

# MDHE DIGEST

*Building Missouri's future... by degrees®*

*The Digest, an electronic newsletter produced by the Missouri Department of Higher Education, is intended for Missouri's financial aid officers, high school counselors and other secondary and higher education professionals interested in promoting student success and access to postsecondary education.*

## February 2012

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**MDHE**  
Missouri Department of Higher Education

# Digest

[www.dhe.mo.gov](http://www.dhe.mo.gov)

Mailboxes are being replaced since some of the older ones did not work properly. The previous boxes were aluminum. The new ones will be brass. "It will look real nice; it will go with the antique nature of the university," Henderson said. In addition, the opening into the mailroom is much during an exclusive interview with The Clarion. Henderson said that in addition to the mailroom, the staff lounge is moving, and a new office for Auxiliary Services is opening.

The refurbishments have affected the relocation of the staff lounge from the right side to the left side of the mailroom. It was also made smaller. According to Henderson, the lounge was not used a great deal by staff thus the downsizing of space. The Auxiliary Services office will move from the third floor into where the old staff lounge used to be. This will allow Sylvia Wilson, the Auxiliary Services director, to be closer to the mailroom. Henderson said Auxiliary Services was looking for a bigger area and

the size of the old ones at four feet wide. Resilient floor will be put in to benefit mailroom employees who stand most of the day. Henderson said the new mailroom will feature more light for the mailroom staff. He explained that being "downgrade" or partially underground due to the slope of the landscape outside, average light makes you feel like you're in a dungeon. "We're going to overdo it on the light."

Mailboxes are being replaced since some of the older ones did not work properly. The previous boxes were aluminum. The new ones will be brass. "It will look real nice; it will go with the antique nature of the university," Henderson said. In addition, the opening into the mailroom is much taller. Henderson believes this will allow things to flow much better.

Even the finish on the new walls has been matched to the original finish. Henderson said, "It's going to look like it was always here." He added that they wanted the students to feel proud of the school just



Copy Editor  
Elizabeth B...

Clarion  
Darryl  
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Val  
T  
Yuk

ular postal service, overnight service as well as UPS services are offered through the mailroom. Any student, faculty or staff member can send mail through the mailroom.

The money for the renovation came from the Auxiliary Services budget. The mail-

pus include Dawson Hall where floors six and seven are under renovation due to a fire last semester. Also in Dawson Hall, life safety improvements will be made. Over the summer sprinkler systems will be installed on all floors. Henderson said the renovation in Anthony

The Line  
temporarily to post  
Please contact

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## Missouri News

### Missouri participates in national FAFSA Completion Project

The U.S. Department of Education implemented the [FAFSA Completion Project](#) in 2010. Through this project, the USDE provides participating public school districts with FAFSA completion data for their seniors, with the expectation that the district will provide FAFSA-completion assistance to students who have not successfully submitted a FAFSA. Historical data indicate that 90 percent of students who complete a FAFSA enroll in postsecondary education. The pilot year included 20 participating public school districts.

On Feb. 1 Commissioner of Elementary and Secondary Education Chris Nicastro, notified Missouri school districts of an opportunity to apply to participate in this project for the 2012-13 FAFSA. USDE expects to add 80 more school districts to the project. To be eligible, the district must have at least two high schools and meet the technical requirements of the project. No federal funds are available to participating schools, and the deadline to apply is March 2. Schools will be randomly selected to participate.



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## National News

By Robert Powell, MDHE policy analyst



### Consolidated Appropriations Act guidance

On Jan. 18, the U.S. Department of Education issued [DCL GEN-12-01](#) to discuss the changes made to the Title IV student aid programs by the Consolidated Appropriations Act which was signed into law on Dec. 23, 2011.

### 2012-2013 Pell Grant schedules

The [2012-2013 Federal Pell Grant Payment and Disbursement Schedules](#) were released on Jan. 12, 2012. On [Jan. 30](#), the USDE issued operational guidance on the implementation of these schedules.

### Negotiated Rulemaking update

The first sessions of negotiated rulemaking were held in January in Washington, D.C., for the two negotiating teams. The next sessions are scheduled for February. Summaries of the issues to be discussed in

upcoming sessions are posted on the websites for each team.

### [Team I – Teacher Preparation Issues](#)

### [Team II - Student Loan Issues](#)

### FSA security initiatives

The USDE issued two electronic announcements on [Jan. 13](#) and [18](#) to discuss security initiatives that are planned for FSA data systems in 2012 including new two factor authentication processes.

