Professional Judgement – Could We? Should We?

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Villanova University

We Are All Super Heroes
2019 PASFAA Spring Training
Agenda

• Can we use Professional Judgement (PJ)?
• When can we do so?
• What can we do?
• PJ and Unemployment Benefits
• What can’t we do?
• Dependency overrides
Can we use PJ?

- HEA Sec. 479A(A) of the Education Act

- Student’s need based on standardized assessment of family’s financial strength relative to other applicants

- Unusual Circumstances can make this standardized approach unsuitable in individual cases
When can we use PJ?

• Case-by-case basis
• Unusual situations
• Adjust only cost of attendance or data that determine the EFC
• Prior-prior year data
Case-by-case basis

• Must relate to special circumstances that differentiate the student – not to conditions that exist for a whole class of students

• Must resolve inconsistent or conflicting information **before** making any PJ adjustments

• A financial aid administrator’s decision is final and unappealable to the Department
Unusual situations

• Examples provided by law
  – Elementary or secondary school tuition
  – Medical or dental or nursing home expenses not covered by insurance
  – High child care costs
  – Being homeless or a dislocated worker
  – Recent unemployment of a family member
  – Other changes to a family’s income or assets
Cost of attendance or EFC data elements

• Relative to student’s special circumstances
• Income protection allowance (IPA) may already consider an expense
• Should be non-recurring costs
Prior-prior year data

• Have you seen an increase in PJ cases?
• Two year old data
• Cannot perform auto PJ – individual only
• Which year’s income do you use?
• Does anyone not do PJ’s? If not, why not?
What can we do?

- Subjective – not right or wrong, each case could have a different valid solution
- Individual case-by-case basis with a well-reasoned decision
- Document – document – document
- Resolve conflicting information first
- Complete verification, if selected, first
Examples of PJ

- Change in income
- Illness
- Separation or divorce
- Unusual unreimbursed medical expenses
- Nonrecurring income or expenses
- Regular IRA to ROTH IRA
What can’t we do?

• Make an independent student according to statute a dependent student
• Waive general student eligibility requirements
• Circumvent the intent of the law or regulations
• Modify the formula or tables used to calculate EFC
• Change the COA with non/educational related expenses
Dependency Overrides

- Documentation must support & include the reason – third party
- Unusual circumstances to grant override
- Use an override granted by another school in same award year
- Unallowed reasons
## 2019-2020 Dependent Student Request for Revision

**Office of Financial Assistance**
Villanova University - 800 Lancaster Avenue - Villanova, PA 19085-6839
Phone: (610) 519-4010 Fax: (610) 519-5599
Email: financialaid@villanova.edu Website: www.financialaid.villanova.edu

<table>
<thead>
<tr>
<th>Student Name:</th>
<th>Student ID Number:</th>
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</table>

Villanova University provides special consideration for dependent applicants whose families are experiencing a reduction in income due to one of the following circumstances listed below. **You MUST complete the form in its entirety, including a detailed explanation indicating all the reasons your family’s FAFSA income will be reduced, and submit supporting documentation. Consideration of your special circumstances is based on all information being complete with supporting documentation submitted with this form.** Request will NOT be reviewed if the form is incomplete or documents are missing.

**PLEASE CHECK APPLICABLE SITUATION(S) AND ATTACH THE SUPPORTING DOCUMENTATION:**

### A  Death of Parent:

- **Supporting Documentation:**
  - Copy of Death Certificate
  - Federal/State/Social Security Document

### B  Divorce or Separation:

- **Supporting Documentation:**
  - Copy of Divorce Decree, if divorced
  - Copy of Legal Separation Agreement or Proof of Separation Residence (copy of mortgage or lease, if separated)

### C  Change in Parent's Employment Status:

- **Supporting Documentation:**
  - Notice of Lay Off/termination from employee
  - Notice of Eligibility for Unemployment Benefits
  - Copy of Full Insurance Agreement if applicable
  - Earned Pay (Deduct From current employment, if employed)

**Change MUST have occurred AT LEAST two months prior to submitting request**

- Reductions in current-earning or bonus income will NOT be considered as change to employment status.

