



NASFAA

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS



Examining Federal Work-Study Task Force

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Introduction

The primary purpose of NASFAA’s Examining Federal Work-Study Task Force was to examine what changes institutions implemented during the COVID-19 pandemic to their Federal Work-Study (FWS) programs (especially given the temporary nature of the FWS flexibilities), what challenges they are facing now as they look to transition back to the original regulations, and what flexibilities may be required for this program to continue to be successful in the future. Along with recommendations for the Department of Education and Congress on ways to improve and bolster the FWS program, the task force researched and put forth best practices institutions are using in utilizing their FWS funding.

The task force comprised a geographically diverse group of eight NASFAA members from all types of postsecondary institutions, with a particular emphasis on the inclusion of members who worked closely with the FWS program at their institution.

The task force conducted its work between December 2022 and May 2023, and its recommendations were accepted and approved by the NASFAA Board of Directors in December 2023.

Executive Summary

This report presents both recommendations that would need to be enacted by either Congress or the Department of Education to improve the FWS and best practices, and is meant for institutions to use internally to improve operations of the FWS program on their campuses. The task force separated its recommendations and best practices by subject, addressing topics such as Transfer Authority, Community Service, Expansion of FWS, Allocation, Campus Outreach, Innovation, Training, Campus Partnerships, and Program Development. The recommendations and best practices put forth by this task force are as follows:

- Recommendation 1:** Institutions should be allowed to transfer up to 60% of their FWS allocation to the Federal Supplemental Educational Opportunity Grant (FSEOG) program.
- Recommendation 2:** The 7% FWS community service requirement should be removed, but institutions should still be encouraged to continue to offer community service jobs and maintain the federal funding to do so.
- Recommendation 2A:** Institutions that voluntarily decide to continue participating in the community service portion of the FWS program will be eligible to receive extra funding toward their community service FWS positions.
- Recommendation 2B:** The requirement that institutions include at least one FWS position that employs one or more FWS students in a reading tutoring project for students who are preschool age or are in elementary school should be eliminated.
- Recommendation 2C:** If the tutoring requirement cannot be eliminated in its entirety, this requirement should be modified to allow for more opportunities for it to be met.
- Recommendation 3:** Institutions, after offering FWS to all eligible students with need, should be permitted to use up to 30% of their allocation toward students without unmet financial need with priority given to students with the lowest SAIs.
- Recommendation 4:** Increase the current over-award tolerance of \$300 for campus-based programs to \$1,500.
- Recommendation 5:** Increase the funding for the Job Location and Development (JLD) Federal Work-Study program to \$100,000.
- Recommendation 6:** Revise the FWS allocation formula by phasing out the base guarantee portion of the allocation formula over 10 years, making allocations dependent only on a “fair share” formula.
- Recommendation 7:** Pause institutional FWS allocation reduction due to under-spending during the pandemic by institutions until 2028 – five years after the end of the pandemic.

- Best Practice 1:** To increase overall awareness of the FWS program on campus, the office in which FWS student employment resides, in collaboration with the financial aid office, should consider educating on-campus employers about the FWS program and the benefits for the institution, students, and individual employers.
- Best Practice 2:** Student employment offices should consider working to reduce the disconnect between students receiving a FWS offer and their actually finding, accepting, and successfully performing a FWS job.
- Best Practice 3:** The office that handles student employment may consider establishing a mentoring program between FWS supervisors and the student employees they supervise.
- Best Practice 4:** Student employment offices may consider establishing a peer mentoring program that allows seasoned FWS students to mentor new FWS students.
- Best Practice 5:** The office that handles student employment may consider encouraging departments that participate in FWS to be innovative when creating or modifying available jobs.
- Best Practice 6:** The campus office that is responsible for FWS may consider recognizing students who perform exceptionally well with the creation of, or participation in, a “student worker of the year” program.
- Best Practice 7:** The campus office responsible for student employment may consider building cross-campus relationships and leveraging partnerships between entities with similar goals related to FWS.
- Best Practice 8:** It may be advantageous for the financial aid office or the office that handles student employment to establish and maintain a strong and ongoing partnership with the human resources office, payroll, and recruiting office, if applicable.
- Best Practice 9:** Institutions that require community service as part of a program of study should consider making FWS community service eligible for the program requirement regardless of pay status.
- Best Practice 10:** All student employees, regardless of their employment funding source, should be paid based on the same wage schedule for the institution.

