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“Professional Judgment: Tool or Time Bomb”

by
Dennis J. Martin

The article is based upon remarks delivered by the author at the 1987 National Forum of the College Board, Chicago, Illinois. It reviews the topic of professional judgment from several perspectives and concludes with a very timely challenge to student aid administrators.

Introduction

Nearly nine years ago, to the day, a fledgling Assistant Director of Financial Aid received an “official response” to an earlier letter to the Office of Education (at the time, in the Bureau of Student Financial Assistance, HEW) on the subject of the latitude aid administrators might exercise in departing from the need analysis formula for Campus-based award purposes. A particular question involved the determination of a student’s dependent or independent status. An excerpt from this letter follows:

Indeed the financial aid officer must use his/her own judgment if the student requests a determination, but not in regards to the parent’s ability versus willingness to pay. The situation is not one in which the parents may be unwilling to contribute. The situation is one in which it may be unreasonable to expect a contribution because of the nature of the relationship between student and parent, i.e., the student is basically independent of his/her parents but not eligible for independent status. It is not a question of the parent’s willingness or unwillingness to pay unless the parents are indeed willing to pay in spite of the nature of the parent student relationship. This latter the financial aid officer must ascertain.

This passage from a 9 year old letter is interesting for several reasons. First, the question posed (what latitude or, more to the point, what obligation does the aid administrator have to take a technically dependent student and consider him or her independent for federal aid purposes) is not, by any means new. It wasn’t then; it isn’t now. Second, it would appear, there is as much a need for guidance in interpretation now as there was then. The same questions are still being asked. Third, answers are hard to come by. It is unfair to cite a passage of this letter out of context, but it’s clear that the twists and juts of the language itself mirror the author’s own sense of groping with the issue; a person in the position of setting policy and providing guidance, and yet not quite certain about which way to go. When in doubt, use words.

To be fair, one more small piece of this letter holds a great deal of truth and promise, and it’s useful to provide it:

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The goal in using a need analysis system is to predict the expected family contribution, and in some cases adjustments on the formula may be necessary.

Is professional judgment a tool or a time bomb? This is an important question which like all good questions, begets other important questions.

The following observations will address the central question as well as some of the related ones. The organization of the discussion is framed around three areas: Politics, Practice, and Principles.

Politics

Before one lines up on either side of the tool or time bomb argument, it must be established that professional judgment is nothing new. It is as old as the figurative financial aid hills. It is natural to what financial aid is all about. Ours is a system that produces *expected* contributions which are applied against *estimated* costs and in order to produce an estimate of the student's need. The Uniform Methodology, warts and all, provides consistency and objectivity in creating a common ground of understanding, upon which greater levels of understanding can be built as the aid administrator works with students and their families. Exceptions are made, and they are just that, exceptions . . . which can be supported with documentation.

The Higher Education Amendments of 1986 causes the current stir and concern about professional judgment. Congress did something. It *institutionalized* professional judgment by creating a legal and all encompassing mandate for its conduct. It took what aid administrators have long done in the daily commerce of student aid and put it in law. Now professional judgments can be made that effect Pell eligibility, the status of the applicant as an independent student, and pretty much anything else which can be justified. Heretofore, professional judgment was the purview of Campus-based programs and institutional funds. For Pell Grants there was a certain sanctity in the inability to alter the student's eligibility. Pell Grants were strictly under the control of the federal process, something between the student and Uncle Sam. There was a certain safety to this, the role of the aid administrator being passive and simply bureaucratic. Now, with Reauthorization, a major change has occurred in that, at least under the auspices of professional judgment, all programs (even to a real extent, Pell Grants) are now Campus-based.

Putting something like need analysis in the law was probably not the sort of thing the founding fathers had in mind as the Constitution was drafted, but it behooves the aid community to examine carefully what Congress has done. They've *politicized* student aid by legislating one of its most basic tenets.

