

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.

January 2012

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MDHE
Missouri Department of Higher Education

Digest

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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



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Clarion
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The Line
temporarily
Please

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

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Missouri News

Gov. Nixon appoints Fogle to CBHE

Gov. Jay Nixon has appointed Brian Fogle of Springfield to the [Coordinating Board for Higher Education](#).

After a long career in banking, Fogle is currently president and CEO of the Community Foundation of the Ozarks. An Aurora native, Fogle obtained bachelor's and master's degrees in banking and finance from the University of Mississippi. He spent two decades developing innovative loan programs for under-served populations and helping to revitalize city centers in Springfield, Joplin, Carthage and Neosho.

In 2007, Fogle helped organize the "Teacher on the Block" employee housing assistance initiative to encourage teachers to live in Title I school neighborhoods. He received an honorary doctorate of humane letters from Drury University in 2011, and serves on an advisory committee and the President's Committee on Diversity for Missouri State University.

Fogle said his background in community development convinces him education is the key to economic success. "What strengthens communities is quality education," Fogle said. "Areas with higher education attainment also have higher rates of economic growth. Helping to improve higher education is congruent with my belief that in order to compete globally we must improve education attainment in Missouri."

[Commissioner of Higher Education David Russell](#) said Fogle's extensive experience in banking and finance and his long-time commitment to education will make him an asset to the Coordinating Board.

"The higher education community will benefit from Mr. Fogle's knowledge, experience and ideas in these difficult budget times," Russell said.

Fogle joins Coordinating Board members Kathy Swan (chair, Cape Girardeau), Doris Carter (Florissant), Lowell Kruse (St. Joseph), Betty Simms (Ladue), Mary Beth Luna Wolf (St. Louis) and Dalton Wright (Conway).

MDHE legislative newsletters debut this month

The Missouri General Assembly convened on Jan. 4 for the 2012 legislative session. Several bills have been filed which may affect the higher education community. However, the state's budget may yet again be the item of greatest interest during the second regular session of the 96th General Assembly. Need an all-access pass to higher education discussions at the state Capitol this legislative session? The Missouri Department of Higher Education has you covered.

Each Friday throughout the legislative session, the MDHE makes available two publications to provide information on the progress of the session as it relates to higher education. The [Legislative News](#) covers events at the state Capitol including bill filings, committee hearings, floor activities and the budget process as it relates to higher education. The [Legislative Update](#) tracks bills related to higher education and provides weekly bill status updates.

If you are interested in receiving these publications, please complete the MDHE's online E-services Subscription form at www.dhe.mo.gov/mdhedigest/signup.php.



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National News

By Robert Powell, MDHE policy analyst



President signs Consolidated Appropriations Act of 2012

On Dec. 23, President Obama signed the Consolidated Appropriations Act of 2012. In order to maintain the maximum Pell award amount of \$5,550, several changes were made to Title IV eligibility rules to cut costs beginning with the 2012-13 award year. Some of the changes include:

- Reduced the eligibility for the minimum Pell award
- Reduced the lifetime eligibility limit for Pell to 12 semesters for all recipients
- Reduced the automatic zero EFC eligible income amount
- Eliminated the Ability to Benefit option for Title IV eligibility
- Eliminated the interest subsidy for loans in the six-month grace period

On Dec. 27, the U.S. Department of Education issued the first of several expected announcements to provide guidance regarding these changes.

2012-13 FAFSA released

The USDE released its 2012-13 version of the Free Application for Federal Student Aid (FAFSA) on Jan. 1. The [PDF version](#) and the [FAFSA on the Web](#) worksheet are both available at <http://ifap.ed.gov/ifap/>.

EFCs over 99,999

[DCL GEN-11-21](#) was released on Dec. 6, 2011. This letter provides guidance on how to handle ISIRs with a reported EFC of 99,999 to avoid awarding aid to ineligible students for the 2012-13 award year.