About NASFAA

The National Association of Student Financial Aid Administrators (NASFAA) is the only national, nonprofit association with a primary focus on information dissemination, professional development, and legislative and regulatory analysis related to federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. Our membership consists of more than 29,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. NASFAA member institutions serve nine out of every 10 undergraduates in the United States.

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History of Federal Work-Study

The Federal Work-Study (FWS) program is a form of financial aid provided to undergraduate and graduate students in the United States who demonstrate financial need. Unlike grant or loan programs where funds are disbursed to the student at the start of an enrollment period, students earn FWS dollars as they work hours at a FWS job. The program was established in 1964 as part of the Economic Opportunity Act and later incorporated into the Higher Education Act of 1965. It is currently administered by the U.S. Department of Education.

The FWS program is funded through a combination of federal and institutional funds, with the federal government providing a portion of the funding and the institutions matching the funds. In general, the federal government pays 75% of the student's salary, while the other 25% must be provided by the institution. This is referred to as the non-federal share, or institutional match. There are exceptions to this rule for certain institutions, as well as for certain FWS positions. No institutional match is required if a school is designated as a Title III or Title V eligible institution or if the work the student is performing falls under certain community service specifications, meaning the federal government, through FWS funds, covers the full cost of the student's wages, and the institution is not required to contribute any additional funds. In the case of private for-profit employers who participate in the FWS program, there is a regulation that requires them to provide a higher share of the student's wages than public or nonprofit employers. Specifically, private for-profit employers who employ FWS students must provide at least 50% of the student's wages, while public and nonprofit employers are only required to provide 25%.

Unlike other campus-based programs, there is no minimum or maximum amount that an institution can offer a student in FWS funds. Institutions calculate offer amounts based on available funds, the number of eligible students and their financial need, and its packaging philosophy and policy.

Per the Higher Education Act, at least 7% of a school's FWS allocation must be used to employ students in community service jobs and at least one student must be employed as a reading tutor or in a family literacy project. Community service is defined as services designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs.

In some cases, it is possible for up to 25% of an institution's unused FWS funding to be transferred to its Federal Supplemental Educational Opportunity Grant (FSEOG) funding. The institution must ensure that the newly transferred funds are used to meet the exceptional financial need of its students.

Federal Work-Study Allocation Formula

There are historically three campus-based federal student aid programs: Federal Work-Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG), and the now-defunct Federal Perkins Loan program. These programs are referred to as "campus-based" programs because the funds are allocated directly to participating institutions based on an institutional need formula, and the institutions then determine, in accordance with federal rules, which of their students receive the funds as well as their award amounts.

While this report focuses on the FWS program, the remaining campus-based programs' allocation systems function the same. The amount each institution receives is based on two principles: a "fair share formula," which primarily calculates the amount of funds students at each institution need based on institutional cost and student incomes, and a "base guarantee" that ensures participating institutions receive at least as much as was received in prior years. As a result, most of the funding is dedicated to maintaining traditional funding levels at specific institutions and does not reflect the national data on which the fair share formula is based.

The fair share funding formula to determine an institution's need for FWS is found by calculating 30% of the cost of attendance at the institution for undergraduate students. If graduate students are included, the formula calculates their costs minus their student aid index(SAI) number, or the amount the student is expected to be able to self-fund their educational costs. Unfortunately, the portion of the funds guaranteed to certain institutions has increased rather than decreased, limiting the effect of the fair share formula.



Federal Work-Study and the COVID-19 Pandemic

The Coronavirus Aid, Relief, and Economic Security Act (CARES) Act was an economic stimulus bill signed into law on March 27, 2020, in response to the economic fallout of the COVID-19 pandemic in the United States. The CARES Act, which included relief across many sectors of the economy, also encompassed many relief programs related to higher education, and specifically federal financial aid programs — the FWS program included.

FWS-related pandemic flexibilities:

- Institutional share waived for 2019-20 and 2020-21.
- Institution may reimburse itself from the FWS allocation for the non-federal portion of wages paid or non-federal portion of FSEOG contributed on or after March 13, 2020.
- Permits transfer of 100% from FWS to FSEOG.
- Allows payment of FWS wages to students whose employment was interrupted by a COVID-19 related event.
- FWS community service requirement automatically waived for at least the 2019-20 and 2020-21 award years.

