



Time to Make a Change!

Professional Judgment and Student Eligibility

presented by

Laura Diven-Brown, Director of Financial Aid
Steven Taranto, Assistant Director of Financial Aid
The University of Mississippi



Definition

Professional Judgment (PJ) is the authority provided under the Higher Education Act for FAAs to exercise discretion in specific areas of student aid administration.



PJ Scenarios

To account for individual special circumstances, you may use PJ to:

- Adjust the data that determines the EFC.
- Decide to make a dependent student independent.
- Revise a student's cost of attendance.
- Allow a student to receive unsubsidized Stafford loans if parents refuse to complete the FAFSA and will not support the student financially.
- Determine that a student is homeless (or at risk of being homeless).



PJ Requirements

When making a professional judgment:

- The reason for the adjustment **must be documented** (by a third-party if possible).
- You must make **case-by-case decisions** only.
- You must **resolve any conflicting information** first.
- You must **complete verification** first (if the FAFSA is selected).



Student Eligibility Reviews

"At your discretion, you may require a student to verify any FAFSA information and to provide any reasonable documentation in accordance with consistently applied school policies."

(Application and Verification Guide 2014-2015, page AVG-78)



Case #1: Dependency Review

- Student is continuing sophomore.
- Student filed as dependent for 2013-14 and 2014-15.
- In November 2014, student informs FAO that he was disowned by parents because he came out as gay in October 2014.
- Since his disclosure to parents, student is living with friends and receives no financial support from parents.



Case #2: Dependency Review

- Student's father is deceased.
- Mother has a bi-polar disorder and refused treatment for years.
- Documentation indicates history of substance abuse.
- Student suffered physical abuse and neglect as a child.
- Student lived consistently with grandmother since age 10.
- Mother is now remarried and has been stable for the last 4 years and has occasional contact with the student.



Case #3: Dependency Review

- Student lives in a residence separate from, but owned by parent (parent lives out of state).
- Student pays minimal amount of rent to parent.
- Student annual income is approximately \$1400.
- Student seeking approval for PJ for Fall term only (graduating in December).
- Student demonstrates additional financial resources of \$4000 in savings.



Case #4: Dependency Review

- Student claims to provide 50% of support of his child through child support and child care expenses.
- Child lives with mother majority of the time and is only with student (father) on weekends.
- Student annual income is \$12,600.
- No additional documentation available to confirm student's child support or child care obligations.



Case #5: Dependency Review

- Student is a mid-year transfer who was granted independent status by his prior institution because of homelessness.
- The other school made its decision based on a interview with the student (no third-party documentation was collected).
- Student claims abuse from parents, who then kicked him out of the house. He went to live at a campsite.



Case #6: Dependency Review

- Student presented a court order naming her grandmother as limited legal guardian.
- The student's parents are MS residents. Grandmother lives in TN.
- The guardianship was approved in MS.
- As stated in the the order, guardianship was established so the student could live with her grandmother for the purpose of attending college in TN.
- Student chose to attend UM instead.



Case #7: Dependency Review

- Student submitted documentation of a legal custody order granted to grandparent.
- Order was issued when student was one year old.
- No challenge to the order was made, and no subsequent court orders filed.



Case #8: Adjustment to EFC

- Parent submits EFC-PJ in August of 2014 claiming loss of income of \$72,000 due to employment termination as of June 2014.
- Parent confirms that no new position was secured since initial termination.
- Parent indicated projected self-employment income of about \$4000/month for the current year.



Case #9: Adjustment to EFC

- Parent requests re-evaluation of eligibility based on EFC-PJ for private school tuition.
- Parent provided statement from private school (on school's letterhead) indicating tuition expenses for two children (\$6125 and \$2975) plus documented fees of \$1050.
- Parent provided promissory note and disclosure statements for loans borrowed specifically to pay private school tuition charges (statements indicated paid amounts of \$5875 and \$2180, respectively).



Case #10a: Adjustment to EFC

- Parent requests re-evaluation of eligibility based on EFC-PJ for decline in business income and reduction in assets.
- Parent sold two business properties in order to pay back-taxes to IRS.
- Parent's AGI is -\$90,000 and father/mother earned income of -\$63,000 and \$0, respectively.
- Parents self-reported assets and investments as \$650,000 and \$150,000, respectively.



Case #10b: Adjustment to EFC

- Parent requests increase to household size from 5 to 9 based on inclusion of elderly grandparent (80) and elder son and son's family (wife and child) who moved in with parents after son's job loss.



Case #11: Parent in College

- Student's parent is attending college half-time for Fall.
- A community college confirmed parent is pursuing an associate's degree.
- Letter from parent's employer indicates that the company is paying 50% of the parent's tuition.



Closing Thoughts & Discussion



Resources

FIN AID

<http://www.finaid.org/>

FIN AID: Professional Judgment (search)

http://www.finaid.org/search/htdig/htsearch.cgi?method=and&format=cust_long&config=htdig&restrict=&exclude=&words=ProfessionalJudgment&x=0&y=0

Department of Education, Laws & Guidance, Elementary & Secondary Education, Homeless Education:

<http://www2.ed.gov/policy/elsec/leg/esea02/pg116.html>



Resources

National Coalition for Homeless Fact Sheet 18:

<http://www.nationalhomeless.org/publications/facts/McKinney.pdf>

USA Funds PJ Summer Webcast Series PDF (8/13/14):

<http://www.usafunds.org/USAFunds%20ResourceLibrary/ProfessionalJudgment.pdf>
