and Confidentiality

Each professional staff member received a document of confidentiality via email and through personal delivery, explaining the extent of confidentiality and including relevant information about the research topic and interview procedures. The researcher explained the distinction between confidentiality and pseudonymity for the purposes of the research project.

Analysis of Data

Data analyses require objective interpretation and extrapolation of information from reports, surveys, interviews, and documents. They also serve as tools to assist in the understanding, evaluation, conclusion, and application of the research project. Another important factor in data analyses is “a consideration in our ethical balancing act” (Dane, 1990, p. 52). In this regard, the researcher must be vigilant and diligent in conclusions, comprehension of data,

and appropriate evaluation and analysis. Without this consideration, the researcher may unintentionally produce and provide useless and inaccurate conclusions upon which other researchers may depend. More importantly, “individuals who may be unfamiliar with data analysis techniques may also use our results to, for example, formulate social policies” (Dane, 1990, p. 52).

In qualitative research, when previous usable statistical data and analysis may be less available or nonexistent, researchers must use great care, knowledge, experience, and expertise to produce valid conclusions from available data and the analysis of it. Academic research, by necessity, includes the ethical obligation to refrain from misleading those who rely on the reports and their conclusions.

Data Organization

The researcher utilized personal interviews and email communication to collect data, and then entered data reports into Microsoft Excel worksheets for storage and retention purposes. As the reporting period was completed, the researcher filed the original documents and reports for review and further analysis. Interview questions posed to the subjects allowed narrative treatment for background information.

Time Schedule of the Study

The study began in August of 2010. The researcher requested permission from the schools' chief financial aid officers, as well as the appropriate school officials, to participate in the interviews for the case studies. The researcher also requested enrollment reports for this research project from the appropriate financial aid officials. The researcher made the initial contact with college records offices through email directed to the office of institutional

effectiveness or the equivalent office. Additional support for the project included referrals from institutional officials and financial aid professionals.

The researcher requested enrollment data for the period of study via email and in person from the schools' financial aid officials in mid-September 2010. The researcher conducted three interviews with each school's financial aid officials, at intervals in July 2010, September 2010, and February 2011. Data sorting and coding began in September 2010, and data analysis began in January 2011. Examination and analysis of the data concluded March 3, 2011. The researcher recorded the discussion of the research during February 2011 and completed the finding and conclusions April 1, 2011.

Summary

Qualitative case study requires extensive research, review, examination, and analysis of documents and reports, interviews, and accurate conclusions. This study examined, compared, and contrasted three Tennessee universities concerning their enrollment and financial statistics over a recent five-year period.

Because of the professional knowledge and experience of the financial aid personnel included in the research, the primary methodology for this multiple case study utilized personal interviews combined with document and data analysis. The population data provided a template for the extraction of the data for the sample institutions under study and enabled the researcher to compare and contrast unique aspects of each of the three institutions in reference to their enrollment and availability of federal student loans.

The researcher looked for patterns, similarities, and trends associated with enrollment increases or decreases over the five-year period under study. With input from the financial aid

administrator, the researcher evaluated unique factors that influenced a particular school in the study, in order to determine the extent of the influence and the relationship or impact of the influence on enrollment. Figure 1 details the process of document review, analysis, and conclusions that the researcher followed.

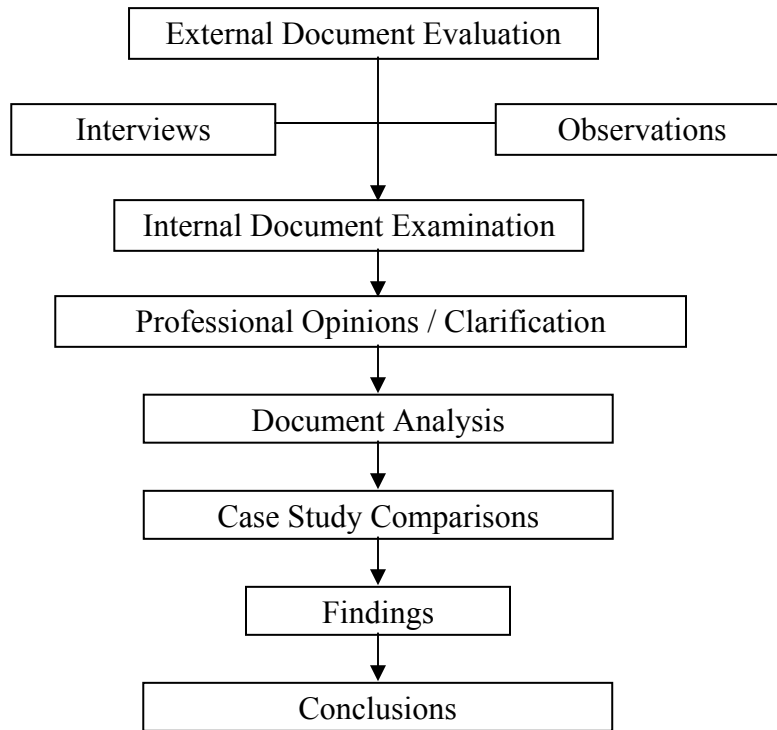


Figure 1. Process of document review, analysis, and conclusions.

CHAPTER 4

Results

In March 2010, the author visited the campuses of each university included in this study and spoke with several key administrative leaders at each institution regarding this research project. In July 2010, September 2010, and February 2011 the author interviewed financial aid officers and directors at each of the institutions. The interviews focused on leadership issues and challenges faced by the financial aid officials, both through the practice of administering financial aid services and through their day-to-day interaction and counseling with student loan recipients.

The purpose for the interviews was to explore the financial aid directors' opinions regarding the availability of federal student loans during the study period, and what, if any, affect that availability had on enrollment numbers. In addition, the researcher posed questions to the directors regarding whether some students who enrolled in these three colleges would not have enrolled if federal student loans were not available to them and what their opinions were about the relationships between the availability of federal student loans and enrollment at their institutions. This chapter presents the findings of that research and a comparison of the findings of the three studies, in order to identify direct and indirect relationship between financial aid and enrollment at these three universities.

In preparation for research at the three Tennessee universities, the researcher attended the national conference of the NASFAA and a workshop for new financial aid personnel presented by the TASFAA. Both conferences presented issue-oriented training, and addressed topics of high interest to financial aid professionals regarding federal-based and state-based student

financial aid. The national conference met in Nashville, Tennessee, November 2009, with Secretary Arn Duncan as the keynote speaker; the theme of the national conference was transition to direct lending. The state conference met in Franklin, Tennessee on April 18, 2010.

Case Studies

The three schools in this study were universities in the state of Tennessee and each of them had essentially the same potential opportunities for a variety of student financial aid. The universities in the study represented three different sizes of universities in Tennessee: small, medium, and large. Factors that may have influenced enrollment at the studied universities included institutional aid and external scholarships, federal Pell Grants and federal work-study programs, state merit-based and need-based aid, and federal student loans. The author considered influences of all available need-based and merit-based student financial aid.

The researcher compared the rate of increases (or decreases) in enrollment at each of these universities over the five-year period of 2004-2005 to 2008-2009. First, this research compared the percentage of students receiving financial aid and then the rates of change among the three institutions. Next, the researcher examined the influence of other possible contributing factors on enrollment (other aid and scholarships) and evaluated the extenuating influences of those factors on enrollment at each institution. Using document analysis and interviews with financial aid directors at each school, the researcher was able to determine the number of students at each university who required reliance on federal student loans in order to fund the cost of their education at the participant institutions. The universities studied were Alpha University, Beta University, and Delta University.

Alpha University

In March 2010, the author visited Alpha University. In July 2010, September 2010, and February 2011, he conducted interviews at Alpha University and examined internal enrollment documents. Alpha University was located in an urban neighborhood of a mid-sized southern industrial city. The campus included several administrative and classroom buildings, a student activity center, a library, bookstore, other student service centers, and dormitories. The university built several of the campus buildings at different times during the fifty-plus years of its existence. The urban neighborhood included several businesses and many recently attractively renovated residences. It also included several other moderately valued homes used as single residences, rental residences, and apartments. The neighborhood was a mix of income, age, race, and building types and sizes. The appearance of the overall surrounding neighborhood was one of moderately priced housing, trending toward an increase in property values (Field Notes, 2010).

The researcher changed the university's website address to a generic address (www.alpha.edu) to maintain confidentiality of the study school and identified it hereafter as (Alpha, 2010). The school's website and catalog provided this brief description of the university's mission:

Alpha University is characterized by quality academics and biblical values.

The University's purpose is to prepare men and women for life through the emphasis on knowledge acquisition, biblical application, skill development, evangelism, and godly living. Alpha University is multifaceted, with undergraduate programs at the associate and bachelor levels and graduate programs in education, ministry, theology, and leadership. Alpha University balances a traditional liberal arts program with an historical

Baptist position regarding doctrine and conduct. Its unique characteristic is its emphasis on local church ministries.

Through the traditional residential program and the Online Learning program, Alpha University is able to provide a Christ-centered education to a diverse population of national and international students. All classes are taught by dedicated Christian professors who integrate the knowledge of their respective fields with a biblical perspective. The undergraduate University curriculum is built on a foundation of Bible courses for all students, a basic program of general studies and several major fields of concentration, preparing the student for leadership in ministry, business, education, liberal arts and sciences, or for graduate studies. The graduate education and seminary programs prepare professionals and ministers for service and leadership in their area of calling.

Alpha University is committed to providing the services and environment necessary to assist its students to achieve their educational goals and enhance their spiritual, social, and physical development. These include academic support and technical services; administrative services that support students, faculty, and staff; and an environment that is conducive to learning (Alpha University catalog, 2010).

Alpha University has operated as a four-year liberal arts college since 1948. During the decade of the 1970's, "significant increases occurred in buildings, students, faculty, and programs" (Alpha, 2010), and the college achieved university status in 1979. The modern university included a graduate school and private academy. Music, the arts, and teacher education continued to be important programs of the university. Throughout its history, Alpha

University has “adhered to the fundamentals of the faith and maintained its link to the local church” (Alpha University catalog, 2010).

The university had an undergraduate population of 587 and a total enrollment of 801 (NCES, Alpha, 2011). While the university admitted qualified applicants regardless of religious beliefs (Alpha financial aid director, interview 2), it has remained committed to a standard of conduct that glorifies God and serves the institution’s spiritual and academic mission. The administration expected the students to model the kind of character in their lives that reflect the institutional standard (Alpha, 2010).

The campus was located on 65 acres in an urban neighborhood. It included several academic, administrative, residential, dining, and auxiliary facilities. It was attractive and well maintained with highly visible security and maintenance personnel. The academic and administrative facilities were spacious, well maintained, and well lighted. Reception personnel in the administrative offices, financial aid office, and faculty offices were polite and courteous. The hallways, men’s restrooms, and stairwells were very clean.

Academic officers and administrative staff were busy with the daily routine but took time to answer questions and to offer helpful suggestions concerning the researcher’s visit. The researcher met briefly with the Vice President for Academic Affairs to explain the nature of the research he was conducting. He also met the financial aid director who agreed to participate in the research project and provided general information about the university’s financial aid department and program to the researcher.

Alpha University had an active inter-collegiate athletic program where 50% of undergraduate students participate in at least one sport (Alpha financial aid director, interview 2).

The university offered baseball, basketball, cross-country, soccer, and wrestling for men and cheerleading, basketball, volleyball, cross-country, and soccer for women. Over 75% of student athletes shared athletic scholarships that exceeded \$275,000 institution-wide (Alpha financial aid director, interview 2).

The student activities department provided many opportunities for leadership development, social participation, interaction, campus entertainment venues, and Christian service opportunities (Alpha, 2010). Through chapel services and regularly scheduled campus events and concerts, students could choose from a variety of campus-based and off-campus social activities.

The undergraduate student population was 55% men and 45% women. Ethnic diversity included 72% white, 20% black, 2.5% Hispanic and 2.2% Asian or American Indian, 2.4% race-ethnicity unknown, and 1.4 non-resident alien.

Alpha University's philosophy of education embraced evangelical Christian beliefs about God, truth, and mankind. It espoused that God is the infinite source of wisdom, knowledge, and truth and that He enlightens men and women through Scripture, history, creation, and His Son, Christ Jesus (Alpha, 2010). Based on the belief that God created humans in the image of God and are capable of knowing truth, the institution's education philosophy taught that one can discover and know absolute truth as God determines and reveals it. These beliefs were the foundation of learning at Alpha University as the program of education engaged the students' intellect, emotion, and will in a Christian learning environment (Alpha, 2010).

Leadership. The director of financial aid was the departmental leader at Alpha University. He/she spent a large portion of his/her day supervising and training staff, performing

chief administrative tasks, interacting with Alpha university administration, and responding to email requests, questions, and issues.

The director described some of his/her specific duties:

I do a lot of verification – not verification of student files, but verification of awards – what has been done, see if it has been done appropriately based on the student accounts. I oversee all of the reconciliation. I am currently working on enrollment verification – making sure that the students have checked into their classes and they have earned their financial aid – which is a big project and that is relatively new for us with the online programs and so we are verifying that the students have checked into the classes and are actively working.

I have just recently handed off most of the packaging of students; I used to be the only one that packaged all of our students, but it got to be way too much for one person to do, so I have delegated that to my very competent staff. So, I only double check and look at special cases, or cases that need special consideration or maybe not your typical student. I look at those and verify to see if there are any specific questions; a typical day for me involves a lot of answering emails, answering phone calls – that consumes a lot of my time. I handle complaints, if the student has an issue and if they do not feel like it has been resolved with the staff that they have talked to, they come to me and I deal with that.

I print out a list of all courses being offered; I separate online from on-campus courses, because we do this for residential students as well, it's just that attendance is checked differently. But I email all of the professors, requesting a report of any students who have not checked in and then if I don't get a report back from the professors for

online classes, I actually go to Blackboard and look at their check-in assignments for each course, to verify that they have checked in.

I handle all Perkins loans, too, for our school; which might not be typical of other schools; I handle former students who are in repayment and go back; I handle consolidation, when students are consolidating their Perkins loans with us; I handle that as well, so, that is a kind of separate project that is just mine that may not be typical of a financial aid director.

I manage staff and answer any questions they have and try to guide them and make sure that we stay in compliance with everything that we're doing, and something that I like to do is evaluate our processes, and make sure that we are working as efficiently as possible, because I feel like that we – we do have a limited staff, a lot of our staff have to do more than one thing; we can't have one person doing loans, and that's all they do. We have to multitask, so I try to make sure that the way that we are doing things is done as accurately as possible and as efficiently, so we are not wasting time or doing double work. So I spend some time trying to refine our processes and update and be sure that we are doing things most efficiently.

I handle all of the professional judgments. As far as packaging goes, they come to me before they get packaged. I handle income reduction requests, or anything that has any special consideration (Alpha financial aid director, interview 2).

Alpha University's educational learning outcome standards prepared graduates to:

- Develop a commitment to life-long learning
- Demonstrate university-level competencies in writing, speaking, and reading

- Gain an appreciation of the arts and broaden their understanding of humanity by studying the histories and traditions of various cultures
- Increase their analytical reasoning, computer literacy, and information literacy
- Develop the ability to articulate Christian values and beliefs
- Exercise leadership and contribute as citizens by serving their families, their churches, and their communities through Christian and community service opportunities.
- Develop skills for making responsible, moral choices based on an understanding of Biblical principles (Alpha catalog, 2010).

Alpha University provided a purpose statement for the philosophy of financial aid:

The purpose of Financial Aid is to provide financial assistance to qualified students who have the desire to obtain Christian education through Alpha University.

The student and his family have the primary responsibility for financing a college education. However, through institutional, state, and federally-funded programs, the student may receive assistance based on financial need. Need is defined as the difference between the cost of attending Alpha University and the Expected Family Contribution (EFC) toward this cost (Alpha financial aid director, interview 1).

Financial Aid programs participated in by the university include: (1) Federal Pell Grant, (2) The Federal Supplemental Educational Opportunity Grant (SEOG), (3) Academic Competitiveness Grant (ACG), (4) National Science and Mathematics Access to Retain Talent (SMART) Grant, (5) Tennessee HOPE Scholarship, (6) Federal Direct Subsidized/Unsubsidized Loans and PLUS loans, (7) The Federal Perkins Loan, (8)

Federal College Work Study (FWS), and (9) The Tennessee Student Assistance Award. Alpha University also has a limited number of institutional scholarships based on academic performance, ability in particular areas, or Christian fellowship (Alpha catalog, 2010).

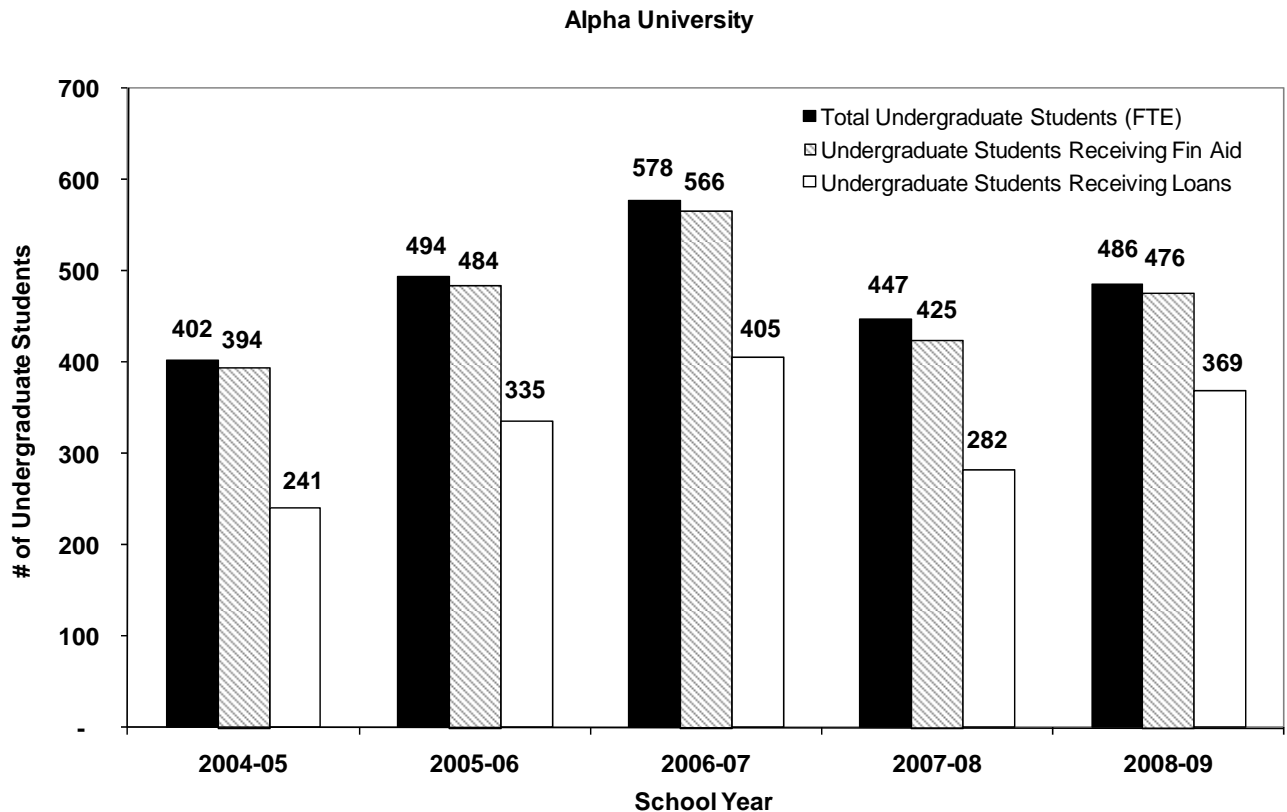
Table 1 displays the comparisons over the five-year study term of raw numbers and percentages of undergraduate students receiving financial aid and federal student loans at Alpha University, based on Full Time Equivalent (FTE) numbers. Figure 2 illustrates the changes in the raw numbers over the same term.

Table 1

Comparison of Undergraduate Students Receiving Financial Aid and Federal Student Loans at Alpha University

Alpha University	School Year				
Undergrad Students (UGS)	04-05	05-06	06-07	07-08	08-09
# Total FTE UGS	402	494	578	447	486
# UGS Receiving Financial Aid	394	484	566	425	476
% UGS Receiving Financial Aid	98%	98%	98%	95%	98%
# UGS Receiving Federal Loans	241	335	405	282	369
% UGS Receiving Federal Loans	60%	68%	70%	63%	76%

Note. From Alpha University Financial Aid Department Custom Report, February 28, 2011.

