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## Statement of Policy

### Professional Judgment

The Free Application for Federal Student Aid (FAFSA) does not provide students and families with a place to explain special circumstances affecting their ability to pay for an education. The Federal Need Analysis Methodology (FM) is likewise a rigid formula, with no provisions for exceptions. To remedy this, Congress has delegated to the school's financial aid administrator the authority to compensate for special circumstances on case-by-case basis with adequate documentation. The financial aid administrator is the best person to be able to evaluate the family's situation and to make appropriate adjustments.

Professional Judgment (PJ) refers to the authority of a school's financial aid administrator to make adjustments to the data elements on the FAFSA, to override a student's dependency status or to make adjustments to the Cost of Attendance (COA). The school does not have the authority to change the need analysis formula itself or to make direct adjustments to the Expected Family Contribution (EFC). Instead, the school may make adjustments to the inputs to the formula. The changes to the inputs are dictated by the impact of the special circumstances on the family's income and assets. The standard formula is then applied to the new data elements, yielding a new EFC figure.

Per regulation cited below, verification is not required to complete a professional judgment.

If you use PJ for a student who was selected for verification (by you or the Department), you must complete verification before exercising professional judgment. However, using PJ does not require you to verify a student's application if he was not selected for verification.

<http://ifap.ed.gov/fsahandbook/attachments/1213AVGCh5.pdf>

If you make a PJ adjustment, you must set the FAA Adjustment flag in FAA Access. This is done via Powerfaids.

The decision of the financial aid administrator is final. There is no appeal. By law, neither the school's President nor the US Department of Education can override the financial aid administrator's decision.

## **Legislative Authority:**

The authority to conduct professional judgment reviews is granted by sections 479A and 480(d) (7) of the Higher Education Act of 1965. Section 479A is concerned with the authority to adjust data elements of the FAFSA application and the authority to refuse to certify a student loan. Section 480(d) (7) is concerned with the authority to override a student's dependency status.

It is worth noting that the term *unusual circumstances* are used only in connection with dependency overrides. In the section dealing with adjustments to data elements, the term *special circumstances* is used instead, with the word unusual only being used in connection with "unusually high child care costs". The word unusual means uncommon or rare. Although the word special is sometimes used as a synonym for unusual, it also includes qualities that readily distinguish an item from among others of the same category. An item need not be rare in order to be special. (Note also the use of the word *other* in Section 480(d) (7) of the Higher Education Act, as in "other unusual circumstances", is an indication that the six automatic methods of achieving independent student status are exemplars of unusual circumstances. This means that even with dependency overrides, the word unusual does not require extreme extenuating circumstances.)

Congress's choice of language appears to have been quite deliberate, to allow for conditions that distinguish a student from among a class of students but which are not necessarily rare.

## **Areas of Administration:**

Professional Judgment decisions may be made to adjust eligibility for all institutional, Title IV, and campus-based aid. Documentation supporting special circumstances must be maintained in the student's SIS.

## **Staff Authority:**

At Excelsior College, only the Assistant Vice President for Enrollment Management or the Director of Financial Aid & VA Certifying Officer, have the authority to adjust a student's eligibility using professional judgment. All other FAO staff is expected to document and make recommendations for Professional Judgment but the documentation and final decision must be signed off by either the Assistant Vice President for Enrollment Management or the Director of Financial Aid and one other aid officer. The aid office will only make data element changes that pertain to the income of a student or family from the next Federal tax year that the FAFSA is based on (i.e. the 2008-09 FAFSA is based on the 2007 Federal tax return, PJ would be limited to changes during 2008)

## **Circumstances:**

Student circumstances which may warrant a Professional Judgment decision include, but are not limited to:

For independent students a reduction of contribution due to an abusive relationship with a family member (spouse etc.). A signed letter (on business stationary) from a Priest, a Rabbi, a therapist, an adult, non-family member would be an example of appropriate documentation. If possible, three letters documenting the situation should be collected.

In the case of a dependent student, a reduction of a parental contribution due to an abusive relationship with a family member. A signed letter (on business stationary) from a Priest, a Rabbi, a therapist, an adult, non-family member would be an example of appropriate documentation. If possible, three letters documenting the situation should be collected.

For a dependent student, a reduction of income due to loss of the student or spouses employment.  
In the case of a dependent student, a reduction of parental income due to loss of parent employment.  
Changes to COA for unusual expenses (i.e. child care or books & supplies that are over and above what is already in a student's budget).

## **Documentation:**

EC Aid Administrators are required to document professional judgment decisions. This documentation must be maintained by scanning them into the student's SIS file. Because professional judgment situations are unique, specific required documentation is not listed for each case. It is left to the discretion of the Aid Administrator to select what is appropriate documentation.

Documentation should substantiate the student's situation.

Typically, documentation should be from a professional outside the family and not a family member.

Documentation of unusual COA requests.

## **Procedure**

### **Effective Date**

01/01/2008