### Innovations in College Affordability hearing

The U.S. Senate committee on Health, Education, Labor and Pensions held a hearing on Feb. 2, 2012 to discuss innovations in college affordability. Video of the hearing along with witness statements are available on the [committee's website](#).

### 2011-2012 FSA Handbook completed

[Volume 6 – Managing Campus-Based Programs](#) of the 2011-2012 FSA Handbook was released on Jan. 19, 2012. Previous volumes of the 2011-2012 FSA Handbook are on the USDE's [IFAP](#) website.

### Updated Program Integrity Q&A website

During the past month, the USDE has made several updates to their Program Integrity Q&A website. The topics updated include verification, incentive compensation and return of Title IV funds. Visit the USDE's [website](#) for these updates and previous Q&As.



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## Common Manual Updates

*The latest updates to the July 2011 reprint of the Common Manual are available:*

- [Monitoring Enrollment on PLUS Loans](#)
- [Teacher Loan Forgiveness Program-Partial Discharge of a Spousal Consolidation Loan](#)



## Default Prevention

### Draft CDRs to be released this month

Monday, Feb. 13 has been designated as the release date for the Fiscal Year 2010 **2-Year** Cohort Default Rate **DRAFT** calculation. The first **3-Year DRAFT** calculation, which is for FY09, will be released on Monday, Feb. 20. Postsecondary institutions will have an opportunity to review the data contained in their Loan Record Detail Report and make any needed corrections. Challenges should be submitted to data managers if errors are indentified in your institution's LRDR. REMEMBER, if an incorrect data challenge is not filed during the draft process, schools cannot challenge original draft data later. Postsecondary institutions are required to submit challenges to their LRDR within 45 days of receiving draft rates.

Possible errors to look for are:

- Borrowers missing from calculation
- Incorrect date for entering repayment
- Any insufficient grace or delinquency periods for individual borrowers
- Loan incorrectly converted to grace

Information contained in the LRDR comes directly from the [National Student Loan Data System](#). Schools are encouraged to update NSLDS with the last date of enrollment as soon as possible. Submitting an incorrect data challenge during the draft process will preserve your right to submit an uncorrected data adjustment if changes are not reflected in the official rate. A change to your data may lower your institution's CDR.



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## Training & Events

### MDHE offers verification webinar with industry experts last month

The Missouri Department of Higher Education, Mapping Your Future and American Student Assistance provided a free verification webinar, "Verification - requirements for 2012-2013, tools to assist your office" on Jan. 26.

Experts from these organizations provided training on the verification requirements for 2012-2013, including selection and inclusion, documentation, and disbursements. Holly Walkenbach, MDHE compliance reviewer, and Lesley Hendrix, MDHE training services coordinator, were among several industry experts who worked to bring this training opportunity to more than 700 financial aid professionals nationwide.

The speakers reviewed tools available to help streamline the data collection process and make the verification process smoother for both the financial aid office and students. As a service to schools, MYF now offers 2012-2013 verification worksheets to assist schools in collecting information from students to complete the verification process.

The worksheets are available in two different formats allowing students, families and schools two different options for completion:

- Schools may link to the forms or print the forms to distribute to their students:  
[Verification worksheet - Family and tax information](#)

[information](#)

[Verification worksheet - Family information](#)

[Verification worksheet - Tax information](#)

- Schools may link to or provide the links to the verification worksheets below to allow their students to complete the fillable PDF forms and then print for signatures:

[Verification worksheet - Family and tax information](#)

[Verification worksheet - Family information](#)

[Verification worksheet - Tax information](#)

Links to the forms also are available on the Financial Aid Professionals page at [mappingyourfuture.org/FAP/](http://mappingyourfuture.org/FAP/).

A recording of the session is available at [myfmedia.org/media/VerificationRequirements201213.mov](http://myfmedia.org/media/VerificationRequirements201213.mov) or [myfmedia.org/media/VerificationRequirements201213.wmv](http://myfmedia.org/media/VerificationRequirements201213.wmv).

### Registration now available for Focus on Missouri Conference

Late last month, online registration opened for the third annual Focus on Missouri Conference to be held on Wednesday, March 7, 2012 at the Stoney Creek Inn in Columbia, Mo.

The conference is co-sponsored by the Missouri Department of Higher Education and the University of Missouri's Division of Enrollment Management with federal funds provided through the [College Access Challenge Grant program](#).

The conference, titled "Focus on Missouri 2012:



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Connecting Policy, Practice, and Research,” invites secondary and postsecondary educators and administrators, policymakers, researchers, and others to explore ways to improve college access in Missouri.