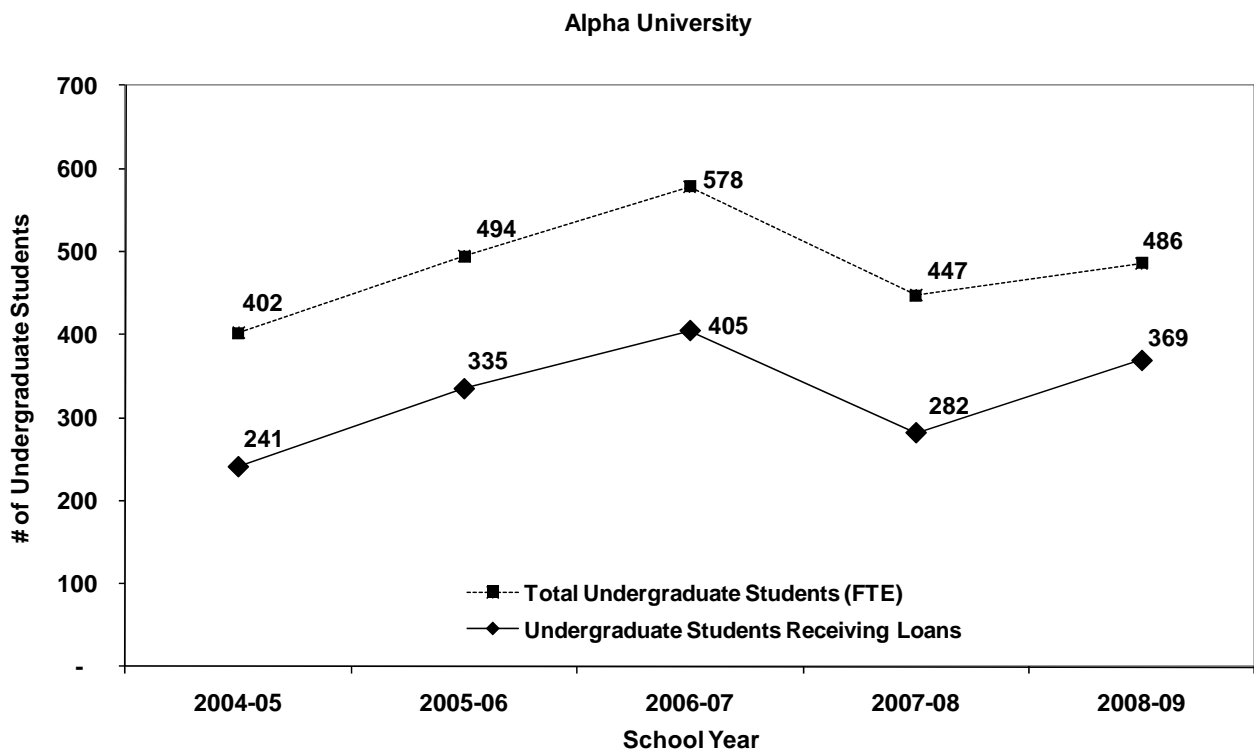


Note. From Alpha University Financial Aid Department Custom Report, February 28, 2011

Figure 2. Comparison of total undergraduate student full time equivalent (FTE) enrollment, undergraduate students receiving financial aid, and undergraduate students receiving federal student loans at Alpha University.

During the initial interview, the Alpha University financial aid director gave direct explanations about his/her observations of the overall relationship between the availability of federal student aid and the university's enrollment trend. When asked to describe a broad impression of the relationship, the director stated, "I think it's vital. It would say that, of the large majority of our students that do qualify for federal aid, a very small percentage do not apply for

any federal aid at all. Without federal aid, we would lose a lot of our enrollment; I'll put it like that." The director expressed a professional opinion that at least 90% of Alpha University students would have been unable to attend the institution, during the period under study, without financial aid assistance (Alpha financial aid director, interview 1). Figure 3 illustrates the relatively parallel trends of Full Time Equivalent (FTE) undergraduate student enrollment compared to undergraduate students receiving federal student loans.



Note. From Alpha University Financial Aid Department Custom Report, February 28, 2011

Figure 3. Comparison of total undergraduate students full time equivalent (FTE) enrollment and undergraduate students receiving federal student loans at Alpha University.

In contrast to the large number of Alpha University students who depend on federal student loans to pay for their college tuition, the financial aid director explained that a small number of students were able to meet the entire tuition costs by combining the Tennessee HOPE scholarship with a need-based supplement to HOPE (Aspire) or a merit-based supplement to HOPE (GAMS), a need-based state grant (TSAA), a federal Pell Grant, a federal (FSEOG) grant, and a federal (ACG) grant. Federal work-study jobs, campus based jobs, off-campus jobs, or family financial contributions have provided ways for students to pay for room and board and personal expenses (Alpha financial aid director, interview 1).

The Tennessee legislature implemented the HOPE Scholarship in the fall of 2004; the Tennessee Education Lottery Corporation funds it. The primary HOPE Scholarship is merit-based with some need-based supplementary components. The basic HOPE program is available to high-school graduates who enrolled in college within 16 months; however, there is a category of HOPE called HOPE Scholarship for Non-traditional Students (minimum age 25) for which some Alpha University students have qualified (Tennessee Student Assistance Corporation).

Between two recent changes for financial aid departments in Tennessee, the HOPE Scholarship and the transition of federal loans to Direct Lending, the Alpha University financial aid director expected the availability of the HOPE Scholarship to have a positive impact on enrollment numbers at Alpha University and expected no discernable impact from the change in federal student aid loan programs. When the interviewer asked the financial aid director to describe his/her impression about whether the availability of the HOPE Scholarship would cause a decline in the need for federal student loans (Direct Lending) at Alpha University, the director explained:

Probably not significantly. I would say it is possible, maybe more of a decline in the unsubsidized because many students will still get the subsidized loans to cover room and board or something like that. So, maybe I don't see a decline so much in students receiving loans as maxing out their loans, but I don't think it would be a significant impact in the number of students taking loans (Alpha financial aid director, interview 1).

The director supported that reasoning by describing the stringent guidelines to which students must adhere in order to retain the HOPE Scholarship. Traditional students received their first year HOPE Scholarship based on their high-school grade point average or their ACT or SAT scores. However, they retained the HOPE Scholarship by achieving a high GPA for the first two years (2.75), but must have a higher cumulative GPA (3.0) after the student completed 72 and 90 semester hours. According to all of the financial aid directors interviewed, this criteria lead to a significantly high attrition rate in holders of HOPE Scholarships (Alpha financial aid director, interviews 1 and 2).

Alpha University provided a student financial aid worksheet to students who came to the financial aid office, which they sometimes sent via email attachment with the student's financial aid award letter. The director expressed plans to develop an award letter that included that worksheet (Alpha financial aid director, interview 1).

In describing his/her personal philosophy of financial aid, the director stated:

When I think about my philosophy, I think about an individual student; if that student feels called to attend Alpha University, I want to do everything that I can to make that possible. I want to make the process as smooth as possible, and a personal goal of mine is to limit the amount of loan debt that the student has to take in order to make that possible.

So I don't like for students to max out their loans if they don't have to; I try to encourage that, so that's probably something that the school doesn't necessarily have as a goal of its philosophy, but I do. I don't want students to be taking on more loans than they actually need and they get themselves into, you know, too big of a debt and not being able to repay it; so that's probably my own personal philosophy.

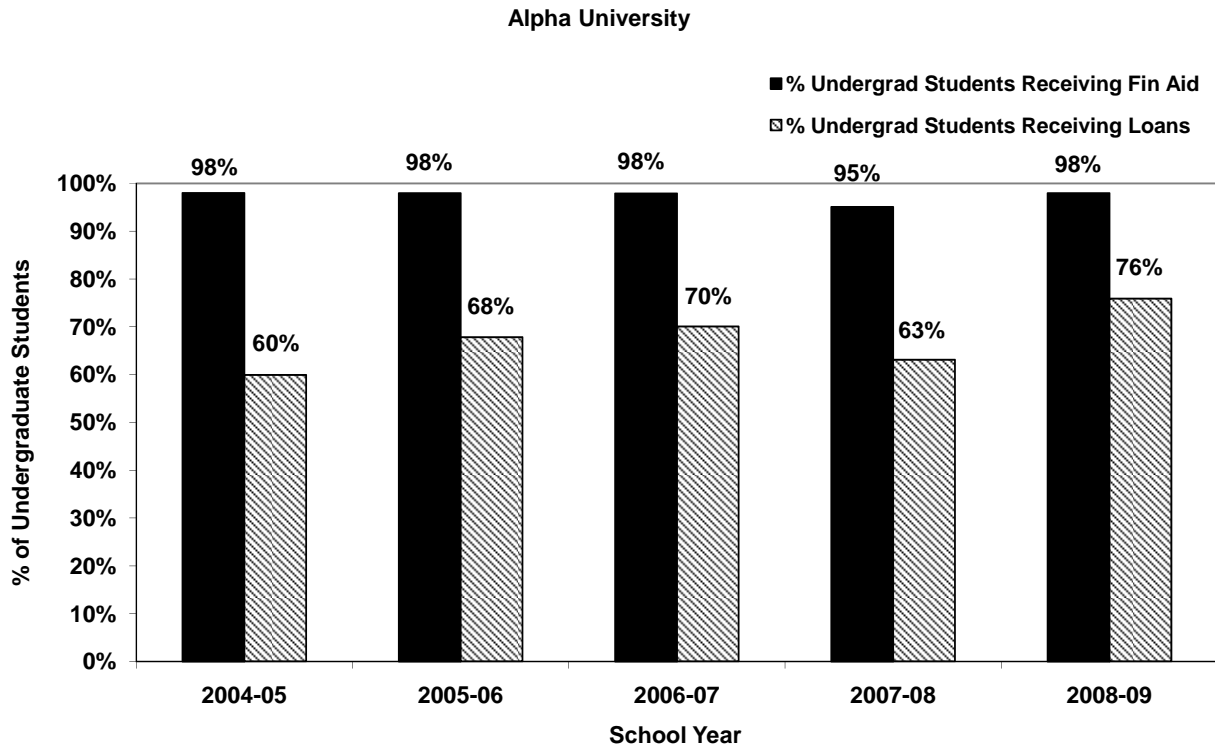
Although the school's institutional philosophy represented a broader view within the spectrum of the university mission and the delivery of student services, it blended well with the personal philosophy of the financial aid director.

The school's philosophy is to assist students, to make their education possible through whatever means we have available to us, whether that is federal funding, or private funding, or institutional money – however we can make it possible for them to attend Alpha University, that's what we do. Our school is always looking to give as much as we can to the students; we want to help the students out as much as we can. So, I appreciate that in this school, that they are not trying to get as much as they can from the students; they are trying to help them out as much as they can. That is, sometimes, a struggle to find that balance; where you are giving, but not too much to where you can't support yourself. So, I think that on a personal level, that knowing what the student needs is crucial for that; so understanding how much the student can afford, what their circumstances are. Sometimes you just have to ask them, 'How much would you need to be able to afford to come,' and you do what you can to meet them to that point as close as you can. And, for me, that is part of my job on a day-to-day basis; individually getting the students to the point where they can afford to come and the philosophy of the school

supports that; so we are doing what we can for each student to make it possible for them to come.

Alpha University's cost of attendance for the 2010-2011 year was \$17,790. The school tried to keep the institutional discount rate to around \$3,000 per student per year, in addition to other special program offers, like free room, free computers, and things like that, which were in addition to the \$3,000. That accounts for how a few students could attend Alpha University with small out-of-pocket expenses, if they qualified for maximum federal and state grants and received an average institutional discount (Alpha financial aid director, interview 2).

Figure 4 illustrates the percentages of undergraduate students receiving financial aid and federal student loans at Alpha University.



Note. From Alpha University Financial Aid Department Custom Report, February 28, 2011

Figure 4. Comparison of percentage of undergraduate students receiving financial aid vs. federal student loans at Alpha University.

Beta University

In March 2010, the researcher visited Beta University and spoke with the president, academic vice-president, vice-president for enrollment management, and the director of financial aid. The vice-president for enrollment and the director of financial aid agreed at that time for the university to participate in the research project. In September 2010 and February 2011, the researcher conducted interviews with the director of financial aid and examined internal enrollment documents. The researcher facilitated incidental questions and communication with

the director of financial aid via email. The researcher also received supplementary internal data communication via email from the director of development and the director of institutional effectiveness and planning.

Beta University was located near the edge of a small southern town (population 7,000). The university was located in a neighborhood surrounded by several modest homes built around the middle of the 20th century. The student body was composed of public school graduates, private school graduates, and home schooled graduates.

Beta University was located on a hilltop campus situated on over 100 acres, overlooking the local community. It began in 1930 and grew continuously since that time. The university's first classes met in the local high school. The researcher changed the university's website to a generic address (www.beta.edu) to maintain confidentiality of the study school and identified it hereafter as (Beta, 2010). The university's website provided this brief overview:

Beta University . . . was chartered in 1930 and admitted its first class in the fall of that year. Its stated purpose was, and is, to provide “for the higher education of men and women under auspices distinctly Christian and spiritual.”

Beta College is founded upon the belief that God is the author of truth; that He has revealed Himself to mankind through nature, conscience, the Bible and Jesus Christ; that it is His will for man to come to a knowledge of truth; and that an integrated study of the arts and sciences and the Bible, with a proper emphasis on the spiritual, mental, social and physical aspects of life, will lead to the balanced development of the whole person.

Beta is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the associate, baccalaureate, and master of business

administration degrees. It is an independent, Christ-centered liberal arts institution offering degrees in 40 areas including Biblical Studies, Biology, Business Administration, Christian Ministry, Christian Thought, Communication Studies, Computer Science, Elementary Education licensure, English, Exercise and Health Science, History, Liberal Arts, Mathematics, Music, Politics & Government, Psychology, Spanish, and Theatre. Eighty percent of the faculty holds earned doctoral degrees.

In 2010, Beta University had nearly 800 undergraduate students in the campus traditional program, from 41 states and 9 foreign countries, as well as over 450 students in graduate, online learning, and degree completion programs. Approximately 85% of undergraduate students lived on campus in a variety of comfortable residence halls and apartments. About 80% of the full-time faculty in the bachelor's degree programs held the doctorate or highest degree available in their respective fields (Beta, 2010).

The gender diversity of the undergraduate student body was 55% female and 45% male. Ethnic representation included nearly 90% white, 5% black, 2% Hispanic and 3% other.

The stated purpose of Beta University is “to educate students to become servants of Christ to make a difference in today’s world.” The university’s mission “seeks to assist in the personal growth and development of qualified students by providing an education based upon an integrated understanding of the Bible and the liberal arts” (Beta, 2010). The university formally stated its institutional distinctives:

Beta University was established as a four-year undergraduate college of arts and sciences, although until 1958 the corporate title used the term “University.” In December 2005 the College was authorized by the Southern Association of Colleges and Schools

(Commission on Colleges) to offer its first graduate degree: The Master of Business Administration. Chartered in 1930 under the laws of Tennessee as a general welfare corporation with the basic purpose of providing “for the higher education of men and women under auspices distinctly Christian and spiritual,” the College has responded to changing times with various modifications of its educational program. The goals for institutional development and the changing climate in American higher education will continue to influence the educational program. However, the original institutional purpose as a Christian liberal arts college remains unchanged.

With an awareness of its heritage and a commitment to its future, the College endeavors to serve its constituencies by traditional and novel means. Beta University maintains the following distinctives as part of its vision for the next century.

Figure 5 outlines the vision for Beta University.

Beta University

Vision

Beta University has developed and will maintain:

- An identity as a Christian liberal arts college which is evangelical, nondenominational, and regionally accredited.
- A firm biblical emphasis, both in curriculum and in principles for everyday life, based upon unequivocal acceptance of the inerrancy and authority of the Scriptures.
- A Christian worldview as the foundation for the engagement of faith, learning, and living.
- A competent faculty committed to a quality academic program.
- A balanced position regarding theological beliefs, daily life and conduct, and educational philosophy and practice.
- A close bond of fellowship and a sense of community under the Lordship of Jesus Christ that fosters positive relationships among faculty and students of diverse backgrounds.
- A commitment to a progressive approach in addressing the technological nature of our changing society.
- A setting of natural beauty where lake and mountains meet, ideal for serious study and growth.

Note. From www.beta.edu.

Figure 5. Beta University Vision.

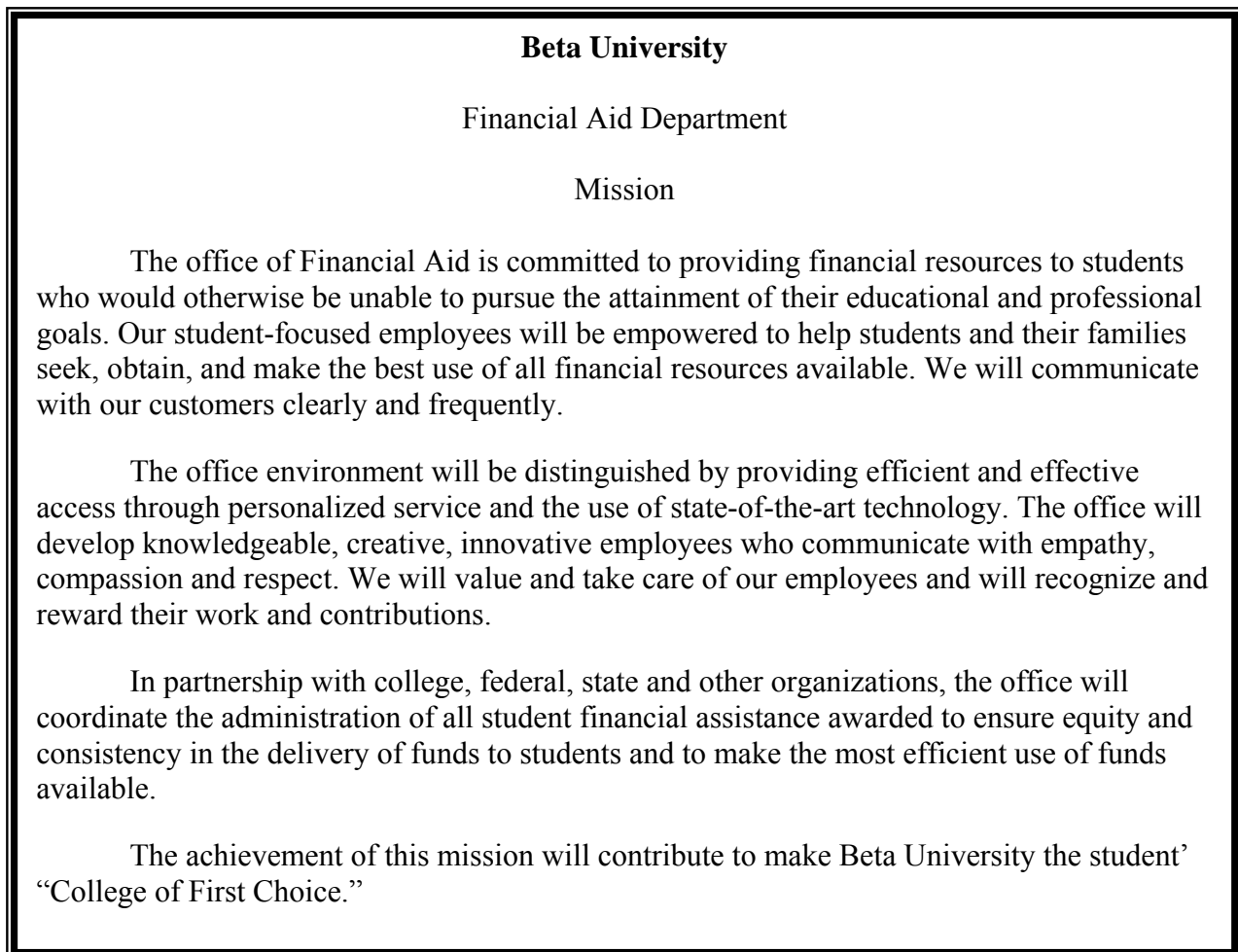
Of Beta's total student body, 95% received financial assistance that may have included scholarships, grants, loans, and work-study opportunities (Beta financial aid director, interview 1). The university offered numerous opportunities for student activities and athletics. There were more than 40 clubs and organizations, including theatre, music, and a number of professional and religious clubs and honor societies. Intercollegiate athletic programs included basketball,

baseball, track and field, cross-country, golf, and soccer for men and basketball, cheerleading, track and field, cross-country, golf, soccer, volleyball, and softball for women (Beta, 2010).

Beta University placed a strong emphasis on student character, individual responsibility, and personal honor. The Community Life Handbook and the college catalog stipulated specific college values and guidelines, including mandatory weekly chapel attendance, a dress code, and prohibition of alcoholic consumption and use of illegal or illicit drugs.

The academic facilities, library, administrative offices, student services offices, and auxiliary facilities were well maintained and very clean. The campus was spacious and included walking paths and automobile access between the numerous buildings on campus. The library staff, administrative receptionists, and student services staff were efficient, courteous, and helpful.

The results of a 2011 report from a national survey of students from 361 private colleges and universities ranked student satisfaction with their college experience at Beta University higher than their counterparts at other four-year private schools. The university ranked higher than average on all surveyed categories for all 13 years that the university has participated in the study to date (Beta, 2010). Figure 6 illustrates Beta University's financial aid department mission statement.



Note. From Beta University, 2010.

Figure 6. Beta University Financial Aid Department Mission.

The University's purpose statement for the administration of financial aid blended with the mission statement to present an overall philosophy of financial aid for the institution and the department. As part of the financial aid department policies and procedures manual, the purpose statement declared:

The Office of Financial Aid administers federal, state, institutional and private student financial assistance programs in support of the College's Strategic Plan. The Office

assists in fulfilling the College's mission and purpose of achieving set educational goals by providing informational and administrative services to current/prospective students, parents, and Beta College faculty/staff. (Beta University Financial Aid Department)

For the 2008-09 academic year, 95% of Beta University students in all programs received some kind of financial aid in the form of external scholarships, institutional aid, or federal or state grants or scholarships (Beta, 2010). Table 2 reflects the number of Beta undergraduate students receiving financial aid and federal student loans during the period of this study.