As explained previously, before the pandemic, institutions were only allowed to transfer up to 25% of their unused FWS funding into the FSEOG program. With the passing of the CARES Act, institutions were granted flexibilities related to campus-based waivers and reallocations, most notably the ability for institutions to transfer up to 100% of their unused FWS funds into the FSEOG program. This flexibility allowed institutions that were unable to use their FWS funds due to the change to remote learning and campus closings, and the subsequent inability to provide students with work opportunities, to keep their funding and use it to help students struggling with college and daily costs exacerbated by the pandemic. This flexibility was granted authority through the end of the payment period that includes the last date the national emergency is in effect, which for institutions that operate on a traditional schedule, was the spring 2023 payment period, as the legislation ending the national emergency was signed into law on April 10, 2023. The public health emergency ended on May 11, 2023.

The CARES Act automatically waived an institution's pre-pandemic requirement to use at least 7% of its total amount of FWS funds to compensate students employed in community service. This was later extended through authority granted by the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act. The waiver also allowed institutions to forgo the pre-pandemic requirement that at least one of the community service positions included a project for tutoring children in reading or family literacy. These flexibilities took pressure off of institutions, many of which struggled to meet the 7% requirement even before the pandemic, as many businesses that participated in the program and provided community service jobs had ceased operations during the pandemic due to the in-person nature of the positions.

These flexibilities allowed institutions to focus on providing support to their students who were still persisting in their education through this unprecedented global health emergency. These flexibilities also helped ease some of the burden schools were incurring pre-pandemic to spend their FWS funds.

Recommendations

Introduction

The FWS flexibilities built into the CARES Act and extended by the HEROES Act during the COVID-19 national emergency are beneficial to institutions, as they provided a reprieve from some of the stressors of awarding an employment-based student financial aid program during a time of uncertainty and shutdowns. In the years since the beginning of the national emergency, operations have by and large returned to normal for many institutions, but the challenges associated with offering FWS, many of which were present before the national emergency and further exacerbated by it, remain. One of the overall goals of this task force was to ensure the integrity of the FWS program — and continuing or reinstating the FWS flexibilities offered during the national emergency would aid in this endeavor. The task force has detailed our recommendations for retaining expanded transfer authority, reinstating the waiver of the community service requirement, expanding the definition of who may receive FWS, increasing the over-award tolerance, and revising the allocation formula.

Transfer Authority

Recommendation 1: Institutions should be allowed to transfer up to 60% of their FWS allocation to the Federal Supplemental Educational Opportunity Grant (FSEOG) program.

Rationale:

Post-pandemic, many institutions are finding it hard to spend the FWS allocation in the same manner as in prior years. Granting institutions the flexibility of transferring up to 60% of their FWS allocation to FSEOG allows institutions to award more funds to students in need, while still maintaining the integrity of the FWS program. Currently many institutions, not unlike the general workforce, are experiencing difficulties recruiting and maintaining students in FWS positions. The survey¹ performed by this task force showed most institutions used the additional flexibility allowed during COVID to transfer between 25-75% of their FWS allocation to FSEOG. If this 60% transfer is approved, ED must assure institutions that there will not be a penalty or negative assessment for electing this option. Furthermore, ED should assure the institution that the option to transfer will not affect future FWS allocations. To this end, while institutions should be free to focus on assisting students without administrative burden, this practice should be used as an emergency tool for institutions, not as an annual planning tool.

¹ Appendix A

Community Service

Recommendation 2: The 7% FWS community service requirement should be removed, but institutions should still be encouraged to continue to offer community service jobs and maintain the federal funding to do so.

Rationale:

The current requirement creates an administrative burden for many schools, which we believe is not the original intent. By eliminating the requirement, schools could still encourage and participate in the community service program without the pressure of repercussions if the requirement is not met. Fifty-six percent of institutions surveyed² indicated that they were having difficulty reestablishing off-campus partnerships post-COVID. Many off-campus organizations are now implementing hybrid work schedules, which leaves no staff at the office to supervise students. Previous partnerships have not been renewed, as organizations adapted to not having students during COVID or have changed their policies as to who is allowed access to their facilities. Additionally, companies want to do their own background checks, which causes delays in students starting positions.

This requirement also creates challenges for students. While other students can walk from campus housing or classes to their FWS positions, these students need to take extra time traveling to off-campus sites. Only 8% of institutions surveyed³ indicated they provide transportation to off-campus employers. Some institutions are facing an equity issue around transportation issues for potentially low-income/high-need students who either cannot get to these off-campus positions or have the burden of using public transportation with limited routes. The challenges for students transfer to financial aid administrators as they have a difficult time promoting and filling these positions.

