Professional Judgment: NOT AGAIN!
Your lovely hosts:
Bernard McCree,
Kutztown University
Charles Scheetz,
Mansfield University
Matthew Stokan,
Waynesburg University
I. WHY PJ’S?

1. You have the AUTHORITY.
2. You have the RESPONSIBILITY.
3. You provide ACCESS for students.
4. It can be very REWARDING.
II. WHEN PJ’S ARE ALLOWED?

1. Dependency status
2. COA adjustments
3. EFC calculations
4. Denial/reduction of a Direct PLUS Loan
5. Direct Unsubsidized Loan eligibility
6. Satisfactory Academic Progress (SAP)
III. WHEN PJ’S ARE NOT ALLOWED?

1. Parents refusal to provide information/money
2. Tax return exemption
3. Financial self-sufficiency
4. Independent to dependent
5. No supporting documentation
6. Direct EFC adjustment
IV. POSSIBLE PJ’S

1. Loss of employment
2. Reduction in income/benefits
3. Medical and dental expenses
4. Tuition expenses
5. Dependent care expenses
6. Divorce or separation
7. Death
8. Disability
9. Dependency Overrides
WHAT WE WANT TO AVOID?

1. AUDIT FINDINGS
2. DISCREPANCIES
3. PEER RIDICULE
4. PASFAAA DERISION
5. NASFAA EXCLUSION
6. TERMINATION
7. PRISON!
RESPONSIBLE TO WHOM?

THE USDE AND FEDERAL REGULATIONS?

THE AMERICAN TAXPAYER?

YOUR STUDENT?

YOUR SCHOOL?

YOURSELF?

ALL OF THE ABOVE?
CASE STUDY QUESTIONS?

SHOULD YOU DO IT?
WHY SHOULD YOU DO IT?
WHAT SHOULD YOU DO?
HOW SHOULD YOU DO IT?
First case:

Tracey Chenk, is a second year student and single parent with six children, who was laid off from her bartending/dancing job on February 6, 2015. In addition to her unemployment status, she also lost the child support on her oldest child, Bartholomew, which she had been receiving, due to his finally graduating from high school after seven years.

Tracey noted in her hardship letter that she had won a law suit against her former employer after slipping on the dance floor, providing her with $9,000 that is helping her to get by since she is ineligible for unemployment because her job was “under the table.” Currently, she has no job or other income other than the maybe some child support from the other fathers.

Upon review of her file, her FAFSA listed an income of $60,000 and $20,000 per year in child support from the five fathers of her six children. She was not selected for verification. We were also able to report the child support of only 6 months in 2015 for Bartholomew in the amount of $2000. When questioned, she admitted, contrary to the FAFSA, that she did not file a federal tax return and she had no W-2 forms from her job. What can we do to help this future member of “Dancing with the Stars?”
Second case:

Melissa Hobson, a first year student submitted a Dependency override detailing an unfit household situation due to abuse (mental, emotional). She submitted a 4 page document detailing her life story about the situation involving both her mother and her step-father. All supporting documentation was supplied including letter from school Guidance Counselor.

After the D/O was approved, Melissa’s mother called the university wanting to know what is going on. Her sister, Alyssa, also called the university wanting to know what is going on. Apparently, the student is talking to the mother about her D/O. The student, however, is still scared to move back with mother but wants to rekindle relationship with her nonetheless. The mother is irate and blames the school for taking her daughter from her and continues to call the FA office. What would you do in this situation? Would the D/O stand or would you overturn the approval?
Third case:

Peggy Petco, a new graduate student at your school, comes into your office requesting a Professional Judgment for all of her living expenses as well as dependent care for her 3 kids. According to Peg, her previous school was giving her $233,000 a year to cover such expenses. She wants to know what your school requires to process this request, especially since your COA budget for a full-time graduate student, living off-campus, is only $30,000?

One last thing to consider is her current NSLDS record:
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<td>PLUS Graduate Loans</td>
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Fourth case:

Kyle Partly’s father was laid off from his job due to his company downsizing and being sold on March 6, 2015. The father received a hefty severance package and is currently collecting unemployment benefits. He decided to forgo another job opportunity so that he could attend the local community college as a full-time student.

Kyle comes into your office seeking your advice. The last thing that he wants to do is quit school but his father, with whom he does not live, says that he is 21 so he is on his own! He is not making any more payments to Kyle’s school. Kyle’s mother died when he was in elementary school.

What can we do to help Kyle out?
Fifth case:

Samantha “Sammy” Sullinger’s father submitted a special circumstance form in 2014 regarding a “one-time” withdrawal adjustment from his pension plan to pay for Sammy’s tuition charges. After a review, it was approved and his income and taxes were adjusted based upon the withdrawal being used to pay for tuition expenses.

In June of 2015, he submits another special circumstance form for Sammy with the same reason, namely, withdrawing from his 401 plan to pay for her tuition expenses. Being an astute financial aid master mind, you foresee him doing the same thing for Sammy’s last two years in school as well. What would you do? Would you do another adjustment? Would you say no since it is a one-time adjustment only? How do you stop Sammy and her pension robbing father?
Sixth case:

Your “Special Circumstances Form” specifically states the following:

**Circumstances NOT Eligible for Review (including, but not limited to):**

- Primary or secondary private school tuition
- Unusual expenses related to personal living or consumer debt, including bankruptcy, credit card debt, mortgages, or other loan payments
- Loss of overtime or one-year bonus income, including lottery winnings, 401k/pension/annuity disbursements, legal awards, inheritances, and income received from sale of personal property
- Voluntary resignation, sabbatical leave, or faculty overload

Unfortunately, Belinda Bebel, a new transfer student and her lawyer, Frank Urban, says that her other school did one for her and threatens to turn you into the Federal Ombudsman if you don’t process her request based on private school tuition! HELP!
Seventh case:

Ken Dudenock’s daughter, Tonya, attends your college. Last year, on her 2014-2015 FAFSA, Ken requested a special circumstances application claiming that his 2013 income was greatly enhanced due to significant overtime hours and a one time bonus. He claimed that he would not make nearly that amount in 2014. So, you processed the special circumstances application reducing his AGI from $100,000 to a projected $50,000 for the 2014 year. When Ken completed Tonya’s 2015-2016 FAFSA, he used the IRS Data Retrieval Tool and his AGI actually went up to $110,000. Now, once again, Ken wants to complete another special circumstances application claiming that his 2015 income is going to be less, a lot less! What should you do? What can you do?
Final case:

Teri Higant’s parents hit the “lottery” by leasing a part of their family farm to a shale drilling company in 2014. This resulted in a significant, one-time increase ($150,000) in her parent’s AGI on their 2014 federal income tax return.

Unfortunately, she went from being eligible for a full Pell and PA State Grant to having no demonstrated financial need. This loss in aid may not only force her to drop out of school but, more importantly, deny her childhood dream of becoming a financial aid administrator and a future member of PASFAA! What can you do? Anything? How?
1. With great power comes great responsibility!
2. DOCUMENT, DOCUMENT, DOCUMENT!
3. If you can’t document it, it didn’t happen!
4. There is no such thing as too much documentation!
QUESTIONS?

For additional information, please contact:

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For additional resources, go to:

www.waynesburg.edu/financialaid/financialaidforms