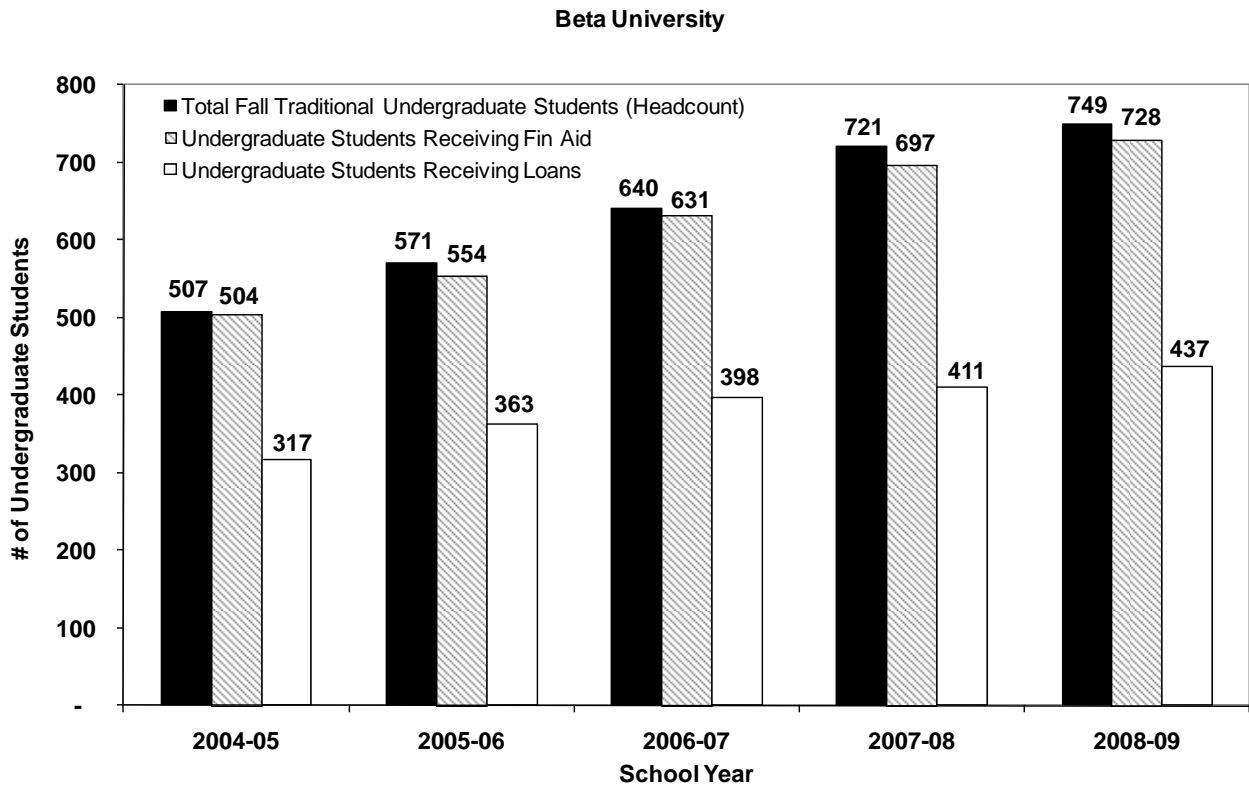
Table 2

Comparison of Undergraduate Students Receiving Financial Aid and Federal Student Loans at Beta University

Beta University	School Year				
	04-05	05-06	06-07	07-08	08-09
Undergraduate Students (UGS)					
# Total Fall Traditional Undergrad Headcount (UGS)	507	571	640	721	749
# UGS Receiving Financial Aid	504	554	631	697	728
% UGS Receiving Financial Aid	99.4%	97.0%	98.6%	96.0%	97.2%
# UGS Receiving Federal Student Loans	317	363	398	411	437
% UGS Receiving Federal Student Loans	62.5%	63.6%	62.2%	57.0%	58.3%

Note. From Beta University Institutional Fact Book, 2009-10.

The Beta University financial aid director explained that 95% of Beta traditional students received financial aid of some kind. She/he estimated that approximately 75% of students would not be able to attend Beta without financial aid assistance. Because of this level of financial need, in 2010-2011, the university awarded financial aid packages including institutional merit-based and need-based scholarships, other institutional aid, federal and state scholarships, grants, and loans averaging \$17,000 per student. After the average financial aid package, the typical student still needed an additional \$11,000 to cover the entire cost of attendance (Beta financial aid director, interview 1). Figure 7 illustrates the differences in total enrollment, undergraduate students receiving financial aid, and undergraduate students receiving federal student loans at Beta University.



Note. From BetaU 2009-10 Institutional Fact Book

Figure 7. Comparison of total fall traditional undergraduate students (by headcount), undergraduate students receiving financial aid, and undergraduate students receiving federal student loans at Beta University.

Beta University offered two levels of renewable high merit institutional scholarships to recent high school graduates. The financial aid director indicated that these scholarship programs contributed to a rise in the average ACT score of incoming freshmen from 24 to 25.

When the Tennessee legislature implemented the HOPE Scholarship program in the fall of 2004, Beta University's in-state percentage of student enrollment increased from

approximately 30% to approximately 50% of traditional students. This increase caused a related increase in overall enrollment at Beta University (Beta financial aid director, interview 1).

According to the financial aid director, approximately 33% to 50% of new applicants who were accepted and proceeded through the enrollment process were not able to attend due to financial or personal reasons after all paperwork and processes are completed. A large percentage of those students attended community college or a lower-priced institution, and some of those students simply deferred enrollment at Beta University until they were upperclassmen. Either those students notified the admissions department that they are not coming to Beta in the fall, or they failed to remit a deposit by May 1 and the university dropped them as new entrants at that time.

Leadership. Beta University's financial aid director divided his/her work schedule between answering email correspondence, staff oversight, and interaction with the university administration on financial aid issues and other university financial matters.

I probably spend two or three hours, at least, on email per day. It is typically somewhat project based, but usually as far as future things that are going to help the office or help us automate something better or deal with some kind of federal regulation, or serve students better. Sometimes it might not be just financial aid; financial aid might be a part of that but I am working on that big overall thing for the benefit of the school, because it might also affect enrollment management, the finance business office or things like that.

But, that's a lot of it; just looking at that. There are obviously a lot of cyclical times; right now we are in the process of doing all of the set-up and the awarding for next

school year. Sometimes I am pushing for financial aid awards; sometimes it might be pushing as far as doing reports to the department of education and to whomever the various reports go. So often, it is cyclical; I try not to counsel students; even though it is great. Time wise, that is why we have counselors, so I try not to do much of that; if there is a problem, or issue or question then I might be able to help them, but the counselors can take care of 95% of that workload (Beta financial aid director, interview 2).

The director's financial aid philosophy and the financial aid philosophy of the institution were similar. The director explained:

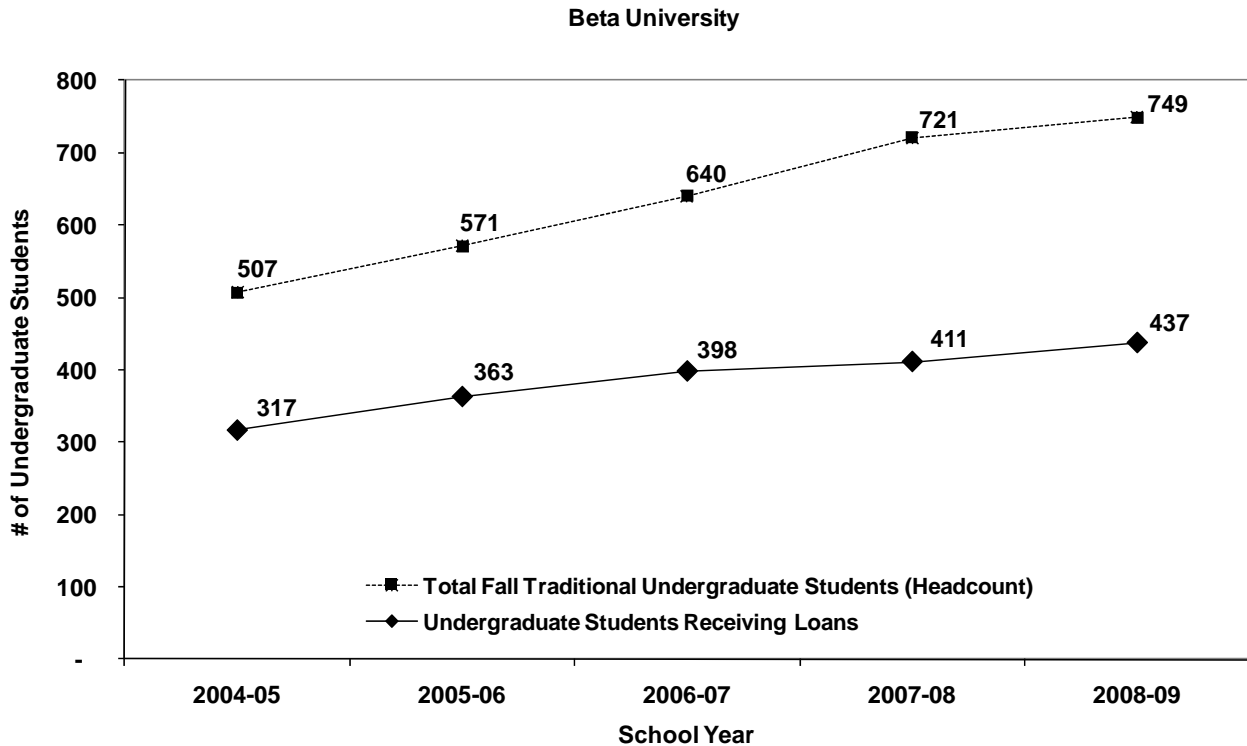
For me, it is obviously to help students pay for college, as far as to help them if they really want to come to Beta, to help them attain a Beta degree. And, you know we have different methodologies and different models to do that. But, it's to help student attend college by looking at all of the different financial aid options. We first try to encourage students to look at the free money first; the scholarships, the grants, then the work and then lastly the loans.

That is kind of the last thing. And that works, cyclical, also. When you are meeting with prospective students, we are talking about scholarships and grants a lot. Then as it gets later we are talking work, and in the last two or three months before school starts, it is more focused on the loans. It is like 'okay, now I'm down to the final thing and I just need to work that out.' In addition, hopefully the student's family can contribute some way in order to help financially.

As far as institutional philosophy for financial aid, a lot of it is the same as far as helping students be able to attain a Beta education, and as far as structure and narrowing

it down as far as institutional dollars go, it is to help increase enrollment of those students, because we have a limited pool of money that we can award, but how can we best effectively award it to help the most students be able to attain a Beta degree. So, that is what we are looking at in that regard. That might mean awarding scholarships to one group of students or awarding aid to students who have a higher academic record; things of that nature. (Beta financial aid director, interview 2).

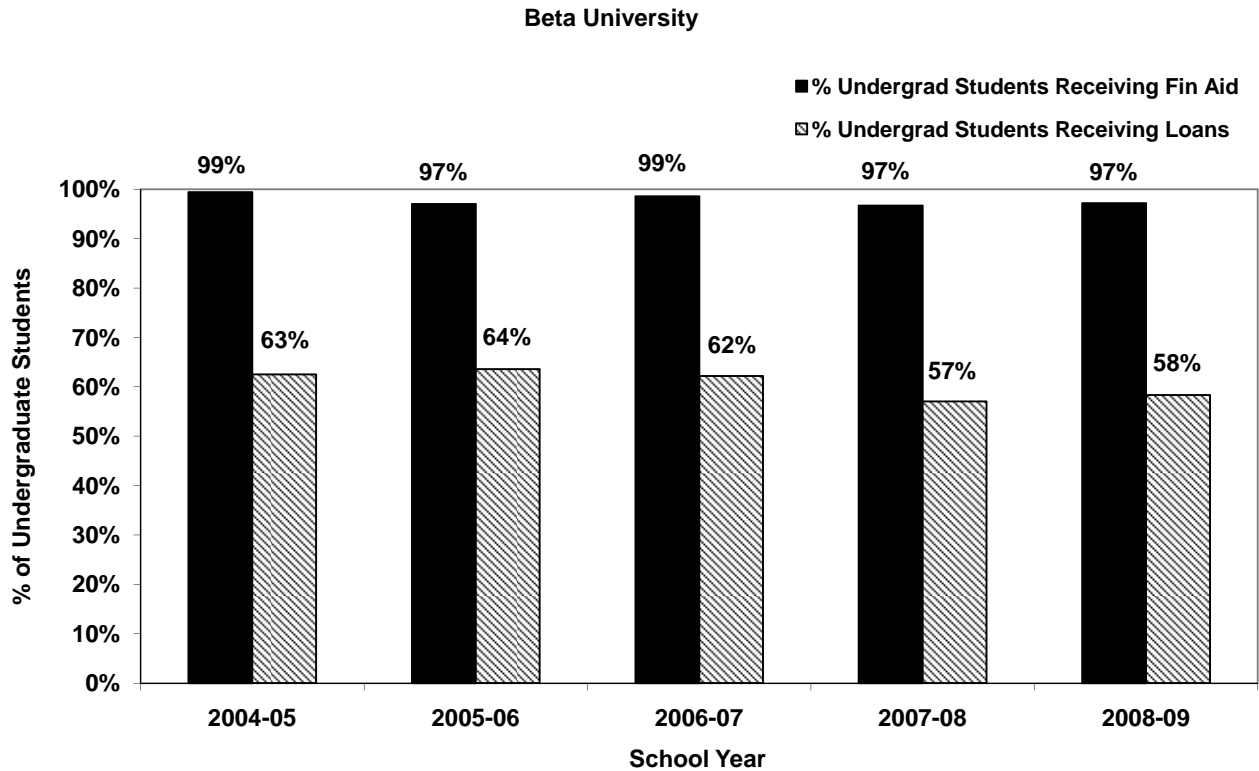
Beta University recently reworked the athletic scholarship award methodologies matrix to fine tune the process. The new approach focused on helping the coaches try to find students that met the Beta University mission of enrolling students with strong academics and strong Christian character. The athletic program awarded over \$1.5 million in athletic scholarships per year during the study period.



Note. From BetaU 2009-10 Institutional Fact Book

Figure 8. Comparison of total fall traditional undergraduate students (by headcount) and undergraduate students receiving federal student loans at Beta University.

Figure 9 shows a comparison of the Beta University undergraduates who received financial aid of any kind with the number of those students who received federal student loans during the study period measured against headcount enrollment for traditional undergraduate students. The graph reflects the level of reliance on financial aid and on federal student loans as an aspect of the students' ability to finance the cost of their education.



Note. From BetaU 2009-10 Institutional Fact Book

Figure 9. Comparison of percentages of undergraduate students receiving financial aid vs. undergraduate students receiving federal student loans at Beta University.

Delta University

Delta University was a land grant university located in a small southern city (population 55,000). The campus grew extensively over the hundred-plus year history of the institution, as the administration added a variety of graduate schools and colleges. The university was a state supported institution and enrolled approximately 17,000 students during the 2010-1011 academic year. A mixed neighborhood of retail businesses and homes surrounded the campus. Many of the buildings on campus were large and of recent construction. The large library and student center

were within a short walking distance of the academic classroom buildings. The researcher changed the university's website to a generic address (www.delta.edu) and identified it hereafter as (Delta, 2010).

The researcher visited the campus of Delta University in May 2010 during a doctoral class and spoke with an administrative officer who had recently completed a dissertation on the financial aid services of the university. During January 2011, the researcher communicated with the director of financial aid and secured permission for the university to participate in the research project. The researcher interviewed the director of financial aid twice during February 2011. The director also referred the researcher to other administrative officers for specific data research, clarification of questions, and details of particular financial aid programs of the university.

The researcher arrived at the campus at 9:00 AM on the cold, February, Groundhog Day morning. The weather was windy and frigid, but the campus was a flurry of activity as students rushed between academic buildings and dormitories while others sought diligently for an available parking space. After securing a parking pass for the day, the researcher searched in vain for a parking space within walking distance of the administration building. After an unfruitful exploration, the researcher located a new parking lot near the edge of campus and was able to catch a shuttle to the building where the interview was scheduled. The campus transportation system proved to be a very useful way to navigate the campus. Many students rode the shuttle bus to and from classes, to dorms, and to several parking lots.

The researcher arrived ahead of the appointed meeting time at the large administrative building and was able to tour the facility while waiting for the meeting to begin. During the

interview, the director mentioned the difficulty that the campus has experienced in providing an increasing number of parking spaces to keep up with the pace of increased enrollment. Staff members in the administrative building were helpful, courteous and professional in their demeanor and interaction with the researcher.

Enrollment at Delta University included 74% full-time students and 26% part-time students. Undergraduate enrollment increased by 2.8% from Fall 2007 to Fall 2008, which was greater than the compound annual growth rate of 1.0% over the last ten years. By gender, 58.5% of students were female and 41.5% were male. In age category, 33.8% of Delta students were age 25 or older. Ethnically, the student body was 87.3% white, 4.7% black, and 8.0% other. The ACT score for incoming freshmen at Delta University in the fall of 2008 was an average score of 21.9, based on 1,895 new students (Delta University, Office of Institutional Research, 2008).

Institution mission and vision. Delta University was a part of the Tennessee Board of Regents (TBR) system of postsecondary institutions. The TBR served as the board of directors for all institutions in the system. The TBR system included 45 separate institutions – 6 universities, 13 community colleges, and 26 technology centers. The board's website listed the TBR mission and vision as shown in Figure 10.

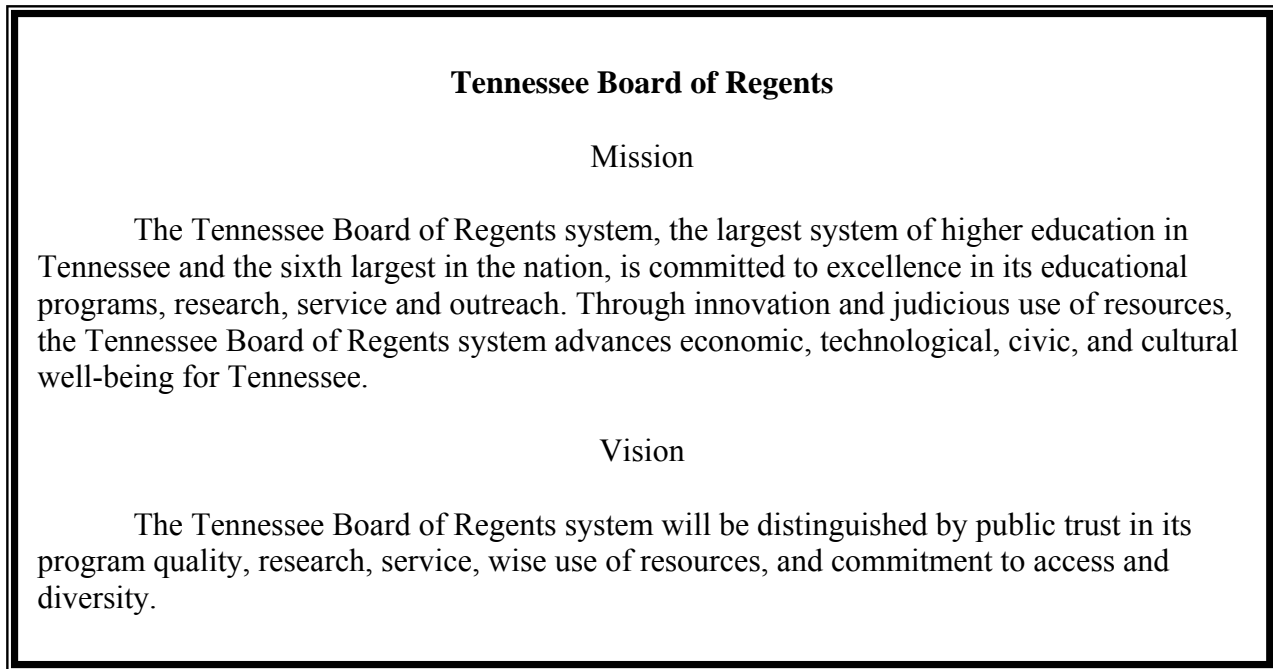


Figure 10. Tennessee Board of Regents Mission and Vision Statements.

The TBR's strategic plan for 2005-2010 described resourcefulness as a priority area for system funding and financial aid expansion:

Achieving our vision will require additional financial resources and efficiencies.

Although private fund-raising will continue to be emphasized, the major sources of revenue for TBR institutions will be state appropriations and student tuition and fees.

With all the financial pressures facing Tennessee, increases in state funding over the next five years will be limited, and there will be a continuing need to raise tuition and fees. A major point of focus must be to identify financial resources that can be used for need-based aid for students who cannot afford the rising cost but are not eligible for achievement-based financial aid. Decisions leading to increasing tuition must also

include addressing the basic financial needs of these students. (Tennessee Board of Regents, 2005, p. 4)

Objective A2 of the TBR Strategic Plan (Access to Learning Goal) identified the financial aid goals for system-wide institutions:

Objective A2

Increase the amount of “need-based” scholarships provided by the campuses.

