

August 6, 2002

TO: Judy Florian
FROM: Howard W. Bell, Jr.
RE: Interview notes

The following are excerpts from the notes I took during our telephone interview in May. I have incorporated these excerpts in a draft Best Practices report that I am writing. Please verify that the following excerpts capture the essence of your practices at Macomb Community College.

Judy Florian, Director of Financial Aid at Macomb Community College:¹

1) Said that:

- a) Marital status changes tend to cause people to misreport **their income; divorced and separated filers are confused on what income figures to report.**
- b) Taxes paid is a source of error for a number of applicants:
 - i) Approximately 45% of applicants misreport their income taxes paid. Applicants making this error often report taxes withheld instead of taxes paid.
 - ii) The parents of dependent applicants sometimes report untaxed income incorrectly (**specifically deferred compensation payments**). The College uses an applicant's parents' W-2 form to verify untaxed income.
- c) Filers with incomes below a certain level should be reviewed for filing errors:
 - i) Zero income filers (whether \$0 AGI or \$0 income) should be reviewed.
 - ii) Family income \leq \$1,500 per person are selected for verification. **This figure will be increased to \$2,000 per family member in 2003-04.**
- d) Dependency status other than an age-based attribute can sometimes cause errors.

2) Reported that the College:

- a) **Verifies assets of the family, if corresponding interest and dividends are on the tax return.**
- b) Uses high school tours/presentations to inform students, parents, and counselors how to complete the FAFSA form and how to avoid making errors.

3) Proposed that the verification process could be simplified and made less expensive if FSA:

¹ Information identified in a May 13, 2002 telephone discussion with Judy Florian of Macomb Community College.

- a) Used the state systems for classifying and certifying need to qualify students for aid under the Pell Grant program.
- b) Did not require poor families to re-certify that they are needy every year.