Conference organizers hope to raise questions about how to connect research, policy, and practice in ways that promote evidence-based efforts that will improve college access and success.

Registration for the event is free. For more information, go to: <http://www.muconf.missouri.edu/focusonmissouri/>.

## MYF announces federal education tax benefits webinar

On Feb. 23, Mapping Your Future will offer a webinar for those who are interested in learning more about laws and regulations regarding federal education tax benefits. This one-hour webinar will provide an overview of current federal education tax benefits from a financial aid standpoint.

As you may know, education tax benefits can be an important resource for students and parents seeking to reduce the overall cost of a college education. With several Missouri postsecondary institutions facing tuition hikes for the 2012-13 academic year, this free training provides a timely opportunity to learn more about these benefits that are available to Missouri students and families.

Space for this webinar is limited. Visit <https://www3.gotomeeting.com/register/804614934> to complete and submit the online registration form. Additional information regarding MYF's latest training

opportunity has been provided below.

**Title:** Understanding federal education tax benefits and the financial aid perspective

**Date:** Thursday, Feb. 23, 2012

**Time:** 1-2 p.m. CST



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## What's New

### FSA PIN new to MDHE pre-recorded webcast lineup

In the spirit of “Building Missouri’s future... by degrees,” the Missouri Department of Higher Education is pleased to announce the availability of a new pre-recorded webcast titled “*Federal Student Aid PIN*.”

Added to the MDHE’s [Webinars and More Web page](#) earlier this month, the MDHE created “*Federal Student Aid PIN*” to assist students and parents who are preparing to complete the Free Application for Federal Student Aid. Provided by the U.S. Department of Education, a personal identification number is required to complete the [FAFSA on the Web](#) and to access information within the National Student Loan Data System. Students and parents should consider completing the “[Apply For A PIN](#)” process before tackling the FAFSA.

Topics covered in the MDHE’s “*Federal Student Aid PIN*” webcast include:

- What is a PIN?
- Who needs a PIN?
- Applying for a PIN
- PIN usage
- PIN customer service

Log on to the MDHE’s website to view “*Federal Student Aid PIN*” today. If you have any questions regarding the MDHE webcasts, please contact Lesley Hendrix, MDHE training services coordinator, at [lesley.hendrix@dhe.mo.gov](mailto:lesley.hendrix@dhe.mo.gov).



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## Compliance Q&A

There are no compliance questions and answers to share at this time. For information regarding Missouri Department of Higher resources used to tackle compliance issues, please visit [www.dhe.mo.gov/ppc/studentloans/compliance.php](http://www.dhe.mo.gov/ppc/studentloans/compliance.php).

## Staff News

The LifeSmarts state competition for both the Junior Varsity and Varsity teams will be held on Feb. 14 and 15, 2012 in Jefferson City. **Marilyn Landrum** and **Sarah Schedler** will serve as judges for the Junior Varsity competition. LifeSmarts is an educational program that teaches consumers about marketplace issues. The competition includes questions about personal finance, health and safety, the environment, technology, and consumer rights and responsibilities. LifeSmarts is a national program sponsored by the National Consumers League. The Missouri program is sponsored by the Missouri Association of Family, Career and Community Leaders of America and American Century Investments Foundation of Kansas City.



*Marilyn Landrum*



*Sarah Schedler*

Effective Feb. 10, **B.J. White** resigned his position as outreach services coordinator for the Missouri Department of Higher Education marketing and customer service unit. After serving five years with the MDHE, B.J. accepted a position with St. Charles Community College as an academic advisor. High school counselors and college access professionals who previously worked with B.J. should now contact Lisa Wilson, MDHE program specialist, with any questions related to the following:



*B.J. White*

- 2012 FAFSA Frenzy data reporting (surveys)
- Planning & Paying for College presentations
- Completing the FAFSA presentations



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## Financial Literacy

### Economic Tidbit: The Trouble With Budgets

*Provided by the MDHE financial literacy and default prevention team*

*Having a hard time sticking to a budget? Here's why.*

*By Erin Burt, Contributing Editor, Kiplinger.com*

For the first six years of our marriage, my husband and I lived paycheck to paycheck. And for six years, we loathed the cycle. We wanted to get a handle on our spending and start saving some money. So time and again we would start a budget -- and time and again it would fail. We began each attempt with enthusiasm, but we always quit soon thereafter in exasperation.

Sound familiar? You know budgeting is supposed to be good for your finances, but you just can't seem to make it work.