Strategy A2

Identify sources of funds for need-based scholarships to students and review spending for that purpose within the current financial aid packages and foundation portfolios.

Benchmark A2

- a. By the end of 2006, the system will study what “need-based” means for TBR and complete a review of the amounts of campus funds directed towards merit and need-based scholarships.
- b. By the end of 2006, the institutions will complete a study of the potential for raising private, other non-state, or state-matching funds for need-based scholarships.
- c. By the end of 2006, the Board of Regents will determine whether there should be an increase in the 10% authority.
- d. By 2010, each institution will provide evidence that need-based scholarships as compared to total scholarships have increased significantly and that need-based

scholarships take into account the full cost of attendance. (Tennessee Board of Regents, 2005, p. 7)

Each member school in the TBR system had its own statement of mission, vision, and values. Figure 11 described the mission of Delta University (Delta, 2010).

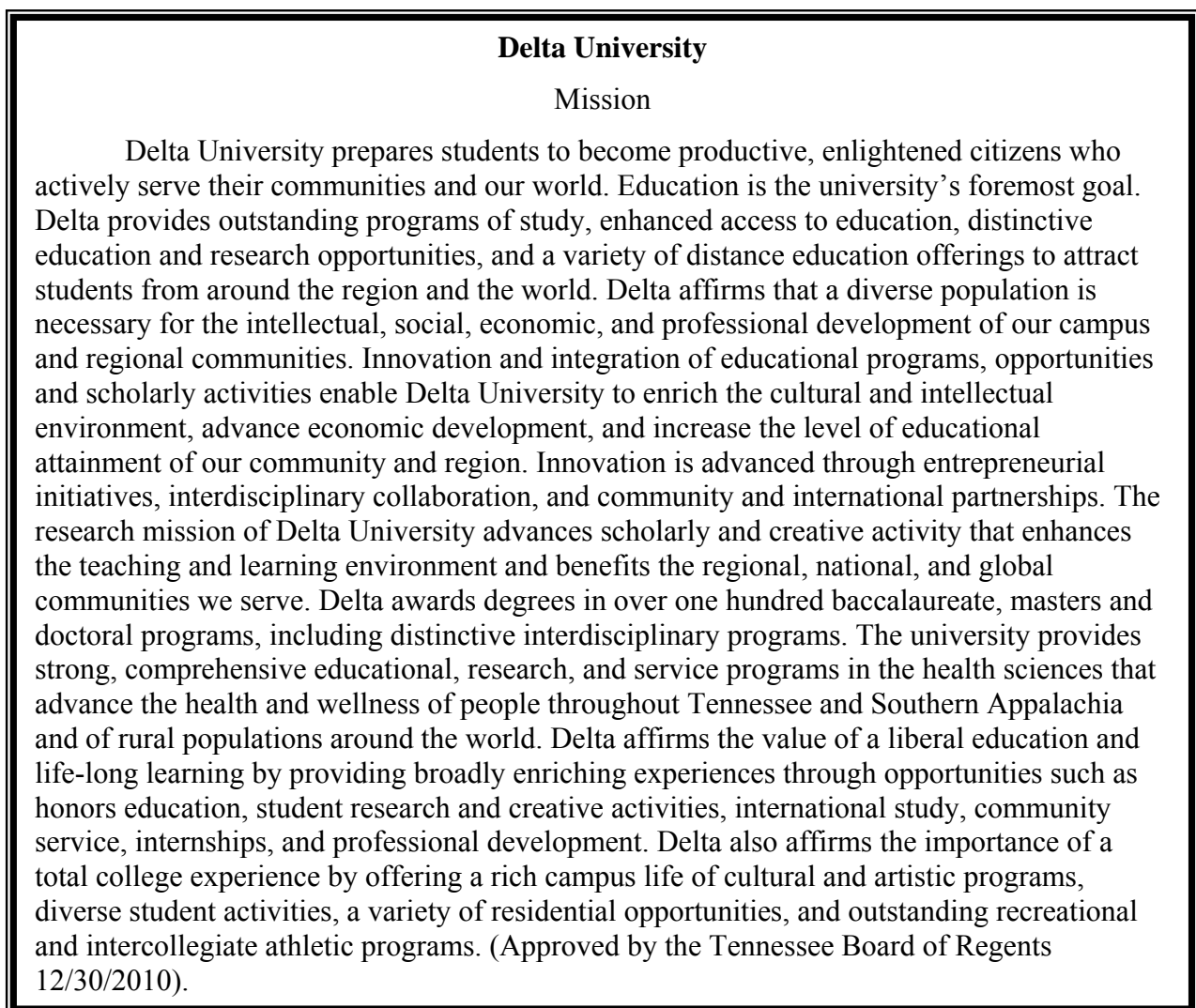


Figure 11. Delta University Mission.

The financial aid office of Delta University had its own distinct financial aid department mission and objectives as stated in Figure 12.

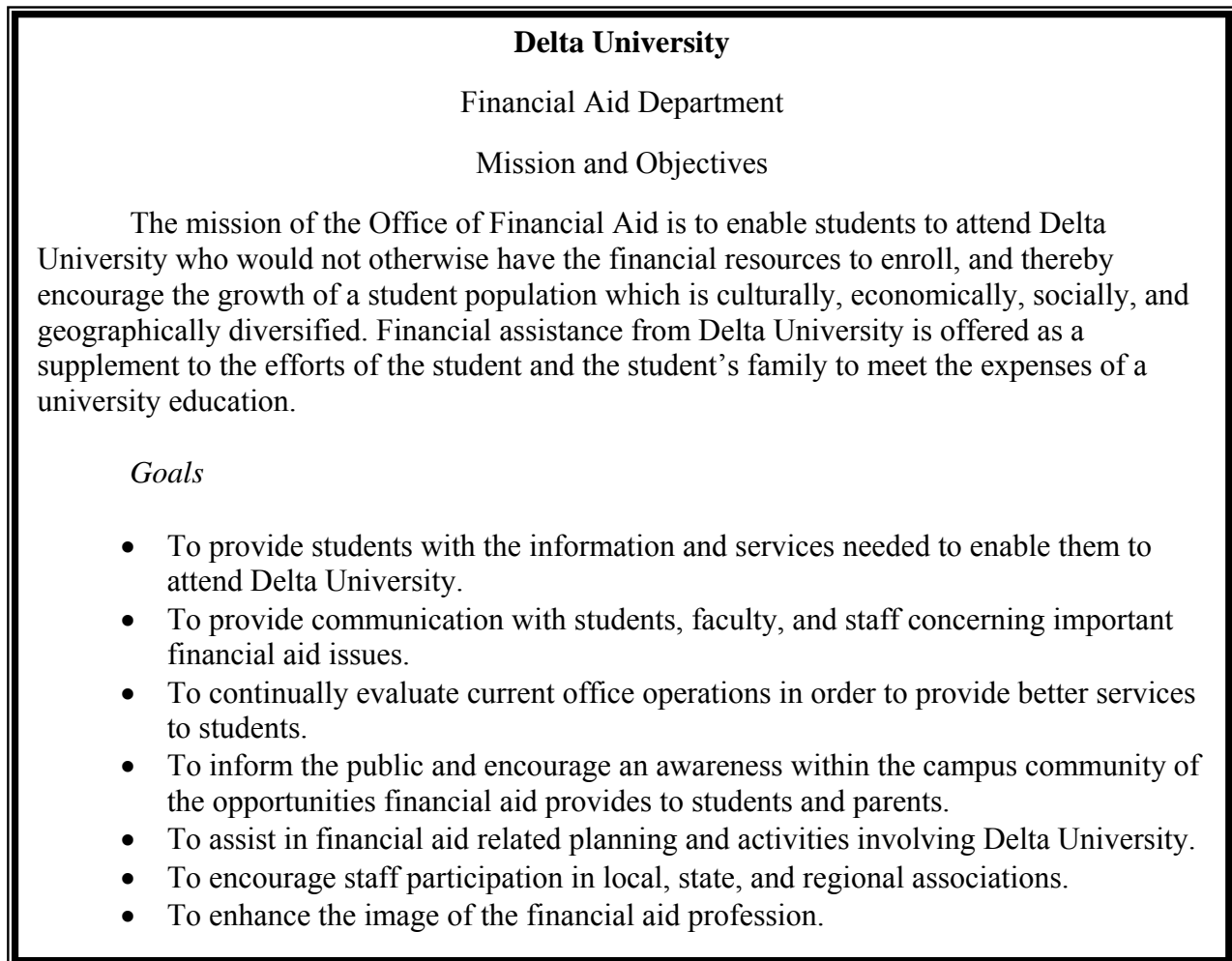


Figure 12. Delta University Financial Aid Office Mission and Objectives.

The financial aid office provided a well-stocked rack of brochures in the waiting area that cover a variety of financial aid programs and issues. The brochures were easily accessible to students and other visitors. A large flat screen television monitor mounted on the wall near the entrance to the financial aid department continuously displayed a variety of financial aid information that was visible to students in the hall waiting area and to students passing through

the financial aid wing of the building. Inside the financial aid office, four clerk stations permitted an appropriate level of financial aid personnel to assist students and visitors. Several signs and posters were highly visible on the walls, indicating important dates for different financial aid deadlines.

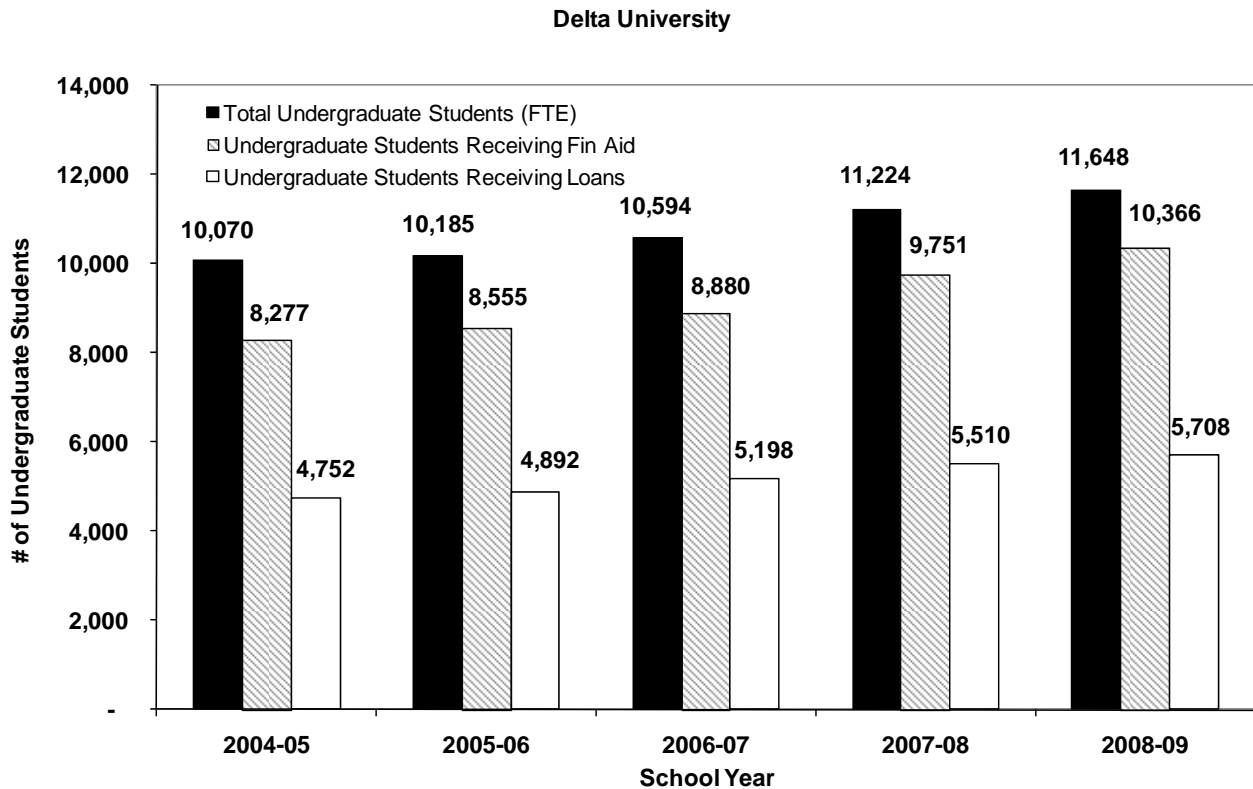
Table 3 shows the number of Delta University undergraduate students receiving financial aid and federal student loans during the period of the study. Figure 13 illustrates the comparisons between total undergraduate student enrollment, undergraduate students receiving financial aid, and undergraduate students receiving federal student loans.

Table 3

Comparison of Undergraduate Students Receiving Financial Aid and Federal Student Loans at Delta University

Delta University	School Year				
Undergraduate Students (UGS)	04-05	05-06	06-07	07-08	08-09
# Total UGS	10,070	10,185	10,594	11,224	11,648
# UGS Receiving Financial Aid	8,277	8,555	8,880	9,751	10,366
% UGS Receiving Financial Aid	82%	84%	84%	87%	89%
# UGS Receiving Federal Student Loans	4,752	4,892	5,198	5,510	5,708
4% UGS Receiving Student Loans	47%	48%	49%	49%	49%

Note. Delta University Financial Aid Department Custom Report, February 28, 2011.

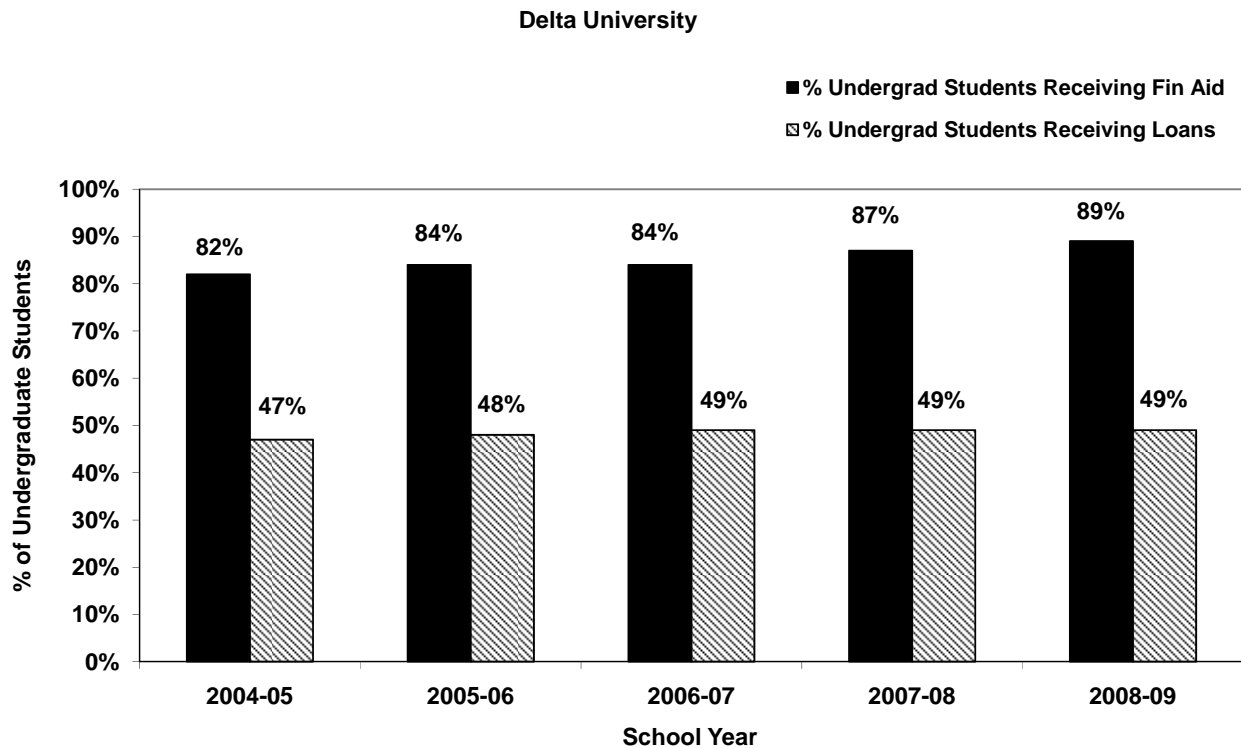


Note. From Delta University Financial Aid Department Custom Report, February 28, 2011

Figure 13. Comparison of total Full Time Equivalent (FTE) undergraduate students, undergraduate students receiving financial aid, and undergraduate students receiving federal student loans at Delta University.

Leadership. Delta University's director of financial aid indicated that 79% of all students received some form of financial aid in the academic year 2010-2011 and that a majority of students had federal student loans. By contrast, the director observed that when he/she came to Delta University nearly two decades earlier, a "low portion of students took federal loans; and at that time we still had some students who did not want to take grants – they would say that was like welfare and they didn't want it. That attitude has changed a lot" (Delta financial aid director,

interview 1). Figure 14 illustrates the comparison of percentages of students receiving financial aid and federal student loans at Delta University.



Note. From Delta University Financial Aid Department Custom Report, February 28, 2011

Figure 14. Comparison of percentages of undergraduate students receiving financial aid vs. undergraduate students receiving federal student loans at Delta University.

Describing the changes in the cost of a college education over that period, the director explained, “It is still possible for a student to go to college here and to receive enough grant money or lottery scholarships to attend here, have money for their books and not have to take out a loan, but that is rare. Most students end up having to take out some kind of loan.” (Delta

financial aid director, interview 1). He/she attributed some of the cause for greater financial need to the economic climate:

With the economy in the shape that it has been in, increasingly bad, as it has been for the last 2 or 3 years, we have seen higher student need as calculated by the fed, and so we have had more students taking out loans, because, not all of them, according to the federal formula, qualify for free money. But, there is definitely a higher need, regardless of the way that it is calculated by the fed. Certainly, over the last ten years, what I have seen is that middle class families have had a terrible struggle because their income would be too high to qualify for any grants, and yet they would not have the money themselves to pay for the student to go to school. The lottery has helped, but a lot of students lose their lottery funds. So, it has put middle class kids, especially, in a bind about being forced to take out loans if they want to go to college. (Delta financial aid director, interview 1).

Delta University offered a variety of institutional aid, including a high-merit scholarship program, other academic performance scholarships, athletic scholarships, and public performance scholarships, in addition to federal and state grants and scholarships and the federal work-study program.

The director expressed his/her professional opinion that approximately 80% of Delta University students would not be able to attend the university without access to all forms of financial aid. When asked about the influence of federal student loans on enrollment during the study period of 2004-2008, the financial aid director suggested that nearly 50% of Delta students would be unable to attend without the availability of federal student loans. The 2010-2011

annual cost of attendance for undergraduate in-state students was \$22,050 (Delta financial aid director, interview 1).

Duties. As department head of financial aid for a large state university, the director oversaw a staff of twenty full-time workers. Additionally, graduate student assistants and undergraduate student workers reported to assistant directors in the department. Figure 15 shows the organizational chart for the financial aid department. Organizational charts for Alpha and Beta were not presented because their departments are much smaller than Delta University's department.

DELTA UNIVERSITY

OFFICE OF FINANCIAL AID

ORGANIZATIONAL CHART

January 1, 2011

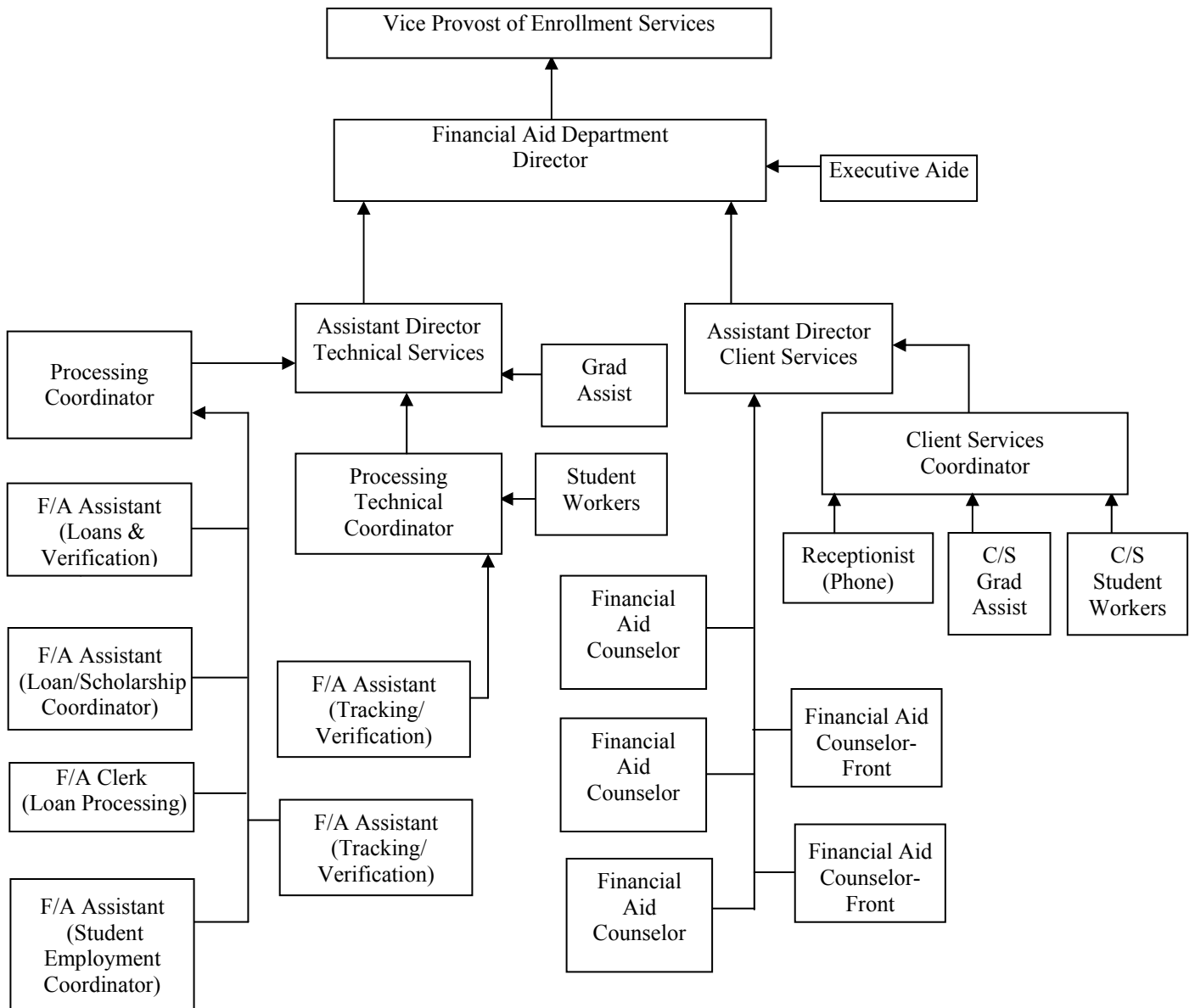


Figure 15. Delta University Financial Aid Department Organizational Chart.