If ED decides to maintain the community service requirement after the waiver expires at the end of the 2024-25 award year, ED should consider instituting a phased-in or delayed approach when bringing the program back to its original practice. A phased-in or delayed approach would provide schools with time to adjust their staffing and funding models to accommodate the return to pre-COVID FWS rules.

Recommendation 2A: Institutions that voluntarily decide to continue participating in the community service portion of the FWS program will be eligible to receive extra funding toward their community service FWS positions.

² Appendix A

³ Appendix A

Rationale:

The community service aspect of the FWS program is an important component of many institution's missions, as it can enhance education, foster civic responsibility, and address societal needs, while addressing the financial challenges faced by both institutions and students. Therefore, if an institution continues to participate in the community service portion of the FWS program, they should be incentivized to do so, and will be eligible to receive additional FWS funding to be used to pay students hired for community service positions. A funding allocation structure would be designed that would take into consideration factors such as an institution's enrollment size, the proportion of students participating in a community service FWS position, and should aim to reward institutions that actively engage and excel in community service and demonstrate tangible impact.

Recommendation 2B: The requirement that institutions include at least one FWS position that employs one or more FWS students in a reading tutoring project for students who are preschool age or are in elementary school should be eliminated.

Rationale:

Those institutions with successful school partnerships should be commended, and as the Secretary of Education shared⁴ with leaders, efforts to expand these services should be made whenever possible. However, since the pandemic, it has been difficult to get outside entities (i.e. K-12 schools) to hire FWS students as tutors. K-12 schools are now more hesitant to allow non-students or staff into their facilities, due to new health and security restrictions, which limits the amount of opportunities for reading tutor or community service positions. This requirement needs cooperation from schools that have no compelling reason to help. The employment of outside FWS students can be seen as a potential risk, which causes an undue burden on institutions in trying to fulfill this requirement.

This requirement is also another example of the equity issue raised above regarding low-income students and the need for transportation to these positions. Even when tutoring positions are available, students are often disinterested because of the cost and availability of transportation to and from these jobs. If schools were able to offer a portion of their FWS allocation to students without need, there might be increased interest and participation.

In addition, this requirement raises the issue of an institution protecting its students. Institutions have safety protocols that have been created and vetted to meet the needs of their students and facilities. Sending our students into other schools where safety protocols and their effectiveness are unknown is concerning in light of the recent increase in school violence.

⁴ https://www2.ed.gov/policy/gen/guid/secletter/230510.html?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=

Recommendation 2C: If the tutoring requirement cannot be eliminated in its entirety, this requirement should be modified to allow for more opportunities for it to be met.

Rationale:

A FWS student should be allowed to tutor any preschool-age through high school-age child in any subject. Teaching English as a second language (ESL) to all, not just children, should be allowed as well. The expansion of allowable subjects and the increasing of the age of who can be tutored will increase opportunities to fulfill this requirement while keeping with the spirit of its intent.

Expansion of Federal Work-Study

Recommendation 3: Institutions, after offering FWS to all eligible students with need, should be permitted to use up to 30% of their allocation toward students without unmet financial need, with priority given to students with the lowest SAIs.

Rationale:

FWS is a valuable component of the financial aid offer, and all students should be granted the opportunity to utilize this self-help funding source to help cover educational expenses and gain valuable work experience as part of the holistic student experience. All students, outside of need-based parameters, benefit from opportunities to help build career readiness and have other avenues for education funding outside of student loans. While students with need must be awarded first, in the case that the institution has remaining FWS funds, up to 30% of those funds should be able to be awarded to students without unmet financial need, with priority given to students with the lowest SAIs. For example, a Pell Grant-eligible student at a school with a lower cost of attendance may not have remaining need under the current formula due to federal and state grants; however, the family might not have the means to contribute out of pocket. Allowing this student to replace their SAI with FWS funds would provide a needed alternative to an unsubsidized loan for a low-income family.

Financial need can often be a relative term. The calculation appears simple: Cost of attendance (COA) minus the Student Aid Index (SAI) number, minus estimated financial assistance (EFA) equals remaining financial need. However, COA can and does vary widely at a variety of institutions, therefore directly impacting financial need figures. Financial assistance (including grants, scholarships, and need-based loans) may also vary depending on what institution a student attends. Additionally, it's not just the highest need students who may be financially "needy" or "deserving" of the opportunity to work while enrolled in school. Middle-income families often still have financial need, but based on COA and other need-based financial aid may find themselves without calculated unmet need through which to grant a FWS award. Unmet need for high-need students is often funded, in large amounts, in the form of grants and scholarships. As more institutions begin to adopt "no loan/no work" financial aid packages for their neediest students, allowing institutions to award a portion of their FWS funds to students without unmet need will extend the opportunity to the next income level of students who could still benefit from FWS.