### D  Permanent and Total Disability:

- **Supporting Documentation:**
  - Certification of Disability from Health Care Provider
  - Statement of Benefits from Worker's Compensation
  - Statement from Social Security Disability

### E  Unearned Income has Increased or Been Reduced:

- **Supporting Documentation:**
  - Proof of Increase or Reduction

**DO NOT LEAVE BLANKS – IF NONE ENTER ZEROS.**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL 2019 GROSS TAXED INCOME (January 1, 2019 - December 31, 2019)</strong></td>
<td>$</td>
</tr>
<tr>
<td>1. Wages, salaries, tips, from father/stepparent (please circle the parent)</td>
<td>$</td>
</tr>
<tr>
<td>2. Wages, salaries, tips, from stepfather/stepparent (please circle the parent)</td>
<td>$</td>
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<tr>
<td>3. Retirement Pay</td>
<td>$</td>
</tr>
<tr>
<td>4. Insurance</td>
<td>$</td>
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<tr>
<td>5. Interest and dividend income</td>
<td>$</td>
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<tr>
<td>6. Business or farm income</td>
<td>$</td>
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<td>7. Capital gains</td>
<td>$</td>
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<tr>
<td>8. Gifts</td>
<td>$</td>
</tr>
<tr>
<td>9. Income received from estates other than income</td>
<td>$</td>
</tr>
<tr>
<td>10. Unemployment Compensation</td>
<td>$</td>
</tr>
<tr>
<td>11. Projected IRA, ESOP, and/or SIMPLE Contributions (include lump sum or only)</td>
<td>$</td>
</tr>
<tr>
<td>12. Any other tested income (excluding S. Op. Vacation or sick pay)</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total 2019 - Gross Taxed Income</strong></td>
<td>$</td>
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<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL 2019 UNTAXED INCOME (January 1, 2019 - December 31, 2019)</strong></td>
<td>$</td>
</tr>
<tr>
<td>1. Payments from pre-retirement and savings plans (paid directly or withheld from earnings)</td>
<td>$</td>
</tr>
<tr>
<td>2. Social Security and SSI</td>
<td>$</td>
</tr>
<tr>
<td>3. Retirement or disability benefits</td>
<td>$</td>
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<tr>
<td>4. Worker's Compensation</td>
<td>$</td>
</tr>
<tr>
<td>5. Unemployment Benefits</td>
<td>$</td>
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<tr>
<td>6. Unearned income from estates other than income</td>
<td>$</td>
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<tr>
<td>7. Child support or maintenance payments which will be received for ALL children</td>
<td>$</td>
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<tr>
<td>8. Cash support or money paid on student's behalf</td>
<td>$</td>
</tr>
<tr>
<td>9. Temporary pre-retirement benefits accepted student's educational benefits</td>
<td>$</td>
</tr>
<tr>
<td>10. Railroad Retirement benefits</td>
<td>$</td>
</tr>
<tr>
<td>11. FICA and FUTA</td>
<td>$</td>
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<tr>
<td>12. Other unearned income benefits used in support of college</td>
<td>$</td>
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<tr>
<td>13. Exempt income</td>
<td>$</td>
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<tr>
<td>14. Federal income</td>
<td>$</td>
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<td>15. Federal income for tax purposes</td>
<td>$</td>
</tr>
<tr>
<td>16. IRA, ESOP, and/or SIMPLE Contributions</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total 2019 - Gross Unearned Income</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

Reminder: If any section is left blank and/or supporting documentation is not attached, the Request for Revision will be considered incomplete and will not be reviewed.
Please provide a detailed statement, which can be written on the lines provided below, specifying the reasons your family’s 2019 income will be reduced and the date the change becomes effective. This statement must be submitted along with the completed first 2 pages to the Office of Financial Assistance with all supporting documentation.

<table>
<thead>
<tr>
<th>Print Name of Father/Mother/Supplement</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print Name of Applicant</td>
<td>Date</td>
</tr>
<tr>
<td>Signature of Father/Mother/Supplement</td>
<td></td>
</tr>
<tr>
<td>Signature of Applicant</td>
<td></td>
</tr>
</tbody>
</table>
FINAL REMINDERS

• Document – document – document

• Case-by-case basis

• Stay within the statutes
References

- Student Aid Index - Tools & Resources
  https://www.nasfaa.org/tools_resources

- Student Aid Index – Professional Judgement
  https://www.nasfaa.org/StudentAidIndex?Professional_Judgement/Statutory_Authority

- GEN-09-05: Update on Professional Judgment by Financial Aid Administrators

- FSA Handbook December 2017, Special Cases Chapter 5 AVG pgs. 111-114

- NASFAA ASKREGS KA-34383
THANK YOU!

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