The financial aid director of Delta University divided his/her work time between staff supervision (30-40% of time), answering emails and sending emails (30%), university administrative meetings (20%), and working on projects and special initiatives (20%). The financial aid director reported to the vice-provost of enrollment at Delta University.

Financial Aid Philosophy. The director described the components of his/her personal philosophy of financial aid:

I definitely am concerned – have always been concerned – about students being in more debt than they need to be in when they leave school. And so we look at – in fact, at one point I would not allow additional unsubsidized loans, which everyone can ask for – at one point I would not allow that to be packaged for students because my philosophy was that some of them would not know that it was there and therefore would not take it, only from the standpoint that I remember being a student and I remember having financial aid and I thought whatever they put down on that piece of paper was what I was supposed to have and so that is what I took. Of course that was long ago, but I do know that having a tremendous amount of student loan debt can be devastating for when they get out of school, and the days of a student being able to get out of paying a student loan – unless they are able to convince the federal government that they are disabled or dead; they are going to have to repay those loans and if they have an income tax refund the feds will take it out of the income tax refund.

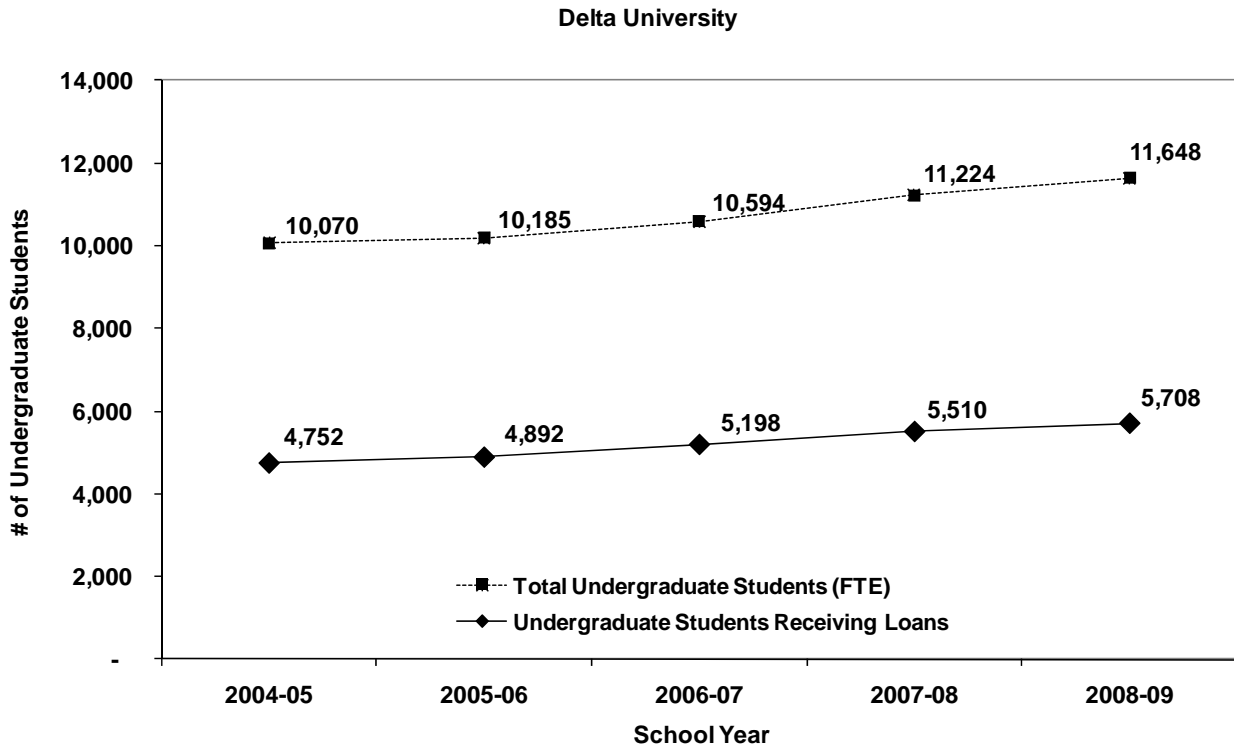
I guess another part of my personal philosophy is that it would be very difficult for me to work my job, to feel the way I do about my job and be as dedicated to it as I am if I did not respect the people that I work for. And I've been really lucky that since I've

been here we've had the same administrative leaders and they were people that I have respected and liked.

The director extolled the merits of the national switch from federal government guaranteed FFEL private loans to the Direct Lending program that the federal department of education administers directly.

I think requiring the entire country to switch to the Direct Lending program was one of the best things that has ever happened to financial aid; the lenders were, in general, very good to the students, and in general their servicing was good. But it was very confusing to students because they would sell their loans to another lender and then people would be trying to track down where their loans were and who had them, and it was a very confusing process to the students. And the Direct Lending program works basically, very much like, as far as what the school does, it works very much like the Pell Program where we say, "We need this much money for this many students, and then the next day it comes in."

Enrollment information from Delta University indicated that an average of 85% of undergraduate students received some form of financial aid between the academic years 2004-05 and 2008-09. During the same period, an average of 48% of undergraduates received federal student loans to help pay for the cost of their education. Figure 16 reflects the numerical data for the comparative relationship between Delta University FTE undergraduate enrollment and the number of undergraduate students receiving federal student loans during the period of the study.



Note. From Delta University Financial Aid Department Custom Report, February 28, 2011

Figure 16. Comparison of total Full Time Equivalent (FTE) undergraduate students vs. undergraduate students receiving federal student loans at Delta University.

Significance of the Study

Implications. The findings of the study show the strength of the relationships between enrollment at the three schools between school years 2004-2005 and 2009-2010 and the availability of federal student loans. The literature indicated that there was a relationship between the two, but there was limited research showing the strength of those relationships compared

with the weaknesses of the same relationships through case studies at universities in the same state.

Similarly, the findings of the study show the percentage of students at the three universities who would not have been able to attend the participant universities during the study period without the availability of federal student loans.

Applications. The findings of this research should be beneficial to officers of accredited schools, financial aid professionals, and recruitment representatives, schools that are considering or proceeding through accreditation, and schools that do not presently offer federal student aid to their students. The results of this study will show what impact, influence, and relationship the availability of federal student aid has made on enrollment factors in these three accredited schools over the period of school years 2004-2005 to 2008-2009. Because the results of the study show a strong relationship between enrollment and availability of federal student loans, the incentive to market and promote the availability of federal student aid to potential students may benefit participating institutions.

There is also a strong potential for influence of the results on institutions that are considering accreditation or are at the applicant stage. The added incentive of increased enrollment with accreditation may propel those institutions to accelerate their accreditation status at a faster than anticipated rate.

Organizational Leadership and Financial Aid

The ability of universities to serve students and the institutional mission through the administration of financial aid services leverages many levels of university administration. From the university board of directors and chief administrative office to the offices of institutional

effectiveness, student finances, and enrollment management, effective leadership at all levels contributes to the institutional mission and objectives (Wilkinson, 2005).

Financial aid counselors are the front-line workers who deal directly with students and often help them adjust to the college experience and the world of financial aid. Financial aid directors bear the duty of assuring that their departments operate efficiently and provide the kind of assistance and direction that is necessary to accomplish the departmental and institutional missions. The quality of department leadership and guidance provided by the director makes a big difference in how the department operates and determines the level of efficiency and effectiveness that impacts the institution in general and much of the student body in particular.

Financial Aid Influences at Institutions in the Study

The primary purpose of this research was to examine the relationships between the availability of federal student loans and enrollment. In order to ascertain the influence of these relationships, the researcher looked for other factors that influenced enrollment at the institutions under study during the defined period of the study. Because the influence of federal student loans was the focus of the study, the research concentrated on influences that affected a student's ability to fund the cost of a college education as a critical detail.

Several elements combined to determine a student's ability to pay for a college education. At the studied institutions, these factors included Expected Family Contribution, institutional aid, federal grants, state scholarships and grants, external scholarships and grants, and federal or private loans.

Expected Family Contribution

A student applicant's Expected Family Contribution (EFC) was determined through a detailed federal formula applied to the annual Free Application for Financial Aid (FAFSA) report filed by the student. The formula produced an EFC dollar amount that reflected what the federal formula predicted as the general amount of funds that a student's family might be able to contribute to the cost of education on an annual term, based on the family's income and assets. The amount of a student's EFC represented the foundational support that the family may be able to provide toward the student's college costs.

University financial aid departments considered the EFC when determining a student's qualification for some federal, state and institutional grants and scholarships. According to the financial aid directors interviewed for this study, institutions in the study did not rely solely on the EFC when determining student financial need or qualification. All of the financial aid directors agreed that EFC influenced enrollment but that the influence was less significant than most other factors.

Institutional Aid, Including Academic and Athletic Scholarships

Institutional aid represented all financial credits directly provided to a student's account by the institution in the form of grants, scholarships, institutional discount rate or other internal allowances or credits. Endowed scholarships, athletic scholarships, academic scholarships, and performance scholarship assistance represented the majority of institutional aid among the three studied institutions.

Financial aid directors at the three institutions reported that institutional grants and scholarships had a substantial influence on students' enrollment decisions and on the ability of

the institutions to target the kind of students and the diversity that they desired in the student bodies. Alpha, Beta, and Delta universities provided a variety of institutional aid to a large percentage of their students.

Federal Grants, Scholarships, and Aid

Federal student aid during the study period included six types of federal student aid grants (Pell, Federal Supplemental Educational Opportunity Grant [FSEOG], Academic Competitiveness Grant [ACG], National Science and Mathematics Access to Retain Talent Grant [SMART], Teacher Education Assistance for College and Higher Education [TEACH], and Iraq and Afghanistan Service Grants (United States Department of Education, Federal Student Aid, Student Aid Awareness and Applicant Services, 2010). The Federal Work-Study Program (FWS) was available to qualified students at the studied institutions during the time-period of the study. Federal loans were available to qualified students during the studied period through the Federal Family Education Loan (FFEL) program, the William D. Ford Federal Direct Loan (DL) program, and the federal Perkins Loan program.

State Grants and Scholarships

Tennessee, state funded grants and scholarships included the HOPE merit-based scholarship, HOPE merit-based and need-based supplements, and the need-based Tennessee Student Assistance Award (TSAA or TSAC). The McWherter Scholars program and the Byrd Honors Scholarship program offered additional available state aid for high-merit students who had a minimum unweighted high school grade point average of 3.5 or higher. Additionally, the Dependent Children Scholarship Program provided available funds to children of law

enforcement officers, firefighters, or emergency medical technicians killed or permanently disabled in the line of duty while employed in Tennessee.

The Tennessee lottery-based HOPE scholarship became available to academically qualified students at most Tennessee colleges in the fall of 2004. According to financial aid directors at the studied schools, availability of these funds influenced students' enrollment decisions in two specific ways: (1) the HOPE scholarship allowed some students to attend college without borrowing additional funds through student loans or other sources (Alpha financial aid director, interview # 1; Delta financial director, interview # 1), and (2) availability of HOPE scholarship funds contributed to an increase in in-state students by comparison to the ration of out-of-state students (Beta financial aid director, interview #1). Internal reports indicated that availability of the HOPE scholarship influenced enrollment at all three studied schools.

External Scholarships and Aid

External scholarships represented programs where students have applied for foundation, organizational, or other private scholarship programs. Students often applied for this kind of aid through their high school guidance office, their own or their parents' place of employment, or some other private process not affiliated with the institution of higher education.

Institutional Marketing and Recruitment

Expanded institutional marketing programs and targeted recruitment programs occurred at two of the institutions under study during the period of the research data. These programs coupled with specific expanded institutional programs contributed to an increase in enrollment, according to the financial aid directors of those schools.

National Economic Conditions

Financial aid directors attributed the influence of difficult national economic conditions during the study period to increased enrollment of traditional and non-traditional students.

Federal Student Loans

Federal student loans were loans administered through the FFEL (Stafford subsidized and unsubsidized) student loan program, the federal Direct Lending program, and the campus-based Perkins student loan program. The federal government guaranteed repayment of those loans, regardless of the source of the funds.

Private Loans

Students who were unable to secure adequate funding through state, federal, institutional aid and federally guaranteed loans sometimes borrowed funds for college expenses from private financial sources. These loans were separate from loans from the federal or state government or the institution of higher education.

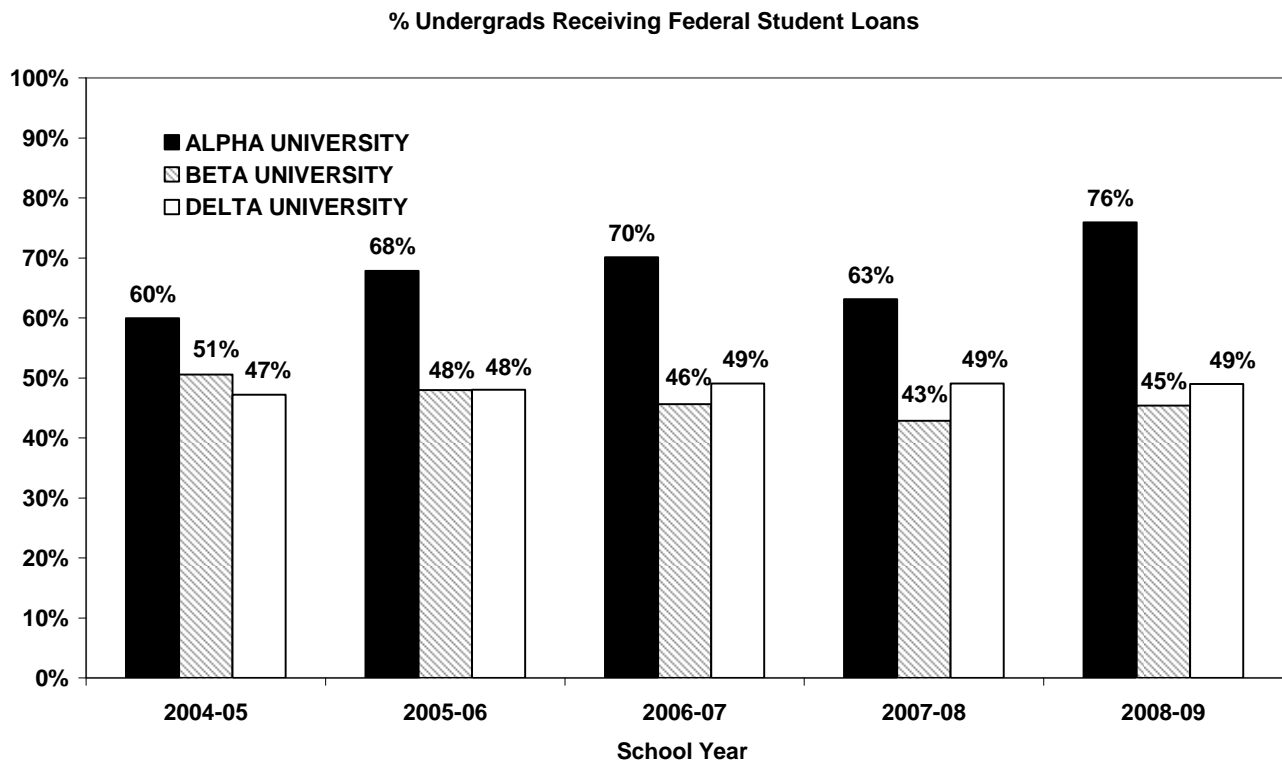
All of the described programs influenced enrollment to a degree that is not measurable in the present study. According to the financial aid directors interviewed in this study, students chose to attend particular universities for a variety of reasons. The financial aid directors expressed the belief that various financial aid supplements and opportunities influenced student enrollment decisions, based on the financial aid directors' experience and personal interactions with students.

Influence on Enrollment from Federal Student Loans

Institutional reports from the participant universities and interviews with the financial aid directors indicated that the availability of federal student loans contributed a significant influence

on student enrollment during the five-year period of the study. The percentage of students at the three universities who received federal student loans during that time ranged from a low of 43% at one institution to a high of 76% at another institution.

Figure 17 compares the percentages of undergraduate students receiving federal student loans at the three institutions during the period of the study. The rates of variance of students receiving loans over the five-year period of the study were 16% (Alpha University), 5% (Beta University), and 2% (Delta University).



Note. From Financial Aid Department Custom Reports and Institutional Fact Book.

Figure 17. Comparison of percentages of undergraduate students receiving federal student loans at Alpha University, Beta University, and Delta University.

Summary

The results presented in this chapter from the case study and document examination provided insight into the influences of financial aid and the availability of federal student loans on enrollment at the studied universities between academic years 2004-05 and 2008-09. Data from internal and external enrollment documents and records provided inferences and implications about the influence of the availability of financial aid on enrollment. The researcher examined influential factors in light of the professional opinions and experiences of the universities' financial aid leaders and other academic officials of the universities in the study. In the following chapter, the researcher will provide a discussion of the findings and will make recommendations for additional research.

CHAPTER 5

Summary and Discussion

Statement of the Problem

The purpose of the comparative case study was to investigate the influence on enrollment brought about by the availability of federal student loans at three different sized participant universities in Tennessee over a five-year period. Alpha University, Beta University, and Delta University (pseudonyms) were the subjects of the study. The research covered the period between academic year 2004-05 and academic year 2008-09 at each of the three universities. By examining the relationships between enrollment and the availability of federal student loans, the key focus of the research was to determine what percentage of students would have been unable to attend the studied universities due to their limited personal financial resources if federal student loans were not available at their university.

Review of the Methodology

The primary methods for research utilized extended personal interviews with financial aid directors at the participant universities and document review and analysis of internal and external data in reference to enrollment and federal student loans at these institutions. Additional research involved examination of institutional data from state, federal, and institutional reporting agencies.

Discussion of the Results

Findings of the Study

The findings of the study indicated that a large proportion of students at the studied universities would have been unable to enroll at the universities during the study period without

the availability of federal student loans. After family contribution plus federal, state, and institutional grant and scholarship aid, the availability of federal student loans made the difference in the ability of many students in the study parameters to attend the participant universities. Interviews, observations, and document analysis found that the three participant institutions experienced similar relationships between enrollment and the availability of federal student loans between academic years 2004-05 and 2008-09.

The studied universities provided several categories of financial aid assistance to their students during the study parameters. Federal and state need-based and merit-based grants and scholarships, institutional aid including athletic, academic and performance scholarships, campus administered federal Perkins loans, outside scholarships, family contributions, and federally guaranteed and private loans provided assistance for students to pay for their college education. The scope of this research did not include the disaggregation and analysis of the influence of each kind of financial aid on enrollment, but focused on the specific impact of availability of federal student loans on enrollment over the five-year time period.

The three financial aid directors expressed strong opinions that many students at their universities would not have been able to attend their institution without financial aid and, particularly, without the availability of federal student loans. Students and their parents or spouses considered a variety of factors in their selection of an institution of higher education, and decisions of individual students, even students in the same program and income bracket, made different choices for personal reasons.

Alpha University

Discussion of the results. Enrollment information from Alpha University indicated that an average of 97% of undergraduate students received some form of financial aid between the academic years 2004-05 and 2008-09; in four of those five academic years, 98% of undergraduate students received financial aid. During the same period, an average of 68% of undergraduates received federal student loans to help pay for the cost of their education. Figure 3 reflects the numerical data for the comparative relationship between Alpha University FTE undergraduate enrollment and the number of students receiving federal student loans during the period of the study.

