Professional Judgments

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We Are All Super Heroes
2019 PASFAA Spring Training
Professional Judgments and PPY

• What are they?

• What are we allowed to do?

• What are their effect on enrollment and retention?
INTRODUCTION

• Higher Education Act of 1965—Financial aid administrators can exercise discretion in certain financial aid areas.

• This “PROFESSIONAL JUDGMENT (PJ)” allows for individual treatment of a student with special circumstances not adequately addressed by the standardized federal student aid regulations.

• Remember: FAFSA is just a snapshot/screenshot! Now, with PPY, how accurate is the picture?
WHAT ARE SPECIAL CIRCUMSTANCES?

• These are conditions that differentiate a particular student from a class of students.

• Must be adequately documented.

• Must be administered on a case-by-case basis.

• An institution may establish policies and procedures which identify circumstances that trigger a review, but never ones that automatically make a PJ for everyone.
EXAMPLES?

- Loss of employment
- Reduction in income/benefits
- High medical and/or dental expenses
- Private school tuition expenses
- Dependent care expenses
- Divorce or separation
- Death
- Disability
- Dependency issues
SORRY, BUT...NO WAY!

• Parents refusal to provide information/money
• Tax return exemption
• Financial self-sufficiency
• Independent to dependent
• No documentation
• No verification
• Direct EFC adjustment
SPIDER MAN: WHY?

- You have the AUTHORITY.
- You have the POWER.
- You have the RESPONSIBILITY.
- Your decision may provide or deny ACCESS.
- It can be very REWARDING.
WARNING: BE CAREFUL!
HOW TO BE SPIDER MAN/WOMAN?

• You have the authority to request and use any supplemental information.

• Prove it! The burden of proof is always with the applicant.

• With an auditor, however, the burden of proof is yours.

• Documents speak louder than words. Remember: If you do not document it, it did not happen.

• Your decision is “final” and cannot be appealed to the USDE!
WHEN?

• Dependency override

• Need analysis:
  – Cost of Attendance (COA)
  – EFC calculation

• Denial/reduction of a Direct Loans

• Awarding unsubsidized loan without parental data

• Satisfactory Academic Progress (SAP)
WHEN PJ’S ARE NOT ALLOWED?

• Changing a student from independent to dependent.

• Adding a new area of costs in the COA.

• Adjust the “bottom line” EFC directly.

• Change FM formula or the values in the EFC tables.

• Waive general student eligibility requirements.
HOW: GENERAL GUIDELINES?

• Are these unique circumstances that are not dealt with in the need analysis formula or other Title IV regulations?

• Is the special circumstance justified in that it affects the student’s ability to pay or complete their program of study?

• What should your special treatment be?

• What documentation do I need to support this decision?

• Will this decision be justifiable in an audit or program review?
HOW TO DO A DEPENDENCY OVERRIDE

• Dependency Override Application?

• Letter from student.

• Letters from knowledgeable, non-vested third parties (e.g., counselors, teachers, clergy, relatives, social workers, etc.).

• Copy of student’s federal tax return/transcript.

• Copy of parent’s tax return/transcript.

• Copy of lease, rent receipts, utility bills, health insurance, etc...

• Court documents.
OTHER CONSIDERATIONS?

• Nature of student’s estrangement from the parents?

• Is the student estranged from both parents?

• Third party relationship to student.

• Is the third party unbiased?

• Does the student’s income and other resources justify financial self-dependence?
NEED ANALYSIS/EFC PJ’S?

• Special Circumstances Application?

• Copy of federal tax returns/tax transcripts

• Receipts/Cancelled checks

• Billing statements

• Signed, itemized statement of expenses.

• Proof of loss of job or reduction in income.

• Signed statement for estimated or projected income.

• Documentation of unemployment payments.
OTHER CONSIDERATIONS

• Why does the child attend a private school?

• Did the expenses really affect the family’s ability to meet the EFC?

• Will the PJ result in any additional aid eligibility?

• Proof of the parent’s enrollment status.

• What circumstances created the expense or the debt?

• Was loss of income or job your decision?
WHAT ABOUT PJ’S, PPY, EARLY FAFSA?

• Remember:
  – Use 2017 income data/information.
  – Use current family size and asset information.

• A LOT may have changed between 2017 and 2018?

• Do you use 2018 income or projected 2019 income?

• Which most accurately represents the family’s ability to provide for the student’s educational costs?

• Should document both year’s (2017 and 2018) income and assets to get accurate picture?
CONCLUSION

REMEMBER: WITH GREAT POWER COMES GREAT RESPONSIBILITY AND, WITH PJ’S, ABILITY!
QUESTIONS???

FOR ADDITIONAL QUESTIONS, FEEL FREE TO CONTACT:

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THANK YOU!