With neither the intention to defend Congress' actions nor to rekindle the debate, it may be useful to suggest reasons for need analysis and professional judgment being drafted into law. The reasons are all political. A hostile Department of Education waging war with a Congress diametrically opposed to the Administration's interest; a Supreme Court decision (in an unrelated case that became a benchmark decision) that severely limited the power of the Congress to overrule executive branch regulations; the irony of success — as student aid programs have grown so too has Congress' interest grown in the details of the process: these observations give evidence to the premise that student aid has, in the last decade or so, been evolving toward a more political nature. As such, the particular issue of professional judgment is yet one more manifestation of the politics of student aid. Aid administrators in the midwest will remember an October meeting of the Midwest Association of Student Financial Aid Administrators (MASFAA) several years ago in which Dr. Elmendorf (at the time Assistant Secretary of Education) delivered a campaign

speech on behalf of the Reagan/Bush team. For some that was a striking reminder (for others, an awareness) of how politicized student aid had become. Many will recall that this was during the time that Pell Grant Quality Control Studies were being used to create newspaper headlines and federal budget rationale.

The matter of Section 479A in the Higher Education Amendments of 1986 exemplifies more clearly than anything else a political solution to a politically created problem. Preceding this section of the law we have the detailed sections on need analysis methodology. Then, under the section called "Discretion of Student Financial Aid Administrators" one finds professional judgment, bestowed as *carte-blanch*, introduced with the memorable language:

Nothing in this part shall be interpreted as limiting the ability of the student financial aid administrator, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and expected family contribution computations to allow for treatment of individual students with special circumstances.

(Picture an epitaph chiseled on a grave stone: Here lies a man/woman who exercised sound professional judgment.) There is a finality and definition to it, maybe even a formality or decorum now that it's in the law.

But if the premise is accepted, in particular that (because of the evolving politicized nature of student aid) there was no stopping the momentum to put need analysis in law, then aid administrators had best be thankful that such latitude exists. To describe this metaphorically, one could imagine an avalanche snowballing down a hill toward a peaceful unsuspecting chalet. Inside the skiers enjoy the warm fire and aperitif unaware of what is about to happen to them. Enter fate, a *Deus-ex-Machina*, or a lobbyist, whichever is preferred. At the last moment, the direction of the avalanche shifts, and while it is not stopped, it is steered toward some new direction, where the damage will be lessened. In this respect, when it comes to professional judgment, the role of the aid administrator may be seen as an exercise in damage control. The point is, with Section 479A, at least there is a role to play.

Practice

Among a variety of important procedural issues, two particular aspects of administrative practice and development of procedures are worth emphasis. The first has to do with certain features of Congressional Methodology that seem more prone to professional judgment than others; the second has to do with efficiencies which can be accomplished with automation.

From the perspective of a high cost, private institution, which invests a great deal of its own funds in the form of need-based assistance, and which would prefer to use one, commonly accepted methodology for determining need, there are some less than desirable elements in the Congressional Methodology. There are also troubling aspects of the cure professional judgment represents, especially in relation to federal vs. institutional funding decisions. For instance, allowing for a contribution by the family of a dependent child for the educational expenses of a parent enrolled in college may be fine for Pell Grant purposes — so Congress has deemed — but institutions may not be eager to subsidize such parental choice on a routine basis with limited institutional resources.

The treatment of student base year earnings (for both independent and dependent filers) is a particular concern, for both undergraduate students and especially for many first year graduate students who will not earn what they did in the year prior to their enrollment. These cases seem primed and ready for the professional judgment the new law enables.

Yet how is professional judgment accomplished from a process standpoint, when (as in these examples) classes of students are involved? Can professional judgment be exercised in the aggregate, or must it be done on an individual basis? Without experience, clarification, and interpretation these questions are difficult to answer. However, it is clear that automation brings with it efficiencies that will be most helpful.

The operational and management systems aid administrators establish and maintain must be responsive to these needs. It is with automation that a system of edits and cross-checks can be created to help identify students with characteristics that require more careful scrutiny. This does not mean professional judgment should be performed on this basis; instead, professional judgment can be exercised in the traditional manner with more efficiency as a result of automation. The time and effort it takes to perform a recomputation of financial need based on a professional judgment can be greatly improved with data processing support. Equally important is the degree to which quality control is achieved when computers do the work of computation, tracking of documents, verification and the like. The documentation, data collection and justification for decisions can never be replaced, but here too, automation can help.

But questions remain. Are these *degrees* of professional judgment? To what extent should our determination of a student's need in a professional judgment situation be different for purposes of grants versus loans, or for institutional aid versus federal student aid? These are the kinds of questions and concerns aid administrators are just now identifying as Congressional Methodology and professional judgment are being considered not as theories, but as practices to be set in place and administered.