Beta University

Discussion of the results. Enrollment information from Beta University indicated that an average of 97.6% of undergraduate students received some form of financial aid between the academic years 2004-05 and 2008-09. During the same period, an average of 60.7% of undergraduates received federal student loans to help pay for the cost of their education (Beta University Institutional Fact Book, 2009-10). Figure 8 reflects the numerical data for the comparative relationship between Beta University undergraduate enrollment headcount and the number of students receiving federal student loans during the period of the study.

Delta University

Discussion of the results. Enrollment information from Delta University indicated that an average of 85.3% of undergraduate students received some form of financial aid between the academic years 2004-05 and 2008-09. During the same period, an average of 48.5% of undergraduates received federal student loans to help pay for the cost of their education (Delta

University custom report). Figure 16 reflects the numerical data for the comparative relationship between Delta University undergraduate FTE enrollment and the number of students receiving federal student loans during the period of the study.

Commonalities and Similarities among Institutions

Leadership time utilization. All three directors at the studied schools utilized the division of their personal work time and habits in similar ways. Each of them stated that they spent approximately a third of their time answering and sending email communications, a third of their time managing staff (including staff meetings), and a third of their time dealing with problem solving and university-wide issues.

Vision, mission, and culture. The vision, mission, and culture of a university were essential elements in student recruitment, enrollment management, and administration of financial aid. All institutions had similar, yet unique, visions, missions, and cultures within the framework of the objective of providing a high quality educational program for their students.

All study schools indicated a similar concern for assisting students in acquiring a university education with a minimum of debt at graduation. The personal and institutional philosophies of the financial aid directors and the institutional mission statements reflected that perspective.

Financial counseling for students. All three financial aid departments focused on a priority of helping students limit the amount of loan debt by encouraging them to pursue as much grant aid and scholarships as possible.

Distinctions

Numerous factors converged to determine the reasons that individual students and their parents selected a particular university for their pursuit of higher education. Climate, residential accommodations, friends, athletic programs, institutional prestige, ability to live at home, tuition rates, other financial incentives, academic programs and majors, and other personal factors contributed to the final decision. Each of the studied institutions offered their own unique blend of these kinds of benefits to potential students. Interview data and professional opinions expressed in the interviews indicated that the following aspects of financial aid, in addition to the availability of federal student loans, contributed to the students' decisions to attend these universities during the period of the study. The extent to which each of these categories influenced the overall decisions of students was not measurable.

Institutional aid. Institutional aid in the form of academic, athletic, and performance scholarships influenced student decisions to choose to attend their particular university, according to the opinions expressed by the financial aid directors at the participant institutions.

Merit-based aid. Merit-based aid in the form of scholarships and grants influenced the decisions of students to attend the university of their choice during the study period, according to opinions expressed by the financial aid directors at the participant institutions. Tennessee's merit-based, lottery-funded HOPE scholarship program influenced the decisions of some Tennessee students to attend these universities due to the associated benefits for in-state students. One institution verified that an increase in the balance of in-state student enrollment was directly due to this influence.

Need-based aid. State need-based aid in the form of the TSAA grant and need-based supplemental aid from the Tennessee HOPE scholarship program contributed to the influence of some students' decisions to attend the universities in the study.

Leadership in financial aid administration. The size of the staff for the financial aid department at each study institution reflected the size of enrollment of each particular university. Each financial aid director utilized continuous training, support, and supervision for the financial aid staff in their department.

Institutional Discount Rates

Net price. The prevalence of tuition discounting makes the net prices that students pay to institutions quite different from the published prices. From the student perspective, according to Baum and Ma (2010), finding the net price requires subtracting not only institutional discounts but also grants from federal, state and other private sources. Because of growth in total grant aid, net prices have risen more slowly over time than have published prices. In the public two-year and public four-year sectors, estimated average net tuition and fees in 2009-10 are lower than those in 1999-2000 after adjusting for inflation. In the private four-year sector, estimated average net tuition and fees in 2009-10 are about the same as those in 1999-2000.

Implications for Practice

Implications of the study indicated a high likelihood that other colleges and universities in Tennessee, that are similar in size, scope, and mission to the studied universities, may have experienced similar relationships between enrollment and availability of federal student loans. Because the study included institutions with different constituencies, varied missions, and distinct funding mechanics, the comparisons indicate that the conclusions are not stereotypical to

a single type of higher education institution. The findings imply that similarly sized higher education institutions from other states with similar higher education funding methodology as Tennessee may have experienced similar relationships between enrollment and the availability of federal student loans during the studied period. The strength of the relationships may have indicated that the public was unaware of the high reliance on federal student loans for the payment of college expenses in affected states.

Limitations, Assumptions, and Design Controls

Limitations. The focus of this study, by design, did not include an analysis of the disaggregation of the specific level of influence on enrollment by various categories of available financial aid. A general level of that influence is discussed under the “Distinctions” section of this chapter. The purpose of this study was to examine the relationship and influence of the availability of federal student loans on enrollment. The research found that the best way to examine this relationship was to determine the number of students who depended on the availability of federal student loans to pay for college expenses subsequent to the point where students had exhausted all other forms of institutional and governmental grants and scholarships.

This research examined only three universities of different sizes in the state of Tennessee. The researcher selected the participant institutions by choice, not randomly. Readers should exercise care in attempting to extrapolate or transfer the findings of this study to non-participant institutions. Similarities in the study findings may or may not apply to universities in other states or to other universities in the state of Tennessee.

Assumptions. Assumptions in the study included the idea, expressed by the financial aid directors, that college students at the studied institutions depended on federal student loans to

pay for college expenses after the students had exhausted all other known sources for grants and scholarships. Because federal student loans must be repaid, the study assumed that loans were the final component used to cover unmet need.

Design Controls. The design of the study included parameters focused on the professional experience and personal knowledge of the financial aid directors at the studied institutions. The financial aid departments of the institutions under study produced the final numerical data reports for the study. The researcher relied on the strength of the knowledge and experience of the financial aid professionals and avoided drawing unsupported conclusions from external data, reports, and documents.

The researcher did not interview any students for this study and did not examine, review, or evaluate any reports or information that would identify an individual student or that would reflect any student identification. Professional opinions of the financial aid directors, their reports, and internal data provided the basis for the core data and analysis.

The bounded nature of the case study featured limited analysis of data outside of the data sets and parameters of the study. Financial aid directors at each institution of the study provided the data used for analysis and comparison in the study directly to the researcher. In order to utilize the most accurate, precise, and trustworthy data, the researcher examined and evaluated, but did not use, conflicting data from outside sources, agencies, and reports in the study research or findings.

Recommendations for Future Research

The findings of the study raised several questions about the present state of higher education in the United States and governmental involvement in the funding of higher education.

If the productivity of the American economy depends on an educated workforce, how much should government financial aid depend on family income or on high school grades? Are these good predictors for lifting students out of poverty and providing access to a college education would lead to a productive citizen and career?

Because the implementation provisions of the Tennessee lottery-funded HOPE scholarship program for higher education began with the first year of the current study (rules of Tennessee Student Assistance Corporation, Chapter 1640-1-19), the study does not address the impact of that influence inside and outside of the study period parameters. Financial aid directors indicated that the monetary impact of this award created a significant financial boost for some students toward their ability to pay for college expenses. However, financial aid directors expressed negative concerns about the impact of the loss of the HOPE scholarship on students' financial resources and mental and emotional status. Future studies may address the influence of the lottery-funded HOPE scholarship on the need for federal student loans by comparing periods before and after the HOPE scholarship was available to Tennessee students.

The following is a list of potential questions for future research:

1. How many students in Tennessee would not be able to get a college education without federal student loans?
2. What should be the proper criteria for qualification for the Hope scholarship money, in consideration of the source of the funds?
3. Are low-income Tennessee families financing higher education for middle and upper-income students?

4. Are Tennessee students who would benefit the most from a college education the ones who are paying the most out of pocket and through federal loans?
5. What is the relationship between the impact of merit-based and need-based financial aid state grants and scholarships in Tennessee?
6. How do graduate students at Tennessee universities fund their cost of attending college?
7. How do students at Tennessee universities that do not offer federal student loans fund their cost of attending college?

Conclusion

Research in areas of financial aid in higher education may take varied and multiple approaches. The opportunities to examine a variety of different phenomena and effects caused by the availability of financial aid are numerous. Many factors, influences, details, and aspects of financial aid in higher education lend themselves to examination, evaluation, and comparison.

A large percentage of students from all of the study schools depended on the availability of federal student loans to augment their financial resources to pay university tuition and fees. In Tennessee colleges specifically, there was a financial aid gap for undergraduate students whose family income exceeds \$36,000 and whose high school GPA was below 3.0 so that they did not qualify for the federal Pell Grant or the state Hope academic-based scholarship. These factors excluded them from access to the largest scholarship and the largest grant outside of institutional aid and often caused them to depend heavily on federal student loans.

The research findings indicated that the availability of federal student loans had a definite impact on enrollment at the three Tennessee universities that were a part of this study, during the

period covered by the research. The financial aid directors indicated that many students would not have been able to attend college without available federal loan funds.

Leadership perspectives of the financial aid directors at the studied universities played important roles in the administration of financial aid at their institutions. All directors at participant schools emphasized the importance of maximizing grant and scholarship aid and minimizing student loans, which require repayment. The directors trained, supervised, and led their staffs in that initiative as they assisted students in identifying and locating the necessary funds to pay for the cost of attendance at the studied universities.

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Appendix A

Participant Consent Form

Tennessee Temple Ph.D. Program in Leadership

T. Glen Moody, candidate

The purpose of this research is to examine the relationships between the availability of federal loans and enrollment at three selected universities in the state of Tennessee from the school year 2004-2005 through the school year 2008-2009.

The research will be used by the researcher, T. Glen Moody, to prepare a dissertation, which will be presented to the faculty of the department of Leadership at Tennessee Temple University.

Interviews, observations, and data provided by the interviewees will become part of the research and field notes, which are developed as part of the research activity.

In order to provide an unbiased representation to the readers and to provide confidentiality between the researcher and participants, pseudonyms will be used in the dissertation for the names of interviewees and institutions. This confidentiality does not ensure anonymity that exists only when no one, including the researcher, can relate a participant's identity to any information referenced in the project.

By signing below you are acknowledging you have been made aware of the nature of this research and understand that the researcher, his department supervisor and other authorized persons whose only interest will be to review and support the research undertaken, will view the raw interview transcripts.

Participant

Signed: _____

Print your full name: _____

Appendix B

Federal Postsecondary Grants and Scholarships Programs

Federal Pell Grant – Generally awarded to students with exceptional financial need who have not earned a bachelor’s or graduate degree – Grant award up to \$5,550

Academic Competitiveness Grant – First Year – Grant award up to \$750

- Must be eligible for a Pell Grant
- Must have graduated from high school after Jan. 1, 2006
- Must have completed a rigorous secondary school program of study
- Must be enrolled at least half-time

Academic Competitiveness Grant – Second Year – Grant award up to \$1,300

- Must be eligible for a Pell Grant
- Must have graduated from high school after Jan. 1, 2005
- Must have completed a rigorous secondary school program of study
- Must be enrolled at least half-time
- Must have at least a 3.0 GPA at the end of the first year of postsecondary study

Federal Supplemental Educational Opportunity Grant (FSEOG) – Grant award from \$100 to \$4,000

- Awarded to undergraduate students with exceptional financial need who have not earned a bachelor’s or graduate degree
- Federal Pell Grant recipients receive priority
- Not all colleges participate in the FSEOG program
- Funds depend on availability at the college; you should apply by your college’s deadline.

National Science and Mathematics Access to Retain Talent Grant (SMART Grant)

- Must be eligible for a Pell Grant
- Must be enrolled at least half-time in third or fourth year (or fifth year of a 5-year program)
- Must be in an eligible degree program majoring in physical, life, or computer sciences, engineering, technology, mathematics, or a critical-need foreign language
- Must have a minimum 3.0 cumulative GPA
- Up to \$4,000

Teacher Education Assistance for College and Higher Education (TEACH) Grant

- For undergraduate, post-baccalaureate, or graduate students who are/will be taking coursework necessary to become elementary or secondary teachers
- Must agree to serve, for a minimum of four years (within eight years of completing academic program), as a full-time teacher in a high-need field in a school that serves low income students
- Must attend a participating college and meet certain academic achievement requirements

- Failure to complete the teaching service commitment will result in the grant funds being converted to a Federal Direct Unsubsidized Stafford Loan that must be repaid
- Up to \$4,000 a year; total amount may not exceed \$16,000. Graduate student: total amount may not exceed \$8,000.

Appendix C

Tennessee Postsecondary Scholarships and Grants

Several merit-based grants and scholarships are available through the Tennessee Student Assistance Corporation, an agency of the state of Tennessee. Students must apply for these grants and scholarships before the application deadlines.

Lottery Funded Programs

HOPE Scholarship:

The lottery funded HOPE Scholarship is available to Tennessee college students who are Tennessee residents for one year prior to the application deadline. There are several qualifying criteria:

The applicant must be admitted and enrolled at a Tennessee Hope-eligible postsecondary institution with 16 months of graduation from an eligible high school, homeschool or GED program.

The applicant must have a minimum ACT score of 21 or SAT composite score of 980 or a 3.0 final weighted GPA from eligible public or private high schools. Homeschool graduates and some private high school graduates must have the minimum ACT/SAT test scores and must have enrolled in home school for two calendar years immediately preceding completion.

HOPE Scholarship renewal:

To qualify for renewal of the HOPE Scholarship, students must maintain a 2.75 cumulative GPA after 24 and 48 attempted hours of study. At 72 hours and thereafter, students must maintain at least a 3.0 GPA and maintain satisfactory academic progress and continuous enrollment at an eligible Tennessee postsecondary institution. If a student cumulative GPA is between 2.75 and 2.99 and semester GPA of 3.0, the student must be enrolled full-time for each semester, except summer, and will have eligibility checked at the end of each semester of continuous enrollment.

HOPE Scholarship Amounts:

A student recipient of the HOPE Scholarship may receive up to \$4,000 per year at an eligible four-year Tennessee postsecondary institution that offers on-campus housing or \$2,000 at an eligible two-year Tennessee postsecondary institution. Part-time student awards are prorated. The scholarship is terminated after students earn a baccalaureate degree or after five years have passed from the date of initial enrollment, whichever comes first.

HOPE Supplemental Scholarships:

HOPE eligible students may receive either a General Assembly Merit Scholarship (GAMS) or an Aspire Award as a supplement to the HOPE Scholarship, but not both.

Qualification for GAMS is merit-based and requires a minimum 29 ACT score or 1280 composite SAT score and a 3.75 final weighted GPA for entering freshmen graduating from eligible public or private high schools. Homeschool graduates and graduates of some private high schools must have the minimum ACT/SAT score and enrolled in at least 12 college credit hours with a minimum 3.0 GPA at an eligible Tennessee postsecondary institution while enrolled in high school. Renewal criteria are the same as for the Hope Scholarship.

The GAMS award is a \$1,000 supplement to the HOPE Scholarship. Award to part-time students are prorated.

Qualification for the Aspire Award is need-based for HOPE Scholarship grantees and is available to eligible students whose parents' (or independent student's and spouse's) adjusted gross income is \$36,000 or less on their IRS tax form. Renewal criteria are the same as for the HOPE Scholarship.

The Aspire Award is a \$1,500 supplement to the HOPE Scholarship. Awards to part-time students are prorated.

HOPE Access Grant:

Recipients of the HOPE Access Grant must be Tennessee residents for one year prior to the application deadline and must enroll in at least six hours at a HOPE-eligible postsecondary institution within 16 months of graduation from an eligible high school. Qualifying students must have a minimum ACT score or 860 composite SAT score, must have graduated from an eligible public or private high school and parents' or independent students and spouse's adjusted gross income must be \$36,000 or less on their IRS tax form. Students must maintain satisfactory academic progress and continuous enrollment at an eligible Tennessee postsecondary institution. The HOPE Access Grant is nonrenewable after 24 attempted hours, however students may qualify for the HOPE Scholarship by meeting the renewal criteria for that program.

HOPE Scholarship for Non-traditional Students:

Recipients of the HOPE Scholarship for Non-traditional Students must be a Tennessee resident for one year prior to the application deadline, a minimum of 25 years of age, and the student and spouse's adjusted gross income must be \$36,000 or less, and the student must be an entering freshman or have not been enrolled in a postsecondary institution for at least 2 years. Most non-traditional student recipients must earn their way into the HOPE Scholarship program by attempting 12 semester hours on their own and achieve a minimum 2.75 GPA at a HOPE-eligible postsecondary institution. Renewal criteria for this scholarship are the same as criteria for

renewal of the HOPE scholarship beginning with 12 attempted hours and a maximum \$36,000 adjusted gross income on the IRS tax form.

Non-lottery Scholarships

Tennessee Student Assistance Award (TSAA):

Applicants for this award must be undergraduate students pursuing their first degree and enrolled at least half-time at an eligible Tennessee postsecondary institution. The student must meet financial need requirements through criteria based on the Free Application for Federal Student Aid (FAFSA) and the amount of award is based on the FAFSA.

Award amounts are based on the institution type: \$4,000 for independent institutions, \$2000 for public four-year institutions, \$1,300 for public two-year institutions, and \$1,000 for Tennessee Technology Centers.

Students must submit the FAFSA and apply for the award as soon as possible after January 1. Funds are awarded to students based on their date of application and are awarded until the state budgeted funds are depleted, which is usually mid February.

This program is administered by the Tennessee Student Assistance Corporation (TSAC). If additional funds are added to the program after the initial funds are depleted, they are awarded to students on a priority based on the date of initial application.

Ned McWherter Scholars Program:

This is a high merit-based scholarship program available for applicants who are Tennessee residents and are entering freshmen enrolled in any eligible Tennessee postsecondary institution. Awards are selected randomly from among qualified applicants. Applicants must have a minimum 29 ACT or a minimum composite 1280 SAT score AND an un-weighted 3.5 GPA.

Renewal requires full-time enrollment, satisfactory academic progress, and annual re-application.

Robert C. Byrd Honors Scholarship Program:

The program is a merit-based scholarship available to Tennessee residents, U.S. citizens or permanent residents who are entering freshmen enrolled in any U.S. accredited institution except military academies. The award must be used immediately after high school graduation or receipt of the GED. It requires a minimum 3.5 un-weighted GPA or a GED score of 570 or an ACT score of 24 or SAT 1090 composite.

Renewal requires full-time enrollment, satisfactory academic progress, and annual re-application

Appendix D

Federal Student Loan Programs and Auxiliary Federal Programs

Federal Perkins Loan:

This is a need-based loan program is for undergraduate and graduate students. The student's college awards and disburses the loan and the student must repay the loan to the college that made the loan. The federal government funded the program through the institutions for several years, but for the fiscal years 2010 and 2011, the federal government did not fund the program.

The loan rate for this program is 5%. Individual colleges use the proceeds of loan payments and interest to fund new loans to qualified students, according to the institution's criteria. For many schools, the balance in this program fund is declining, due to stoppage in federal funding.

Perkins Loan award amount limits are \$5,500 for undergraduate students, and \$8000 to graduate and professional students. (<http://www2.ed.gov/programs/fpl/funding.html>)

Subsidized Direct or FFEL Stafford Loan:

The U.S. Department of Education pays interest on subsidized Direct or FFEL Stafford Loans while the borrower is in school and during grace and deferment periods. Qualifying students must be attending a participating college at least half-time and have financial need. Loan amounts vary from \$3,500 to \$8,500 per year depending on the student's grade level. The repayment rate is fixed and is set annually for new borrowers. (Federal Student Aid Programs).

Unsubsidized Direct or FFEL Stafford Loan:

The borrower is responsible for all interested accrued on unsubsidized Direct and FFEL Stafford Loans while the borrowers is in school and during grace and deferment periods. Financial need is not required to be proven in order for students to receive these unsubsidized loans. The rate of interest is fixed annually for new borrowers. The amount of unsubsidized loans may vary from \$5,500 to \$20,500, depending on grade level and dependency status.

Direct or FFEL PLUS Loan:

PLUS loans are unsubsidized loans that are borrowed by the parents of dependent students or by graduate and professional students. Students must be enrolled at least half-time and financial need is not required in order to qualify for the loans. The maximum amount borrowable is the cost of attendance minus any other financial aid that the student receives. There is no minimum borrowable amount.

Federal Auxiliary Programs

Federal Work-Study:

The federal work-study program is a federally funded, campus-administered program based on a student's financial need. The program provides funds earned through part-time employment to assist students in financing the costs of postsecondary education. Jobs can be on-campus or off-campus; the college issues student paychecks and pays the student at least federal minimum wage. There are no annual minimum or maximum earning requirements for this program and no restrictions on how the student spends the money.

Eligibility is based on student need from information in the student's FAFSA and the amount of expected family contribution. Financial aid administrators at participating institutions have substantial flexibility in determining the amount work-study awards to students at their institution. (<http://www2.ed.gov/programs/fws/index.html>).

Some restrictions apply.

Appendix E

Transition to Direct Lending

The Direct Lending student loan program was implemented as a voluntary transition program for colleges and universities who chose to change the origination of their federal student loans from banks, credit unions, and other financial institutions to the federal government through the U.S. Department of Education. Until that time, federal student loans were funded by private and public financial institutions and guaranteed by the federal government, the FFEL federal Stafford Loans program.