Common Manual Updates

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

- [Teacher Loan Forgiveness Interruptions in Qualifying Teaching Service](#)
- [Medical or Dental Internship or Residency Forbearance](#)



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Default Prevention

MDHE default prevention team gears up for annual grant visits

As an added benefit to participating in the Missouri Department of Higher Education's [Default Prevention Grant program](#), 30 postsecondary institutions will receive personalized assistance from the MDHE's default prevention team over the next few months. MDHE is scheduling one-on-one meetings with institutional staff across the state in an effort to provide an open dialogue between Fiscal Year 2012 grant recipients and the MDHE. Institutions currently participating in the Default Prevention Grant program will have an opportunity to showcase measures taken to reduce [Cohort Default Rates](#) at their institutions. The MDHE's default prevention staff will also be on hand to discuss best practices in preparing students for life after their grace period ends.

Schools participating in the FY12 Default Prevention Grant program include:

Bryan College
Cape Girardeau Career & Technology Center
Concordia Seminary
Cox College
Drury University
Eden Theological Seminary
Forest Institute Professional Psychology
Franklin Technology Center
Harris-Stowe State University
Jefferson College
Kirksville Area Technical Center
Lincoln University

Linn State Technical College
Metropolitan Community College
Missouri State University
Missouri Southern State University
Missouri Valley College
Moberly Area Community College
North Central Missouri College
Northwest Missouri State University
Southeast Missouri State University
Stephens College
St. Louis College of Health Careers
St. Paul School of Theology
State Fair Community College
Three Rivers Community College
University of Missouri-Kansas City
University of Central Missouri
Webster University
Wentworth Military Academy

MDHE's default prevention team provides services that extend beyond schools currently participating in the Default Prevention Grant program. If your school is interested in scheduling an on-campus visit to discuss default prevention practices, please complete the MDHE's online [Speaking Event Request form](#).

As a reminder, the MDHE's default prevention team is also available to conduct [financial literacy](#) presentations for your students. Important speaking topics offered by the MDHE include:

- Live like a college student while you are a student (so you don't have to later)
- Create a spending & savings plan, and master money management
- Understand your credit report
- Best practices in financing your education
- How to take charge of your finances



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Schedule your next default prevention and/or financial literacy presentation today.



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Training & Events

MDHE partners with industry experts to offer verification webinar

Join the Missouri Department of Higher Education, Mapping Your Future, and American Student Assistance, as experts from these organizations provide free training on the verification requirements for 2012-2013, including selection and inclusion, documentation, and disbursements. They also will review tools available to help streamline the data collection process and make the verification process smoother for both the financial aid office and students.

[Register](#) today to learn more about the verification requirements and tools to assist your office and your students. The webinar is scheduled for Thursday, Jan. 26, at 2 p.m. For additional information regarding this training opportunity, please contact [Holly Walkenbach](#), MDHE compliance reviewer.

FAFSA Frenzy 2012: Still time to volunteer

Help [MASFAP](#) and the Missouri Department of Higher Education in Building Missouri's future... by degrees by [volunteering](#) at one of the [50 FAFSA Frenzy sites](#) across the state. These important events will assist Missouri's students and families in submitting their 2012-2013 FAFSA, helping them achieve their educational dreams. The strength of the FAFSA Frenzy events is in the dedicated volunteers willing to share their expertise, their time and their

commitment. With events in 38 counties and spanning 11 dates, additional volunteers are welcome to ensure that Missouri students benefit from all that FAFSA Frenzy has to offer.

If you are interested in volunteering at a site but have yet to complete the online application, please do so as soon as possible. You may complete the online application at www.dhe.mo.gov/limesurvey/index.php?sid=45558&lang=en.