Additionally, many departments hire with the hope of retaining a student FWS employee in future years. With changes to grant and scholarship eligibility and changes to SAI, students may see their need-based aid eligibility shift, especially for middle-income students who may have been on the margins of eligibility for FWS. Allowing flexibility to grant FWS to students without unmet financial need will not only help with job continuation for certain groups of students, but it could also be incredibly beneficial for both students and institutions as financial aid offices transition and gain greater understanding and awareness of the impact of the new SAI and how it is calculated.

FWS availability is also important to provide all students with the opportunities for job preparedness and readiness after graduation. Students, regardless of need, both need and want positions on campus that directly correlate to their course of study. In addition to positions correlating to student courses, many FWS positions give students experience with transferable skills. The National Association of Colleges and Employers (NACE) has determined a set of core competencies⁵ that many employers seek. Many institutions focus on these competencies when creating learning outcomes and measuring success of the work-study program. For example, the National Center for Education Statistics found that “students working 1-15 hours weekly have a significantly higher GPA than both students working 16 or more hours and students who don’t work at all.”⁶ All students need the opportunity to develop these core competencies, not just the financially neediest students.

This recommendation is not asking to remove the need requirement in its entirety, but for the ability to consider up to 30% of the total FWS allocation to help support all students — whether they are initially non-need-based or they are high-need students who have room in their COA to offer FWS as a “no-need” student.

Recommendation 4: Increase the current over-award tolerance of \$300 for campus-based programs to \$1,500.

Rationale:

The current over-award tolerance of \$300 stems from the 1998 law when minimum wage was \$5.15. As the minimum wage has increased, the \$300 over-award threshold has not kept pace for FWS. A typical late scholarship — meaning a scholarship awarded to a student after their original aid has been packaged and possibly disbursed — of around \$1,000 can cause a significant impact to a student’s remaining financial need and immediately eliminate eligibility for FWS. The increase in over-award tolerance from \$300 to \$1,500 would allow students more time to make other work arrangements (outside of the FWS program), or to adjust the student’s personal spending budget. When a student abruptly loses FWS eligibility it also creates a burden on the FWS employers, as they immediately lose an employee. Some institutions may not have the institutional funding to replace the FWS wages should a student lose eligibility for the program. Increasing the over-award tolerance makes hiring FWS positions more attractive since there is increased stability in a student’s eligibility. As is with the current over-award tolerance, this flexibility could only be utilized when a student is inadvertently over-awarded due to receipt of a late award after initial campus-based packaging.

⁵ <https://www.naceweb.org/uploadedfiles/files/2021/resources/nace-career-readiness-competencies-revised-apr-2021.pdf>

⁶ <https://hrs.byu.edu/00000173-96c6-d29f-a3f7-f6c7783a0000/effects-of-student-employment>

Recommendation 5: Increase the funding for the Job Location and Development (JLD) Federal Work-Study program to \$100,000.

Rationale: Increasing the funding for the JLD FWS program from \$75,000 to \$100,000 demonstrates a commitment to providing students with meaningful work experiences that align with their academic pursuits and career aspirations. This adjustment reflects the changing economic landscape, empowers students to secure quality employment opportunities, and contributes to their professional development and long-term success. Currently, when establishing or expanding a program to locate and develop off-campus jobs, including community service jobs, a school may use up to the lesser of 10% of its FWS allocation or \$75,000. That \$75,000 amount has not been updated since the 2008-2009 award year and increasing it to \$100,000 would better reflect current financial conditions.

Allocation

Recommendation 6: Revise the FWS allocation formula by phasing out the base guarantee portion of the allocation formula over 10 years, making allocations dependent only on a “fair share” formula.

Rationale: Due to the antiquated design of the funding formula, today’s allocation of campus-based aid largely reflects a 50-year-old distribution of funds, where institutions receive a “base guarantee” of funding. Currently based on fiscal year 1999 expenditures, the base guarantee was intended to be a temporary measure to mitigate losses to individual institutions as a result of radical fluctuations in funding. Due to the static nature of the formula, for most schools, the prior year expenditure is linked to its program participation in the 1970s. Growing schools that are serving needier student populations cannot increase their funding because other institutions’ funding levels are largely protected, regardless of institutional need, as funds appropriated for the program are limited. By phasing out the base guarantee over 10 years and instead basing an institution’s allocation 50% on the institution’s share of Pell Grant funds awarded nationally and 50% on an institutional need formula, the balance of institutional need for the funds will become more equalized across institutions. The institutional need formula, which is now calculated at 25% of the cost of attendance being financed via self-help aid for all undergraduate students, should be increased to 35% to match what more current data demonstrates.