For the fall of 2010, upon passage of the new law, the Direct Lending methodology became mandatory for institutions participating in federal student loan programs (Title IV).

Appendix F

Permission to use Quick Reference Guide to Student Financial Aid Statistics

-----Original Message-----

From: Glen Moody [mailto:glenmoody@charter.net]
Sent: Monday, February 07, 2011 7:02 PM
To: Kantrowitz, Mark
Subject: RE: Quick Reference Guide to Student Financial Aid Statistics

Mark, may I have permission to use your pdf reference guide as an appendix in my dissertation on financial aid...giving full attribution?

Glen Moody Ph.D. (cand)
Kingsport, TN

Yes.

Mark Kantrowitz
Publisher of Fastweb.com and FinAid.org
Author, Secrets to Winning a Scholarship

PO Box 2056, Cranberry Township, PA 16066-1056 1-724-538-4500 | 1-724-538-4502 fax |
mkant@fastweb.com Fastweb | FinAid | College Gold | EduPASS | PrivateSchools | Monster

Appendix G

Student Financial Aid Internet Resource Sites

Quick Reference Guide to Student Financial Aid Statistics. Compiled by Mark Kantrowitz. Copyright © 2011 by FastWeb LLC. All rights reserved. Used by permission granted 2/07/2011.

National Center for Education Statistics (NCES)

Organization within the U.S. Department of Education that is focused on collecting and analyzing education data www.nces.ed.gov

Fast Facts

Compilation of statistical answers to education FAQs -- nces.ed.gov/fastfacts

Digest of Education Statistics - Annual compilation of national education statistics covering prekindergarten to graduate school --nces.ed.gov/programs/digest

Condition of Education

Integrated collection of indicators about trends in enrollment, student progress, student achievement and other outcomes, and student and institution characteristics
nces.ed.gov/programs/coe

Surveys and Studies

Baccalaureate and Beyond (B&B) -- Longitudinal tracking of college seniors
nces.ed.gov/surveys/b&b

Beginning Postsecondary Students Longitudinal Study (BPS) --Longitudinal tracking of college freshmen. nces.ed.gov/surveys/bps

Career/Technical Education Statistics (CTES). Collection of statistics relating to career and technical education. nces.ed.gov/surveys/ctes

High School and Beyond (HS&B). Longitudinal tracking of high school seniors and sophomores
nces.ed.gov/surveys/hsb

Integrated Postsecondary Education Data System (IPEDS). Annual data collection from postsecondary institutions. nces.ed.gov/ipeds and nces.ed.gov/ipeds/datacenter

National Postsecondary Student Aid Study (NPSAS). Quadrennial study of how undergraduate, graduate and professional students paid for postsecondary education.nces.ed.gov/surveys/npsas
Projections of Education Statistics. nces.ed.gov/programs/projections

State Education Data Profiles. nces.ed.gov/programs/stateprofiles

NCES Data Tools

Data Analysis System (DAS). Tool for generating custom analyses of education statistics
nces.ed.gov/das

PowerStats and QuickStats. Simplified visual interfaces for analyzing education statistics
nces.ed.gov/datalab

Quick Tables & Figures. Tool for finding NCES tables, figures and charts
nces.ed.gov/quicktables

College Navigator. College search tool based on IPEDS data - nces.ed.gov/collegenavigator

Tips on Using the NCES Data Analysis System

Advice on avoiding common problems in crafting the right data queries and correctly interpreting the results. www.finaid.org/educators/ncesdastips.phtml

Student Financial Aid Policy Analysis- Compilation of student aid policy papers by Mark Kantrowitz. www.finaid.org/studentaidpolicy

Cohort Default Rates (CDR) -Compilation of resources about student loan default rates
www.finaid.org/cdr

FAFSA Application Statistics

Analysis of U.S. Department of Education statistics about the Free Application for Federal Student Aid (FAFSA). www.finaid.org/fafsastats

GAO Student Aid Policy Papers

U.S. Government Accountability Office student aid analysis. www.finaid.org/gao

Student Financial Aid Calculators

www.finaid.org/calculators

Student Loan Debt Clock

www.finaid.org/studentdebtclock

U.S. Department of Education

Federal Student Aid Data Center (FSA Data Center)

Links to federal student aid statistics, including FAFSA application statistics, cohort default rates, loan volume

www.fsadatacenter.ed.gov

Annual Plans and Reports

www2.ed.gov/about/reports/annual/index.html

Office of Postsecondary Education (OPE) www2.ed.gov/finaid/prof/resources/data/ope.html

U.S. Census Bureau Educational Attainment. www.census.gov/hhes/socdemo/education

Enrollment

www.census.gov/population/www/socdemo/school.html

Postsecondary Students, Costs and Financial Aid

www.census.gov/population/www/socdemo/sch_cost.html

Statistical Abstract of the United States

www.census.gov/compendia/statab

Bureau of Labor Statistics (BLS)

Earnings by Education

www.bls.gov/cps/earnings.htm#education

Employment and Unemployment by Educational Attainment

www.bls.gov/cps/demographics.htm#education

School Enrollment

www.bls.gov/cps/demographics.htm#enroll

Office of Management and Budget (OMB)

President's Budget

Key data in education appendix and supplemental materials -www.whitehouse.gov/omb/budget/www2.ed.gov/about/overview/budget/index.html

U.S. Securities and Exchange Commission (SEC)

Electronic Data-Gathering, Analysis and Retrieval (EDGAR) - Securitization prospectuses and quarterly/annual reports for student loans and education lenders. www.sec.gov/edgar.shtml

Internal Revenue Service (IRS) - IRS Tax Statistics. www.irs.gov/taxstats/index.html

Advisory Committee on Student Financial Assistance -ACSFA was established by Congress to advise it on student aid policy. Periodically publishes statistical and policy analyses. www.ed.gov/about/bdscomm/list/acfsa/edlite-index.html

American Council on Education (ACE) - Represents the chief executives of all U.S. accredited, degree-granting institutions Center for Policy Analysis. www.acenet.edu/AM/Template.cfm?Section=CPA

Online Information Center –
www.acenet.edu/Content/NavigationMenu/OnlineResources/InfoCenter

American Institutes for Research (AIR) - www.air.org/focus-area/education

Association for the Study of Higher Education (ASHE)
www.ashe.ws

Business-Higher Education Forum (BHEF) - Coalition of business, higher education and foundation leaders that proposes solutions to the nation's education challenges. www.bhef.com and www.StrategicEdSolutions.org

Center for Higher Education Policy Analysis (CHEPA) - Goals focused on improving postsecondary education (including outreach, access, retention and student aid) www.usc.edu/dept/chepa

Center for the Study of Higher Education (CSHE) - Postsecondary education policy research center at Pennsylvania State University. www.ed.psu.edu/educ/cshe

Chronicle of Higher Education - Almanac Issue (Published Last Friday in August)
Annual compilation of education statistics. www.chronicle.com – Click on “Facts & Figures”

College Board -

Trends in Student Aid. trends.collegeboard.org/student_aid

Trends in College Pricing - trends.collegeboard.org/college_pricing

Education Pays - trends.collegeboard.org/education_pays

Advocacy & Policy Center - advocacy.collegeboard.org

College Savings Plan Network (CSPN)

529 Plan Data - www.collegesavings.org/529PlanData.aspx

Committee for Education Funding - www.cef.org

Education Policy Institute (EPI) - Independent research and public policy organization with a special emphasis on student access and persistence. www.educationalpolicy.org

www.studentretention.org (Student Retention Microsite)

www.educationalpolicy.org/epss (Student Success Microsite)

Education Sector

Independent think tank focused on education policy, using data and analysis to improve student opportunities and outcomes. www.educationsector.org/issues/higher-education

Education Trust

Organization focused on improving education access, achievement and attainment and on closing gaps for low-income and minority students. www.edtrust.org

www.collegeresults.org (College graduation rates)

Grapevine - Compilation of data about state support of higher education.

www.grapevine.ilstu.edu

Institute for Higher Education Policy (IHEP)

Non-profit public policy and research institute focused on access and success in postsecondary education. www.ihep.org

Lumina Foundation for Education- Independent foundation focused on expanding access and success in postsecondary education. www.luminafoundation.org

National Association of State Student Grant and Aid Programs (NASSGAP)

Annual Survey Reports

Annual surveys of state grant and scholarship programs from 1969-70 to the present.
www.nassgap.org/viewrepository.aspx?categoryID=3

National Association of Student Financial Aid Administrators (NASFAA)
National professional membership organization for college student financial aid personnel

Journal of Student Financial Aid - Peer-reviewed publication of original research and policy analysis concerning postsecondary student financial aid.
[www.nasfaa.org/SpecialInit_Journal of Student Financial Aid](http://www.nasfaa.org/SpecialInit_JournalofStudentFinancialAid)

Research Projects and Quick Scan Surveys -
www.nasfaa.org/Advocacy/Research/Reports/Research.aspx

National Center for Higher Education Management Systems (NCHEMS)

Information Center for State Higher Ed. Policymaking and Analysis - Collection of state-level higher education data and information, with an emphasis on higher education policy analysis
www.higheredinfo.org

National Center for Public Policy and Higher Education - Independent policy-research institute regarding opportunity, affordability and achievement in higher education.
www.highereducation.org

Organization for Economic Cooperation and Development (OECD) - Comparisons of international education statistics. www.oecd.org and stats.oecd.org

Pathways to College Network - Alliance of organizations working on improving college access and success for underserved students. www.pathwaystocollege.net

Postsecondary Connection - State data linking high school preparation with college success
www.postseconnect.org (from achieve.org)

Postsecondary Education OPPORTUNITY - Newsletter and web site containing public policy data and analysis concerning educational opportunity in higher education.
www.postsecondary.org (subscription required)

Public Agenda

Their Whole Lives Ahead of Them - Some of the reasons why students drop out of college
www.publicagenda.org/theirwholelivesaheadofthem

Education Category - www.publicagenda.org/category/tags/-education

Sallie Mae (SLM) - How America Pays for College. www.salliemae.com/howamericapays
How America Saves for College - www.salliemae.com/howamericasaves

Nellie Mae Credit Card Studies - www.nelliemae.com/library/research.html

State Higher Education Executive Officers (SHEEO) - State Quick Facts
www.sheeo.org/sqf/sqf.htm

State Higher Education Finance (SHEF) – Annual Report
www.sheeo.org/finance/shef-home.htm

State Postsecondary Data Systems. www.sheeo.org/sspds/default.htm

SOAR: SHEEO Online Access to Resources - www.sheeo.org/SOAR2/soar.asp

Survey of State Tuition, Fees and Financial Assistance Policies for Public Colleges and Universities. www.sheeo.org/finance/tuitsurv-home.htm

Student Lending Analytics - Independent research and advisory firm focused on education lending with frequent blog posts about education loans
www.studentlendinganalytics.com/index.html
www.studentlendinganalytics.typepad.com (blog)

The Institute for College Access and Success (TICAS) - Project on Student Debt
State and campus-level student debt data. www.projectonstudentdebt.org

College InSight (formerly EconomicDiversity.org) - Data about affordability, diversity and student success. www.college-insight.org

UCLA Higher Education Research Institute (HERI)
Your First College Year Survey - www.heri.ucla.edu/yfcyoverview.php

CIRP Freshman Survey - www.heri.ucla.edu/cirpoverview.php

College Senior Survey - www.heri.ucla.edu/cssoverview.php

USA Funds - Research and White Papers. www.usafunds.org/community/Pages/Resources.aspx

Washington Higher Education Board - Annual survey of tuition rates for public institutions by state. www.hecb.wa.gov/research/issues/tuition.asp

Western Interstate Commission for Higher Education - State Policy Inventory Database Online (SPIDO) www.wiche.edu/node/8690

WICHE Policy and Data Resources - www.wiche.edu/resources/policy/297

Tips for Using the NCES Data Analysis System

The data analysis system (DAS) is an easy-to-use web-based tool for writing and executing data queries. The trick is in crafting the right query and in correctly interpreting the results. Be careful about hidden assumptions in the variables:

- Some variables restrict the data set to just dependent students. For example, the DEPINC variable measures the income of parents of dependent students, excluding independent students, while CINCOME is a continuous variable that measures both.
- Other variables restrict the data set to just Bachelor's degree students. For example, the COLLGRAD variable measures whether a student was a graduating senior. It assumes that the degree program (UGDEG) is a Bachelor's degree and that the student completed the degree program (PROGSTAT). Using the COLLGRAD variable will omit Associate's degree and Certificate recipients.
- The NPSAS includes two data sets, one for undergraduate students (UG) and one for graduate and professional students (G1P). Often researchers use just the undergraduate data set and are mystified as to why their data does not match national data for all colleges.
- Both the CENTILE and CENTILE>0 directives generate percentile distributions for a variable, but the latter omits zeros from the distribution.
- Institution level (2-year, 4-year) is not the same as degree program (Associate's degree, Bachelor's degree).
- Some data sources, such as the Integrated Postsecondary Education Data System (IPEDS), are limited to first-time first-year undergraduate students and exclude transfers. Read the variable descriptions carefully, especially if they reference another variable for further information. For example, the net cost, effort and need variables in the NPSAS exclude negative values and round up small values to \$10. This prevents calculations of student aid in excess of financial need. Long-time users of the DAS add or subtract half a point (0.5) to numeric thresholds to test for equality (e.g., "< 1000.5" is the equivalent of "≤ 1000"). The modern DAS includes an "="

checkbox that should have the same effect, but there have occasionally been errors in its implementation. The weighted sample sizes presented in the DAS reports can themselves be treated as data for analysis, not just the estimates in the report. For example, one can use them to calculate the distribution of recipients as opposed to dollars. Become a power user of the DAS to save copies of your table parameter files (TPF), making it easier to reproduce results.

Appendix H

Interview Guides

Interview Guide – 1 of 2

What I want to talk about, mostly today, is the need for financial aid for Delta University students, especially federal student loans and your university's philosophy of approaching financial aid.

And, the student process. Then the next interview will be more about your personal experience in financial aid, your duties in financial aid, and the narrative of a typical day in your work, reflections by you, suggestions, perspective, things that might be helpful to other institutions; things like that.

I do not think there will be anything that you do not have the answer to or information readily available for, so it should be a smooth process.

Is there information is there on your website that allows students to understand what they need to know about financial aid?

Interviewer: so, anyway, would you tell me about, first, the need...

Tell me about your competition-based scholarships, like president or dean's scholars. How do students compete, how much are the scholarships and is there a limit to how many are given each, from a district, or how does that work?

Are those exclusive Delta scholarship programs?

What percentage of students who are awarded those scholarships end up attending?

How has that affected enrollment at Delta since those merit scholarships have been available?

What is your average ACT or SAT? Has that changed in recent years in either direction, for undergrad?

If so, what might have influenced the change?

What is required for a free ride, either academically or athletically, or for need?

What would the size of the university look like comparatively without financial aid, including institutional aid, and then...how would it look comparatively without the availability of federal student loans?

What percentage of undergrad students would you say would not be able to attend without financial aid in general?

What percentage of undergrad students would you say would not be able to attend without federal student loans in particular?

Interviewer: would you say that 75% would not be able to attend without financial aid?

Interviewer: What is your institutional discount rate?

What is the full time undergrad cost of attendance for 2010-2011 for an on-campus in-state student?

On-campus out-of-state?

How much is your average undergrad aid package this year, including federal loans?

How many new freshmen entered in fall of 2010? What percentage of those received presidential or dean's scholarships?

What is your 2010-2011 FTE for undergrads?

What percentage of your undergrad students get financial aid assistance of some kind?

What percentage of your undergrad students get federal student loans?

What is the headcount for students at all university colleges?

Tell me about the Hope scholarship. What year did it begin at this university?

What effect has that had on Delta undergrad enrollment, in terms of numbers or percentages? Has it had any effect on your percentage of in-state students attending this university?

Interviewer: I will need FTEs starting in 2004 and for the five years from 2004-2005 to 2008-2009. Do you have an institutional fact book that includes financial aid data?

Work-study: what percentage of students would you say that you have or what is the impact of that on the need of students. Just talk about that.

What percent or number of undergrad students qualify for work-study?

Interviewer: Do they have to work strictly on campus? Do they apply for jobs through their student portal?

Interviewer: How long has that change been and how did it work before?

Do work study students get a paycheck from the university that they can use however they wish, or do they have to apply any of it to their bill?

Interviewer: Okay, is there any more about the financial need of your students overall that you can talk about?

Can you tell me the average EFC for undergrad students with FAFAs. Are there many who don't complete FAFAs?

How does the average EFC number compare to the COA cost of attendance?

Do faculty and staff kids get a free ride?

Interviewer: Is there any state aid from other states (like Virginia) available to university students?

Interviewer: So, let's shift to the philosophy of the university on financial aid in general.

Interviewer: What is the official or unofficial board policy or institution policy about how Delta approaches financial aid in terms of – I'm talking about institutional aid –

Like institutional discount.

Interviewer: In regard to financial aid, what is your perception, at least, of students who don't come because they just can't put it together? Would you say there's 10% percent like that who get through the process, are accepted, and everything is there, but they just say 'we just can't afford it?'

So, how many or what percentage of freshman applicants don't come because they say cost; they say costs or financial aid?

How many or what percent of new freshmen enrolled just don't show up for class in the first two weeks? What happens then?

How does admissions keep up with, or keep in touch with new freshmen applicants. Are admissions counselors assigned to territory or how?

Interviewer: Would you say that is more or less than other schools? Or would you say it's about the same?

How many admissions counselors would be doing that?

Interviewer: Of those who can not come due to cost or lack of financial aid, would a significant number of those be simply postponed for a year?

Would, a lot of them go on to community college, somewhere that is less expensive?

Interviewer: What are the enrollment objectives of the school? In terms of growth numbers.

Interviewer: Okay, well, I'll not take much more of your time. But, if you can just walk me through a chronological calendar for the student. When do they do what, starting with...with I guess.

Is there an online or printed timeline?

When and how do you package student aid for new students, especially; as a big group or one at a time as they come in?

Interviewer: Okay, and so after you compile that information, at least preliminary packaging, does admissions contact them again, or do you contact them again, do you contact them separately...?

When you mail them their award letter, do they need to do anything or is it considered have to be passively accepted by them?

Could we do a sample financial aid package to show the amount of financial aid that might be available to a typical incoming freshman?

Scenario 1: An 18 year old recent Tennessee high school graduate with an EFC of \$0 and a high school GPA of 2.4.

Scenario 2: Same 18 year old Tennessee high school grad with an EFC of \$0 and a high school GPA of 3.0.

Scenarios were discussed off-recording.

End of interview # 1.

Interview Guide – 2 of 2

Section A:

1. The two primary subjects that I would like to talk about today are:

a) The activities that consume a typical day in your job as Director of Financial Aid

and

b) A description of your own philosophy of how you approach financial aid and the institutional philosophy of financial aid for your students.

2. After that I would like to propose a couple of different scenarios and see how a student applying to this institution might accumulate the necessary financial aid to fund their education as much as possible.

a) Is it possible to do a mock scenario of a student for a student who is: an 18 year old recent Tennessee high school graduate with an EFC of zero and a high school GPA of 2.4...

b) And then the same student characteristics, but with a GPA of 3.0.

4. Describe the constituency pool of typical students who apply to this university.

5. What is your professional opinion and your reflection about the various financial aid opportunities that are available to your students and the relationship between financial aid and enrollment at this institution between the school years beginning in the

Fall of 2004 and ending in the spring of 2009?

6. Can you provide me the enrollment for those years and the number or percentage of student who received federal student loans during that time for comparison?

7. Are there any other things that happened between those time periods that had an influence on enrollment?

Section B:

Based on your professional experience describe the kind of improvements that you would suggest for various federal, state, institutional and external scholarship programs.

1. What, if any, changes would you suggest to the legislature for the regulations of the Lottery scholarship in regard to qualifying criteria, retention, disbursement and administration...and any other areas.

Do you affirm the present structure of merit-based with supplementary need based aid in the Lottery scholarship or are there ways that it could be improved?

2. What present elements in the Lottery scholarship program are most punitive to undergraduate students and how could that be improved? What parts of the program create the most difficulties for the university in terms of program administration?
3. If the legislature contacted you for specific recommendations for change in the entire Lottery scholarship program, what would your top 3 suggestions be?
4. What, if any, changes would you suggest for the awarding of TSAA grants?

What changes do you think could improve the federal student loan program?

Appendix I

Permission Granted from NASFAA to use the Student Aid Glossary as an Appendix.

Granted 2/25/11

Hi Glen,

Thank you for providing the requested document. Yes, you do have NASFAA permission to use the attached document.

Best,

Gwen

From: Glen Moody Sent: Friday, February 25, 2011 1:37 PM
To: Membership
Subject: RE: NASFAA glossary of terms

Gwen,

It is part of the pdf document FANightHandoutsCompiled.pdf

I have attached a Word copy of the glossary. It would simply be included as an appendix without editing, with full attribution of ownership to NASFAA

Thanks for your consideration.

T. Glen Moody

From: Membership [mailto:membership@nasfaa.org]
Sent: Thursday, February 24, 2011 11:54 AM
To: glenmoody@charter.net
Subject: FW: NASFAA glossary of terms

Dear Mr. Moody,

Thank you for your request.

In order for us to process your request, we would need to know which NASFAA glossary of terms were you referring to. Where are they located on our website? If possible, please kindly send us a copy of these glossary of terms.