If you are not an expert on the [FAFSA](#), you can still help. FAFSA Frenzy sites need volunteers to perform tasks such as staffing a registration table, directing parking or setting up refreshments. Site coordinators at each 2012 FAFSA Frenzy site will determine event logistics and establish needed jobs accordingly. So, do not hesitate to volunteer, even if you are a newcomer to financial aid or are not familiar with the FAFSA.

If you would like to receive line-by-line training on the [FAFSA](#), the [national College Goal Sunday program](#) is planning to offer free training in webinar format. The training session will be offered **from 1:30-2:30 p.m. CST on Jan. 25, 2012** (please [click here](#) to register for this session)

You must register in order to participate in the training. FAFSA Frenzy volunteers are highly encouraged to complete this training.

If you have any questions regarding Missouri's 2012 FAFSA Frenzy events, you may contact [Julie Meyer](#) or [Dan Dick](#) (MASFAP 2012 Early Awareness Committee co-chairs) or [B.J. White](#), MDHE outreach services coordinator.



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What's New

There are no updates to share at this time.



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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.



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Staff News

There are no updates to share at this time.



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Financial Literacy

Economic Tidbit: Predictions for expiring individual tax breaks

Provided by the MDHE financial literacy and default prevention team

Source: SmartMoney

A look at the fate for several tax breaks in 2011.

As the end of 2011 approaches, a slate of tax breaks are scheduled to expire. Their demise - or renewal - may ease your year-end tax planning.

In what has become an annual ritual, here is a look at the most popular expiring tax breaks, accompanied by fearless predictions about which ones will be extended.

Reduced Social Security Tax Rate

For 2011, the withholding rate for the employee's share of the Social Security tax is reduced by 2%, from the usual 6.2% to only 4.2%. For self-employed individuals, the 2011 Social Security tax component of the self-employment tax is also reduced by 2%, from the usual 12.4% to only 10.4%. The Social Security tax hits the first \$106,800 of 2011 wages and/or self-employment income.

Prediction: More likely than not the 2% rate cut will be extended through 2012 and maybe even increased to 3% (for 2012, the Social Security tax will hit the first \$110,100 of wages and/or self-employment income).

Alternative Minimum Tax Patch

Every year, Congress "patches" the alternative minimum tax rules to prevent millions more households from falling into this alternate tax world. The annual patch job consists of allowing bigger exemptions and allowing various personal tax credits to offset the AMT. Without a new patch for 2012, lots of taxpayers will have thousands more reasons to be unhappy with Congress in an election year.

Prediction: It's a virtual certainty that a new patch will be installed for 2012, but who knows when? Hopefully it will happen before the start of next year, but don't bet the House (or the Senate) on it.

Higher Education Tuition Deduction

For 2011, this write-off can be up to \$4,000 or \$2,000 for higher-income folks.

Prediction: Highly likely to be extended through 2012.

Option to Deduct State and Local Sales Taxes

For 2011, you have the option to claim an itemized deduction for general state and local sales taxes instead of claiming an itemized deduction for state and local income taxes. This option can be beneficial if your state has no personal income tax or you pay a very low state income tax rate.

Prediction: Highly likely to be extended through 2012.

\$500 Energy-Efficient Home Improvement Tax Credit



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For 2011, you can claim a tax credit of up to \$500 for certain energy-saving improvements to your principal residence.

Prediction: Say goodbye to this one.

Charitable Donations from IRAs

For 2011, IRA owners who have reached age 70 are allowed to make charitable donations of up to \$100,000 directly out of their IRAs. The donations count as IRA required minimum distributions. So, charitably inclined seniors with more IRA money than they need can reduce taxes by arranging for IRA donations to take the place of taxable required minimum distributions.

Prediction: More likely than not to be extended through 2012, even though it mainly benefits wealthier families.

Deduction for Teachers' School Expenses

For 2011, teachers and other personnel at K-12 schools can deduct up to \$250 of school-related expenses they pay for out of their own pockets--whether they itemize or not.

Prediction: Highly likely to be extended through 2012.