Recommendation 7: Pause institutional FWS allocation reduction due to under-spending during the pandemic by institutions until 2028 – five years after the end of the pandemic.

Rationale:

The pandemic has severely impacted FWS participation at institutions across the country, as evidenced by the task force survey⁷. Traditionally, schools have been able to rely on a consistent stream of returning/continuing students to participate in the FWS program, resulting in the need to only replenish a portion of the students to fill the FWS positions each year. With the pandemic-related reduction in engagement, many institutions find themselves needing to replace 50% or more of the student participation in the program. Additional time is needed to reach pre-pandemic participation and spending levels, and allocation reductions will impact opportunities for future students who may not have been enrolled over the course of the pandemic.

Best Practices

Introduction

Understanding that every institution is different, and there is no “one-size-fits-all” approach, the task force identified the following best practices as potential ways to strengthen the FWS program on an institutional level. These best practices are meant to help to increase campus and community visibility, prepare the student for participation in the program, and provide multiple different opportunities to support student success and long-term goal attainment.

Campus Outreach

Best Practice 1: To increase overall awareness of the FWS program on campus, the office in which FWS student employment resides, in collaboration with the financial aid office, should consider educating on-campus employers about the FWS program and the benefits for the institution, students, and individual employers.

Rationale:

Many on-campus employers are not aware of how FWS payment works, how many students may be offered FWS, or how to have that conversation with potential student employees. In general, it is less expensive for a department or office to hire eligible and qualified students through the FWS program rather than through standard institutional work-study (also known as student hourly or department-funded positions). Hiring through the FWS program allows the office to utilize its departmental funds in other meaningful ways and/or to help fund FWS student employees once their FWS allocation has been exhausted.

Beyond fiscal advantages for the office or department, it is important to also educate these offices on how the FWS program provides support to students at their institutions and to educate faculty who solicit student volunteers to assist with their research to use FWS funds to pay students to aid in their research efforts, to ensure that students from all socioeconomic backgrounds can benefit from these opportunities.

⁷ Appendix A

Equally important is that offices understand that if the institution does not use its FWS allocation, funds must be returned. Over time, this could mean the institution could see a reduced FWS allocation or potentially lose the ability to participate in the program, which ultimately harms low-income students. FWS positions don't just help these students support their cost of attendance, as for some students their FWS earnings are a vital way for them to afford rent, food, gas or transportation. These positions may also help enhance the student's education, life, and work skills and could encourage decreased loan borrowing.

Best Practice 2: **Student employment offices should consider working to reduce the disconnect between students receiving a FWS offer and their actually finding, accepting, and successfully performing a FWS job.**

Rationale: When students are offered FWS as a part of their financial aid package, they may not completely understand what FWS is, or what the next steps are to finalize the offer. Institutions may consider providing additional explanation in the financial aid offer about the process, or a link to more information about the program. Once the FWS offer is accepted by the student, institutions may follow up with additional information about how and where to secure a position. An institution could do this through a video, training session, or even the student portal explaining the next steps. Institutions should also encourage students' participation in the FWS program by publishing success rates of FWS participants and educating students on the benefits of participation.

Training/Mentoring Programs

Best Practice 3: **The office that handles student employment may consider establishing a mentoring program between FWS supervisors and the student employees they supervise.**

Rationale: The college work experience is often the first employment opportunity for student employees. A mentoring relationship between the supervisor and the student employee can help build lifelong professional skills. Mentoring provides the student with support, one-on-one guidance, and role modeling of best work practices. For the supervisor, mentoring provides the opportunity to further develop the student employee's knowledge and skill set. Mentoring can also provide a deeper sense of satisfaction, as the supervisor is able to assist the student employee in developing needed professional skills. For both the student employee and supervisor, a mentoring relationship serves to expand and deepen professional relationships and networks.

There are many examples of mentoring programs available in the public sphere. The Iowa GROW⁸ program is one such example. The blueprint provided by this mentoring program clearly outlines a structure through which supervisors and their student employees meet regularly to set goals, define learning outcomes, and list further professional development.