Best regards,

Gwen Nguyen

NASFAA Membership Reporting Specialist

(202) 785-6967

www.nasfaa.org

From: Glen Moody [mailto:glenmoody@charter.net]

Sent: Thursday, February 24, 2011 5:23 AM

To: Membership

Subject: NASFAA glossary of terms

Good morning.

I am completing a PhD dissertation in organizational leadership with a cognate in higher education.

My dissertation title is RELATIONSHIPS BETWEEN AVAILABILITY OF FEDERAL STUDENT LOANS AND ENROLLMENT: A COMPARATIVE CASE STUDY OF THREE TENNESSEE UNIVERSITIES.

May I have permission to include the NASFAA glossary of terms as an appendix in my dissertation?

Thanks very much.

T. Glen Moody

PhD ABD

Tennessee Temple University

Appendix J

Glossary of Terms

Student Aid Glossary

Used by permission of National Association of Student Financial Aid Administrators (NASFAA), (permission granted 2/25/2011).

Acceptance Form: The written acknowledgment by the student of receipt of an award letter. The form usually provides for acceptance of offered aid, possible declination of all or part of the package, and some means of requesting an appeal, if that is desired, to modify the award. Frequently, acceptance letters and award letters are combined into a single document.

Accruing Interest (on a loan): The cost of the loan, represented by the interest rate, is adding up prior to the repayment period or prior to a payment installment.

Adjusted Available Income: The portion of family income remaining after deducting federal, state, and local taxes, a living allowance, and other factors used in the Federal Need Analysis Methodology.

Adjusted Gross Income (AGI): All taxable income as reported on a U.S. income tax return.

Advanced Placement (AP): Credit and/or advanced standing in certain course sequences that postsecondary institutions may offer to high school students who have taken high-level courses and passed certain examinations.

Army College Fund: A program that provides Army enlistees in certain job specialties and who score at least 50 on the Armed Forces Vocational Aptitude Battery educational benefits to attend college.

Army Reserve Student Loan Repayment Program: Student loan repayment program available to Army Reservists; amount of repayment is based on years of service and job specialty.

Assets: Cash on hand in checking and savings accounts; trusts, stocks, bonds, other securities; real estate (excluding home), income-producing property, business equipment, and business inventory. Considered in determining Expected Family Contribution (EFC).

Associate's Degree: A degree given for successful completion of some courses of study at a two-year college.

Award Letter: A means of notifying successful financial aid applicants of the assistance being offered. The award letter usually provides information on the types and amounts of aid offered, as well as specific program information, student responsibilities, and the conditions which govern the award. Generally provides students with the opportunity to accept or decline the aid offered. (See Financial Aid Notification)

Bachelor's Degree: The degree given for successful completion of the undergraduate curriculum at a four-year college or a university. Also called a baccalaureate degree.

BIA Grant: See Bureau of Indian Affairs Grant.

Budget: See Cost of Attendance.

Bureau of Indian Affairs (BIA) Grant: A federal grant program administered by the Bureau of Indian Affairs for needy students who are members of an Indian, Eskimo, or Aleut tribe and enrolled in accredited institutions in pursuit of an undergraduate or graduate degree.

Business Assets: Property that is used in the operation of a trade or business, including real estate, inventories, buildings, machinery and other equipment, patents, franchise rights, and copyrights. Considered in determining an Expected Family Contribution (EFC) under the regular formula.

Byrd Scholarship: A federally sponsored, merit-based scholarship for outstanding high school students.

Campus-based Programs: The term commonly applied to those U.S. Department of Education federal student aid programs administered directly by institutions of postsecondary education. Includes: Federal Perkins Loan, Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Work-Study (FWS) programs.

Capitalization (of interest): The arrangement between borrower and lender whereby interest payments are deferred as they come due and are added to the principal amount of the loan.

Central Processing System (CPS): The computer system to which the student's need analysis data is electronically transmitted by the FAFSA processor. The Central Processing System performs database matches, calculates the student's official Expected Family contribution (EFC), and prints out the Student Aid Report (SAR).

Certificate: The formal acknowledgment of successful completion of a particular program or course of study, particularly in a vocational school, trade school, or junior college.

CLEP: See College-Level Examination Program.

COA: See Cost of Attendance.

College-Level Examination Program (CLEP): A series of examinations demonstrating a student's proficiency in a subject area, for which some postsecondary institutions offer credit.

Commuter Student: A student who does not live on campus; typically, "commuter" refers to a student living at home with his or her parents, but can also mean any student who lives off-campus.

Consolidation Loan: A loan made to enable a borrower with different types of loans to obtain a single loan with one interest rate and one repayment schedule. Federal Perkins, Federal Stafford (subsidized and unsubsidized), Direct Subsidized and Direct Unsubsidized, Health Education Assistance Loans (HEAL), Health Professions Student Loans, and Loans for Disadvantaged Students may be combined for purposes of consolidation, subject to certain eligibility requirements. A consolidation loan pays off the existing loans; the borrower then repays the consolidated loan.

Cooperative Education: A program through which a college student alternates periods of classroom instruction with periods of related employment.

Cost of Attendance (COA): Generally, this includes the tuition and fees normally assessed a student, together with the institution's estimate of the cost of room and board, transportation and commuting costs, books and supplies, and miscellaneous personal expenses. In addition, student loan fees, dependent care, reasonable costs for a study abroad or cooperative education program, and/or costs related to a disability may be included, when appropriate. Also referred to as "cost of education" or "budget."

CPS: See Central Processing System.

Credit (or Credit Hour): The unit of measurement some institutions give for fulfilling course requirements.

Custodial Parent: The parent with whom the dependent student lives, and whose financial information is used in the need analysis when parents are divorced or separated.

Deferment (of loan): A condition during which payments of principal are not required, and, for Federal Perkins and subsidized Federal Stafford and Direct Subsidized Loans, interest does not accrue. The repayment period is extended by the length of the deferment period.

Department of Education, U.S. (ED): The federal government agency that administers assistance to students enrolled in postsecondary educational programs under the following programs: Federal Pell Grant, Federal Perkins Loan, Federal Supplemental Educational

Opportunity Grant (FSEOG), Federal Work-Study (FWS), Federal Family Education Loan (FFEL) Programs, and William D. Ford Federal Direct Loan (Direct Loan) Program.

Departmental Scholarship: An award of gift assistance that is specifically designated for a recipient in a particular academic department within the institution.

Dependent Student: A student who does not qualify as an independent student and whose parental income and asset information is used in calculating an Expected Family Contribution (see Independent Student).

Direct PLUS Loan: Long-term loans made available to parents of dependent students. Interest rates are linked to 52-week Treasury bill rates, but may not exceed 9%. May be used to replace EFC; amount borrowed is limited to the cost of attendance minus estimated financial assistance.

Direct Subsidized and Direct Unsubsidized Loans: Long term, low-interest loans administered by the Department of Education and institutions. Variable interest rate not to exceed 8.25%. Direct Unsubsidized Loans can be used to replace EFC.

Educational Benefits: Funds, primarily federal, awarded to certain categories of students (veterans, children of deceased veterans or other deceased wage earners, and students with physical disabilities) to help finance their postsecondary education regardless of their ability to demonstrate need in the traditional sense.

Educational Expenses: See Budget and Cost of Attendance.

EFC: See Expected Family Contribution.

Employment: With reference to financial aid, the opportunity for students to earn money to help pay for their education. Federal Work-Study is one program by which needy students can work to defray their educational expenses.

Employment Allowance: An allowance to meet expenses related to employment when both parents (or a married independent student and spouse) are employed or when one parent (or independent student) qualifies as a surviving spouse or as head of a household. Used in need analysis formula for parents and student, if eligible.

Expected Family Contribution (EFC): The amount a student and his or her family are expected to pay toward the student's cost of attendance as calculated by a Congressionally-mandated formula known as Federal Methodology. The EFC is used to determine a student's eligibility for the student financial assistance programs.

FAFSA: See Free Application for Federal Student Aid.

FAFSA Express: New electronic method for students to apply for federal student financial assistance directly to the Department of Education.

Federal Family Education Loan (FFEL) Programs: The collective name for the Federal Stafford (subsidized and unsubsidized), Federal PLUS Loan, and Federal Consolidated Loan programs. Funds for these programs are provided by private lenders and the loans are guaranteed by the federal government.

Federal Methodology (FM): See Federal Need Analysis Methodology.

Federal Need Analysis Methodology: A standardized method for determining a student's (and family's) ability to pay for postsecondary education expenses; also referred to as Federal Methodology (FM). The single formula for determining an Expected Family Contribution (EFC) for Pell Grants, campus-based programs, FFEL programs, and Direct Loan program; the formula is defined by law.

Federal Pell Grant: A federal grant program for needy postsecondary students who have not yet received a baccalaureate or first professional degree; administered by the U.S. Department of Education.

Federal Perkins Loan: One of the campus-based programs; a long term, low interest loan program for both undergraduate and graduate students at a current interest rate of 5%. May also be called the Carl D. Perkins National Direct Student Loan Program.

Federal PLUS Loan (FPLUS): Long-term loans made available to parents of dependent students. Interest rates but may not exceed 9%. May be used to replace EFC; annual amount borrowed limited to the cost of attendance minus estimated financial assistance.

Federal Stafford Loan (subsidized and unsubsidized): Long term, low interest loans administered by the Department of Education through private guarantee agencies. Formerly known as Guaranteed Student Loans (GSLs). Variable interest rate, not to exceed 8.25%. Unsubsidized Federal Stafford Loans may be used to replace EFC.

Federal Supplemental Educational Opportunity Grant (FSEOG): One of the campus-based programs; grants to undergraduate students of exceptional financial need who have not completed their first baccalaureate degree and who are financially in need of this grant to enable them to pursue their education. Priority for FSEOG awards must be given to Federal Pell Grant recipients with the lowest EFCs.

Federal Work-Study Program (FWS): One of the campus-based programs; a part-time employment program which provides jobs for undergraduate and graduate students who are in need of such earnings to meet a portion of their educational expenses.

FFELP: See Federal Family Education Loan Programs.

Financial Aid: General term that describes any source of student assistance outside the student or the student's family. Funds awarded to a student to help meet postsecondary educational expenses. These funds are generally awarded on the basis of financial need and include scholarships, grants, loans, and employment.

Financial Aid Administrator: An individual who is responsible for preparing and communicating information pertaining to student loans, grants or scholarships, and employment programs, and for advising, awarding, reporting, counseling, and supervising office functions related to student financial aid. Accountable to the various publics which are involved and is a manager or administrator who interprets and implements federal, state, and institutional policies and regulations, and is capable of analyzing student and employee needs and making changes where necessary.

Financial Aid Award: An offer of financial or in-kind assistance to a student attending a postsecondary educational institution. This award may be in the form of one or more of the following types of financial aid: repayable loan, a non-repayable grant and/or scholarship, and/or student employment.

Financial Aid Consultant: A person who, for a fee, provides a variety of services to students and parents, including preparing the FAFSA and other financial aid forms, estimating the Expected Family Contribution (EFC), and estimating financial need.

Financial Aid Notification: The letter from the postsecondary institution that lets the student know whether or not aid has been awarded. If the student will be receiving assistance, the notification also describes the financial aid package. State agencies and private organizations may send students financial aid notifications separately from the postsecondary institution. Also see Award Letter.

Financial Aid Package: A financial aid award to a student comprised of a combination of forms of financial aid (loans, grants and/or scholarships, employment).

Financial Need: The difference between the institution's cost of attendance and the family's ability to pay (i.e., Expected Family Contribution). Ability to pay is represented by the expected family contribution for federal need-based aid and for many state and institutional programs.

Financial Need Equation: Cost of attendance minus Expected Family Contribution equals financial need ($COA - EFC = \text{Need}$).

FM: See Federal Need Analysis Methodology.

Forbearance: Permitting the temporary cessation of repayments of loans, allowing an extension of time for making loan payments, or accepting smaller loan payments than were previously scheduled.

FPLUS: See Federal PLUS Loan.

Free Application for Federal Student Aid (FAFSA): The financial aid application document completed by the student, and the student's parents if applicable, that collects household and financial information. The FAFSA is the foundation document for all federal need analysis computations and database matches performed for a student.

FSEOG: See Federal Supplemental Educational Opportunity Grant.

Gift Aid: Educational funds such as grants or scholarships that do not require repayment from present or future earnings. See Grant

Grace Period: The period of time that begins when a loan recipient ceases to be enrolled at least half-time and ends when the repayment period starts. Loan principal need not be paid and, generally, interest does not accrue during this period.

Grant: A type of financial aid that does not have to be repaid; usually awarded on the basis of need, possibly combined with some skills or characteristics the student possesses. Also see Gift Aid.

Health and Human Services, U.S. Department of (HHS): The section of the federal government that provides assistance to future health care practitioners. The Nursing Student Loan, Health Profession Student Loan, and Health Education Assistance Loan are among some of the aid programs administered by HHS.

Health Professions Programs: Federal student assistance programs administered by the U.S. Department of Health and Human Services for students preparing for careers in the health sciences.

HHS: See Health and Human Services, U.S. Department of.

Income: Amount of money received from any or all of the following: wages, interest, dividends, sales or rental of property or services, business or farm profits, certain welfare programs, and subsistence allowances such as taxable and non-taxable social security benefits and child support.

Income Protection Allowance: An allowance against income for the basic costs of maintaining family members in the home. The allowance is based upon consumption and other cost estimates of the Bureau of Labor Statistics for a family at the low standard of living.

Independent Student: A student who:(a) will be 24 years of age by December 31, 2004, or who:

(b) is an orphan or a ward of the court;

(c) is a veteran;

(d) is married or is a graduate or professional student;

(e) has legal dependents other than a spouse; or

(f) presents documentation of other unusual circumstances demonstrating independence to the student financial aid administrator.

Investment Plans: Educational savings programs, usually sponsored by commercial banking institutions.

Legal Dependent (of Applicant): A biological or adopted child, or a person for whom the applicant has been appointed legal guardian, and for whom the applicant provides more than half support. In addition, a person who lives with and receives at least half support from the applicant and will continue to receive that support during the award year. For purposes of determining dependency status, a spouse is not considered a legal dependent.

Loan: An advance of funds evidenced by a promissory note and requiring the recipient to repay the specified amount(s) under prescribed conditions.

Loan Repayment Program: A special program available to qualified students who have attended college on federally-funded student loans and who subsequently enlist in the Army for at least three years in any job specialty.

Merit-based Aid: Student assistance awarded because of a student's achievement or talent in a particular area, such as academics, athletics, music, etc.

Methodology: Refers to the system used to calculate the expected family contribution (i.e., the Federal Need Analysis Methodology).

Military Scholarships: Reserve Officer Training Corps (ROTC) scholarships available for the Army, Navy, and Air Force at many colleges and universities throughout the United States.

These scholarships cover tuition and fees, books and supplies, and include a subsistence allowance.

National Health Service Corps Scholarship (NHSC): Scholarship program for students who pursue full-time courses of study in certain health professions disciplines, and are willing to serve as primary care practitioners in underserved areas after completing their education.

National and Community Service: A program established through the National and Community Service Trust Act of 1993 designed to reward individuals who provide community service with educational benefits and/or loan forgiveness or cancellation.

Need: See Financial Need.

Need Analysis: A system by which a student applicant's ability to pay for educational expenses is evaluated and calculated. Need analysis consists of two primary components: (a) determination of an estimate of the applicant's and/or family's ability to contribute to educational expenses; and (b) determination of an accurate estimate of the educational expenses themselves.

Need Analysis Formula: Defines the data elements used to calculate the expected family contribution (EFC); there are two distinct formulas: regular and simplified. The formula determines the EFC under the Federal Need Analysis Methodology.

Need-based Aid: Student assistance awarded because a student's financial circumstances would not permit him or her to afford the cost of a postsecondary education.

Non Need-based Aid: Aid based on criteria other than need, such as academic, musical, or athletic ability. Also, refers to federal student aid programs where the expected family contribution (EFC) is not part of the need equation.

Packaging: The process of combining various types of student aid (grants, loans, scholarships, and employment) to attempt to meet full amount of student's need.

Parent Contribution: A quantitative estimate of the parents' ability to contribute to postsecondary educational expenses.

Parent Loan: See Federal PLUS Loan.

Principal (of a loan): The amount of money borrowed through a loan; does not include interest or other charges, unless they are capitalized.

Professional Judgment (PJ): Aid administrator discretion, based on special circumstances of the student, to change data elements used in determining eligibility for federal student aid.

Promissory Note: The legal document which binds a borrower to the repayment obligations and other terms and conditions which govern a loan program.

Renewal FAFSA: One type of FAFSA which resembles a SAR and has the same questions as the FAFSA. The Renewal FAFSA is preprinted with the student's prior year responses to certain data items which are likely to remain constant from year to year.

Repayment Schedule: A plan that is provided to the borrower at the time he or she ceases at least half-time study. The plan should set forth the principal and interest due on each installment and the number of payments required to pay the loan in full. Additionally, it should include the interest rate, the due date of the first payment, and the frequency of payments.

Reserve Officer Training Corps Scholarship Program: See ROTC Scholarship Program.

ROTC Scholarship Program: Competitive scholarship that pays for tuition, fees, books and a monthly living stipend and other benefits in exchange for participating in drills and classes during the academic year, military camp during the summer, and, upon graduation, full-time active duty in the military for at least four years.

SAR: See Student Aid Report.

SAR Information Acknowledgment: A non-correctable one-page Student Aid Report. Students who file electronic applications or who make electronic corrections to applicant information through a school receive this acknowledgment.

Scholarship: A form of financial assistance that does not require repayment or employment and is usually made to students who demonstrate or show potential for distinction, usually in academic performance.

Scholarship Search Services: Organizations that claim to help students find little-known and unused financial aid funds. Families who are interested in using such a service should carefully investigate the company first.

Service Academy: The five postsecondary institutions administered by branches of the military [U.S. Military Academy, U.S. Air Force Academy, U.S. Naval Academy, U.S. Coast Guard Academy, U.S. Merchant Marine Academy].

Simplified Needs Test: An alternate method of calculating the expected family contribution for families with adjusted gross incomes of less than \$50,000, who have filed, or are eligible to file, an IRS Form 1040A or 1040EZ, or are not required to file an income tax return. Excludes all assets from consideration.

Student Aid Report (SAR): The official notification sent to a student as a result of the Central Processing System (CPS) receiving an applicant record (via FAFSA) for the student. The SAR summarizes applicant information, an Expected Family Contribution for the student, and displays other special messages related to the student's application. In some instances the SAR may need to be submitted to the financial aid office at the school the student plans to attend, but only if the school requests it.

Student Contribution: A quantitative estimate of the student's ability to contribute to postsecondary expenses for a given year.

Subsidy: The money the federal government uses to help underwrite student aid programs; primarily refers to government payments to lenders of the in-school interest on Federal Stafford Loans.

Taxable Income: Income earned from wages, salaries, and tips, as well as interest income, dividend income, business or farm profits, and rental or property income.

Title IV Programs: Those federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. Includes: the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work-Study, Federal Perkins Loan, Federal Stafford Loan, Federal PLUS Loan, Direct Loan, Direct PLUS Loan, and SSIG.

Tuition Payment Plans: A strategy by which payment for present costs of postsecondary education is extended into a future period of time.

Unmet Need: The difference between a student's total cost attendance at a specific institution and the student's total available resources.

Untaxed Income: All income received that is not reported to the Internal Revenue Service or is reported but excluded from taxation. Such income would include but not be limited to any untaxed portion of Social Security benefits, Earned Income Credit, welfare payments, untaxed capital gains, interest on tax-free bonds, dividend exclusion, and military and other subsistence and quarters allowances.

Veterans Educational Benefits: Assistance programs for eligible veterans and/or their dependents for education or training.

Vocational Rehabilitation: Programs administered by state departments of vocational rehabilitation services to assist individuals who have a physical or mental disability which is a substantial handicap to employment.

William D. Ford Federal Direct Loan (Direct Loan) Program: The collective name for the Direct Subsidized, Direct Unsubsidized, Direct PLUS Loan, and Direct Consolidation Loan Programs. Loan funds for these programs are provided by the federal government to students and parents through postsecondary institutions that participate in the program. With the exception of certain repayment options, the terms and conditions of loans made under the Direct Loan Program are identical to those made under the FFEL program.

Abbreviations Commonly Used in Financial Aid Administration

ACT: American College Testing Program

AGI: Adjusted Gross Income

BA: Bachelor's Degree

BIA: Bureau of Indian Affairs

CLEP: College-Level Examination Program

COA: Cost of Attendance

CPS: Central Processing System

ED: Education Department, U.S.

EFC: Expected Family Contribution (also FC, Family Contribution)

FAFSA: Free Application for Federal Student Aid

FFELP: Federal Family Education Loan Program

FM: Federal Methodology

FPLUS: Federal PLUS (Parent) Loan

FSEOG: Federal Supplemental Educational Opportunity Grant

FWS: Federal Work-Study

GPA: Grade Point Average

HHS: Department of Health and Human Services

IPA: Income Protection Allowance

IRS: Internal Revenue Service

PC: Parental Contribution

ROTC: Reserve Officer Training Corps

SAR: Student Aid Report

SC: Student Contribution