Verification - 100% or Less: Use of the Quality Control Pilot Project

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Opinion Corner

by

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Verification of data has become a routine part of every financial aid office. Whether 100% of the financial aid recipients need to have their application data verified and which items need to be verified continues to be a source of intense review and discussion in the profession. The answers to these questions may be found to be validly different for different institutions. The U.S. Department of Education's Quality Control Project is attempting to ascertain the value of the verification effort, whether the verification of certain data items is worth the effort required, and whether special considerations may be appropriate for certain kinds of institutions. A summary opinion of one institution's several years' experience with the Quality Control project is outlined in this article.

Verification - 100% or Less:
Use of the Quality Control Pilot Project

Perhaps the most critical issue facing financial aid administrators is the use of limited — and often scarce — human and machine resources. Verification of data, a critical task in meeting federal requirements and in providing quality data, continues to consume a disproportionate amount of these resources. Existing approaches for validating data are cumbersome to both administrators and students alike, creating the need for new approaches to data verification. Hence, the dilemma: how can institutions meet the federal and institutional goal of accurate data with limited resources?

Verification in this article refers to the federal requirements to verify data on a minimum of 30% of students receiving federal aid, as promulgated in the Title IV verification regulations; many institutions have established more rigorous verification requirements since institutional aid is also a factor. This practice has been in effect at Purdue University where verification through 1988-89 has encompassed 100% verification of tax return information through 1040 collection and 30% verification of data not on the 1040.

THE CASE FOR 100% VERIFICATION IN MEETING TITLE IV VERIFICATION GUIDELINES

The traditional policy at Purdue was to collect 100% of students' and parents' tax returns. This requirement was implemented long before the federal government

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tions. In a more detailed description outlined by Ernie Becker, Director of Quality Assurance with the Department of Education, the QC Project as it applies to data confirmation allows an institution to set its own requirements and then uses a sampling procedure to examine the selected cases (250 in Purdue’s sample) to determine where the institution’s policy structure needs tighter control or when less scrutiny of data may be appropriate.

For example, at Purdue a policy was established that verification of Social Security benefits or number in college for 1986-87 would not occur, given the latitude granted in QC Project participation. Prior data had indicated that the institution was obtaining good quality data with both of these items. After examining data from the 250 students in the QC Project and asking them (as is required in the Project) to verify Social Security benefits and number in college, data analysis verified that the Social Security benefits item was not error-prone for the population sample, but household size was error-prone. This finding led to the corrective action of tightening the requirement for verification of number in college for the entire 88-89 population and maintaining the policy that Social Security benefits need not be verified.

In 1989-90, this model will support a planned movement away from a 100% tax return requirement. Purdue's plan is to set up a 1040 requirement for approximately 20% of the population who are found to have high variance in income data (this procedure will apply primarily to higher income families and those with business assets). Using data from this population and data from the 89-90 QC sample, a determination will be made as to whether other portions of the population from whom tax returns were not required will need to have the requirement imposed in the subsequent year. This analysis also involves looking at student profiles and evaluating the payoff, given the resources invested for verifying certain subgroups of the student population who are identified as more error-prone.

Communication of this procedure is seen as the largest stumbling block. The 1040s will need to be requested after the FAF is obtained and passes through the edit system rather than being requested up-front. A mechanism must be in place for dealing with 1040s submitted which will not be reviewed; some alternatives would be to send them back immediately upon receipt of any unrequested 1040 or to hold unsolicited 1040s until the requests are made and return only those not wanted. However, procedures must be implemented to avoid the potential liability of having a 1040 in the file which has not been reviewed.

The benefits of this approach will be fewer documents to collect, key enter and file (with those staff resources then devoted to other program administration duties), fewer files for counselors to review, less paperwork for 80% of our students, and good public relations through reducing the burden upon the families being served.

A serious concern about the long-term effect of not requiring the 1040s from everyone is that of creating the impression that files are not scrutinized as thoroughly; this impression may lead some families to provide less accurate data than they might have when they thought the 1040 would be required. Yet, the model used to construct the 20% target population and the analysis through the QC sample of the balance of the population should provide data to overcome this difficulty.

Institutions that have existing measures of data validity through monitoring of verification or institutional research have been able to rely on those data to develop hypotheses formulated by administrators who carefully determine the unique characteristics of their student population and take stock of what data the staff considers reliable or considers doubtful. Focusing staff resources, mail and follow-up on the suspect area, and relying on the project methodology to monitor the data believed to be strong, have shown powerful and positive results.