



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?



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INTRODUCTION

- Higher Education Act of 1965-Financial aid administrators can exercise discretion in certain financial aid areas.
- This “PROFESSIONAL JUDGMENT (PJ)” allows of 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 !

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