Principles

It is important to remember that professional judgment is nothing new. Recall the OE letter cited earlier:

The goal in using a need analysis system is to predict the expected family contribution, and in some cases adjustments on the formula may be necessary.

What held true nine years ago holds true today.

One can not consider professional judgment exclusive of need analysis, and it's in this respect that the interests and questions about professional judgment serve to rekindle interests and concerns with need analysis itself. The time is right for thought on reform. The work of the CSS Committee on Standards of Ability to Pay, the NASFAA Need Analysis Standards Committee and of other groups and individuals is pushing the profession to grapple with fundamental issues regarding the nature of need analysis, of assessing family capacity to pay for college. The discontent with need analysis in law may lead the way toward change.

In any case, professional judgment, whether it be a matter of law or not, is in a way a matter of conduct by which the profession can be gauged. Professional judgment is a reminder that need analysis is not a black and white affair of cut and dry absolutes. Instead it is a realm of ambiguity, a gray world clouded by good arguments from opposing viewpoints. Decision making (the very opportunity to do so) on the basis of our professional expertise and experience, allows the chance to make the right decision — no matter how difficult this can be. The task is more difficult as a result; but it is one that creates the potential for good things, for the *right* things to happen.

In exercising this prerogative, aid administrators will be measured by the extent to which a set of overarching principles exists, and the extent to which they are followed. What then are these principles? They are perhaps so common as to be taken for granted — though not forgotten. What with the Technical Amendments, Reauthorization, The National Commission on Student Financial Assistance, the Coalition on Student Financial Assistance, the Committee on Need Analysis and Delivery, and the interests of a seemingly cast of thousands in the Congress, the Department and the Washington-based higher education community — perhaps it is time for the profession to take stock. The Keppel Task Force some ten years ago and, even further back, the establishment of College Scholarship Service in 1954 represent two landmarks in our history that stand apart from the hue and cry of today and offer, perhaps in their silence, a guiding direction.

Central principles that emerge from this past:

- (1) The purpose of student aid should be to insure access and choice to students qualified for higher education but who, without such assistance would be unable to pursue their academic goals;
- (2) That in determining a student's need the parents and the student have the first financial obligation in paying college costs. To the extent they are financially unable to do so, there is a meaningful role for student aid to play.
- (3) The partnership nature of the process — the balance of federal, state, institutional and family interests — is central to an effective student aid system.

The world has changed a good deal since 1954 and since the Keppel Task Force's deliberations. New problems must be addressed — the high costs of a college education, the craze of prepayment plans and education futures, a declining federal role, increasing student debt. Even so, for a particular issue such as professional judgment, aid administrators must reaffirm the basic principles and live by them. Indeed, professional judgment as it now stands offers the opportunity to do so and in the process to look ahead, by benefit of the past, and with clearer vision.

Conclusions

In the spirit of a technique occasionally used by the novelist, two endings to this tale are provided. The reader can choose whichever suits his or her fancy.

The first ending takes its lesson from baseball, a game of measured limits, intricate rules, and the rhythms and pace of life itself. There is a baseball rule, (Thomas Boswell cites it in one of his essays on the game) that instructs the umpire, in effect, as follows: "When in doubt, use common sense." Boswell calls these "words to live by." It is useful to know that even the absolute decision making authority of a major league baseball umpire acknowledges the reality that, on occasion, something ambiguous will occur. It is gratifying to know that under these conditions the rule book provides flexibility, and posits with the umpire the authority to use common sense. In such cases, fans will have mixed opinions depending upon their own view of the play (and often the influence of their particular allegiance). But ultimately the finality of the decision is accepted and the season goes on.

Perhaps so too it shall be with financial aid administrators.

The second ending is the darker, perhaps cynical side. It goes like this . . .

The fact of need analysis being written into law, and the professional judgment section in particular, is the beginning of the end. Off in the distance, the toll of the death bell can be heard. Professional judgment will not work. It is programmed to

fail. The profession will be uncomfortable using it, inconsistent in its application. There will be accusations of abuse. It will be taken away, and not for any substantive reason, but as the latest iteration in the ongoing politics of student aid. When this occurs, need analysis will devolve into a strictly bureaucratic exercise, controlled not by practitioners, but by numbers crunchers housed in dark corridors and basements of federal buildings in Washington, D.C.

Sources

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