⁸ <https://studentlife.uiowa.edu/initiatives/iowa-grow%C2%AE/>

Best Practice 4: Student employment offices may consider establishing a peer mentoring program that allows seasoned FWS students to mentor new FWS students.

Rationale: Peer mentoring has emerged as a viable retention strategy to aid institutions in ensuring students complete their degree⁹. Using seasoned students as peer mentors or coaches for new students or incoming freshmen may significantly increase new students' work-school balance. Peer mentorship also helps support community building for new students.

Mentorship can occur at several levels, with FWS students serving as mentors in their community service/tutoring positions or acting as student supervisors in their positions. Other peer mentoring strategies can include new student employment orientation, peer-to-peer resume building, or interviewing or peer advisors in financial aid, registration, and advisement offices.

Innovation

Best Practice 5: The office that handles student employment may consider encouraging departments that participate in FWS to be innovative when creating or modifying available jobs.

Rationale: Job-matching innovation could include offering remote work options, or experiential learning positions such as research or project-based programs, data analysis work, social media/marketing or graphic design projects, and recruitment/outreach event planning. With the changing nature of the job market, students have many employment options outside of their institution. Students are interested in jobs that complement their educational program or career goals — the original intent of the FWS program. Matching students with jobs related to their majors and placing an emphasis on certain knowledge or skills as described in job descriptions may lead to faculty and staff creating other non-clerical types of positions.

Best Practice 6: The campus office that is responsible for FWS may consider recognizing students who perform exceptionally well with the creation of, or participation in, a "student worker of the year" program.

Rationale: Developing a student employment recognition program to show appreciation to student employees can also bring awareness to the institution's student employment program. Employee appreciation leads to increased productivity, engagement, and retention, as well as improvement of team culture. Development of an appreciation program will allow students to understand their impact and contributions to the department and institution missions.

⁹ <https://journals.sagepub.com/doi/10.1177/1521025118773319>

Recognition should be meaningful. Be specific, be authentic, and recognize both small and big wins. One way that a campus can participate is by celebrating students during National Student Employee Appreciation Week. This annual event, held the second full week of April and recognized by the National Student Employment Association (NSEA), can be accomplished with any budget and a multitude of ways to participate. The student employment office can organize professional development opportunities, raffles, games, or encourage supervisors/departments to recognize their student employees with potlucks, small gifts, shoutouts, or luncheons with members of leadership. In addition to campus-based activities, the NSEA holds a "Student Employee of the Year" recognition program where campuses can nominate a student for a \$300 award and recognition as Student Employee of the Year. Lastly, if it is in the institution's budget, financial aid offices can also create an institutional student employee professional scholarship to reward high-achieving work-study students.

Campus Partnerships

Best Practice 7: The campus office responsible for student employment may consider building cross-campus relationships and leveraging partnerships between entities with similar goals related to FWS.

Rationale: The FWS program is an institutional concern. Creating a college-wide committee would ensure ownership and responsibility for the FWS program lies with the whole institution. Each participating department has a responsibility for the livelihood and success of the program. Challenges would have the opportunity to be discussed and resolved at meetings so each department has an understanding and the message is clear to students. It is a financial resource for students who demonstrate need and a way to fund the hiring of employees, who aid in the efficient function of campus offices. The FWS program provides students a viable option to help themselves finance their education while minimizing the need to take on debt with student and/or parent loans. Investing time and resources to address the needs of the FWS program, helps institutions prepare students for life after college with an option to develop skills, earn money and also allow the employers to reap the benefits of a new talent base.

Departmental committee members would be champions for FWS and share the FWS opportunities with other departments. The committee would serve as a think tank and a creative entity always looking for opportunities to expand FWS opportunities. They would collaborate on effective communication for employers and students. Committee members could work to bring in potential employers in the community. This may result in the concerns being brought to the attention of the institution's government relations team, NASFAA, or regional and state associations to advance a proposal to Congress or ED's Office of Federal Student Aid (FSA).

There are several ways institutions can build these relationships. Institutions may start with centralizing communications for promoting the availability of FWS jobs. This would involve determining who has the primary responsibility for the management and coordination of the FWS program. Through this building of campus and community partnerships, it is pertinent that a primary point of contact be identified to ensure compliance and accountability. Another way to establish relationships is to promote community service opportunities. If there are courses or programs on campus that have community service requirements, schools could promote FWS availability during classes/orientation.