Don't give up. If you're having trouble making ends meet -- and even more trouble sticking to a budget -- you may need to tweak your approach. There's no one-size-fits-all method of budgeting. The trick is to craft a plan that helps you make sense of your spending and save for the things that are important to you.

I'm happy to say that I've been a successful budgeter now for five years. Here are eight common problems that plague would-be budgeters.

**1. You have the wrong impression.** What you may need before you even get started is an attitude adjustment. Budgets aren't straightjackets to keep you from spending your hard-earned money. Rather, they are the key to financial freedom, ensuring you have enough money to spend on what you want.

The word itself can be such a bummer that some financial pros refer to it as a "spending plan." Call it whatever you like, but knowing how much money you have and where it's going is liberating. No more stressing over the unknown! No more bank-statement surprises! You are in control of your finances, not the other way around. See [Budget for Your Peace of Mind](#) to learn more.

**2. You've been trying to fit into someone else's shoes.** You know that scene in Cinderella when the stepsisters try to cram their feet into the impossibly tiny glass slipper? Trying to squeeze your spending personality into someone else's spending plan could hurt just as badly. Just as there's more than one shoe size, there's more than one way to budget. If one method doesn't work, try another until you find the right fit.

Your style may be old-fashioned, such as jotting down purchases in a notebook or buying things strictly with cash to eliminate the possibility of overspending. Or you might take a more modern approach with computer software or [budgeting Web sites](#). See [Budgets That Work](#) for more ideas.

**3. You're making this harder than it needs to be.** The key to a successful budget is to keep it simple. Don't get me wrong -- building and maintaining a budget requires effort. But take it one step at a time. You're not going to overhaul a lifetime of spending



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habits in one weekend. Focus on one area where you can cut back. Once you've successfully tackled that issue, you can move on to another.

**4. Your budget is too rigid.** You need to build in flexibility, or your plan will break under pressure. Give yourself some breathing room -- to make mistakes, to treat yourself and to make adjustments as your life situation changes or as prices rise. For instance, what if your car insurance rate goes up, gas prices climb or your rent rises?

If you simply don't have the money for flexibility, look for ways to bring in more. See [8 Ways to Boost Your Income](#) and [11 Ways to Get Extra Cash](#) for ideas.

**5. You have no clear priorities.** Lacking motivation? Set a goal. Budgeting merely for the sake of budgeting is a chore. But when you have your eye on something you want, managing your spending becomes -- dare I say it? -- a pleasure. It's easier to cut back when there's a light at the end of the tunnel.

Think of it this way: A budget helps you manage [small expenses](#) today so you can buy bigger stuff -- and have more fun -- tomorrow. So ask yourself what you hope to gain from your experience.

**6. You've set unrealistic targets.** Need help getting started? Here's a flexible blueprint that you can adjust to your own financial situation: Use 30% of your take-home pay for housing, 10% for utilities, 15% for food, 10% for transportation, 5% for clothing, 10% for debt repayment, 5% for entertainment, and 5% for insurance and miscellaneous expenses. That leaves 10% for savings or special purchases. (See [Cost-of-Living Reality Check](#) to learn more about anticipating your costs.)

Remember, though, that this is simply a guide. To set targets that are realistic for you, track your spending for at least one month. That way, you'll see how much money you have and where it's going so you can make the necessary fixes. Use our [Budget Worksheet](#) for help.

**7. You don't have a safety net.** Unexpected costs can derail even the best-laid plan, hurl you into debt and require months of adjusting before you can get back on track. So priority number one for your budget should be to save up a small cash reserve for emergencies. That way, if the car breaks down or you make an unexpected trip to the ER, you won't undo all your hard work.

If existing debt is getting in the way of creating a successful budget, consider getting help. To find a nonprofit debt counselor, contact the [National Foundation for Credit Counseling](#). See [Credit Advice You Can Trust](#) for more on finding assistance.

**8. You quit too soon.** Don't be discouraged by failure. It took me six years of trial and error to figure out how to budget successfully. (I hope that by learning from the mistakes I shared above, you'll get on track much sooner.) I'm glad I stuck with it. I'm no longer enslaved to living paycheck to paycheck. I've paid off my student loans and bought a house. Plus, I've been able to pay for fun stuff, such as vacations, without going into debt.

Even now, there are months when I meet my spending targets and other months when I miss terribly. But I keep a big-picture view: My successes outnumber my failures. And the peace of mind and control I've gained over my finances has made budgeting well worth the effort.