In the community college sector, many of the students already have part or full-time jobs. We encourage the students to have their employers inquire about the FWS program. The employer may qualify as a school, public agency, private non-profit agency or for-profit organization. This is a “win-win” for both the student and the employer. This allows the student to earn FWS for the job already being performed. The student and the employer benefits because the job training has already been completed and the employer is typically only responsible for 10-50% of the student’s salary, depending on the type of organization, and might even be 0% for literacy activities.

Most nonprofits and small businesses can benefit from having a talented workforce for a fraction of the dollar, which is a benefit of utilizing the FWS program and FWS student workers. The ambition of students and their desire to gain an education is commendable and benefits the community and the nation at large. It is advantageous for a non-profit entity to have student workers for the potential cost savings. This works well if the non-profit offers a service for children. The college students can serve as mentors and/or role models for many of the younger students. The non-profit gains experience especially if the student workers are computer savvy. These skills can be used to improve office systems and train other full-time staff members in new subject matter so they can become more proficient.

At the institutional level, schools may consider establishing a college-wide committee of active FWS players from financial aid, human resources (HR), student employment, financial services, career services, and marketing to meet regularly on FWS concerns. A representative from the student government would also make a difference.

Best Practice 8: It may be advantageous for the financial aid office or the office that handles student employment to establish and maintain a strong and ongoing partnership with the human resources office, payroll, and recruiting office, if applicable.

Rationale: Due to the size and scope of FWS and student employment, not all financial aid offices have the budget or staff to have a specific student employment sub-office within financial aid. Or, if a student employment office exists within financial aid, financial aid staff members must have specific human resources training to ensure that human resources policies are maintained and adhered to. The financial aid office should request and/or allow the HR office to take ownership of certain FWS hiring, onboarding, and payroll responsibilities, when appropriate,

and be available to help train and inform financial aid staff regarding changes to federal hiring policy and procedures. The financial aid office must also be available to train and update HR staff on FWS updates.

In some cases, financial aid staff take on human resources roles because FWS is a financial aid component. However, HR offices should understand the scope of FWS and financial aid reporting. Financial aid administrators are responsible for determining student eligibility for work-study and awarding funds, financial aid counseling, evaluating revisions and overawards to a student's financial aid file as it relates to FWS, tracking overall work-study earnings, including adhering to new regulations to report annual FWS earnings to ED's Common Origination and Disbursement (COD) website, annual audits, Fiscal Operations Report and Application to Participate (FISAP) reporting, and more. While financial aid administrators should maintain these duties, it is important that HR professionals also understand these responsibilities.

Conversely, employment regulations regarding jury duty, sick time (including COVID-19-related sick time), changes to state and federal law, workers' compensation, termination procedures and requirements, and more, apply to student employees. Financial aid staff may not have the full scope and understanding of changes and updates, similar to HR staff who may not have the full scope and understanding of all financial aid changes and updates. By maintaining regular meetings with staff from both offices, institutions can ensure that their employees are aware of the important, need-to-know regulation changes.

This practice might be particularly useful for institutions that have financial aid offices that are struggling with administrative capability. In some cases, HR taking ownership of FWS onboarding, I-9 processing, direct deposit, and posting positions allows the financial aid office to focus on other financial aid responsibilities and removes responsibility for labor law compliance.

Program Development

Best Practice 9: **Institutions that require community service as part of a program of study should consider making FWS community service eligible for the program requirement regardless of pay status.**

Rationale:

Many institutions and states have now implemented scholarship programs that include a community service requirement to qualify. If the scholarship criteria specifically states that the community service must be unpaid, students who are participating in FWS community service are either excluded, or expected to complete additional volunteer hours in addition to their paid FWS work. This places an undue burden on lower-income students who may not have transportation to other community service locations, or who must use their available time for paid work only due to financial reasons. Eligible FWS work positions are considered as community service by ED and should also be recognized as such on a state and institutional level.

Best Practice 10: All student employees, regardless of their employment funding source, should be paid based on the same wage schedule for the institution.

Rationale: An established wage schedule for all student employment positions allows fair competition among departments for hiring while not disadvantaging students based on the funding source.

Paying all student employees based on the same wage schedule for the institution promotes fairness and equality. As stated in the Federal Student Aid (FSA) handbook¹⁰, if student employees are doing similar work, they should be compensated equally, regardless of the source of funding for their position. It is important to recognize that student employees are often performing important work for the institution, whether it is through research, administrative tasks, or customer service, and they should be compensated appropriately for their contributions.

Paying student employees based on the same wage schedule can help to attract and retain talented students who are seeking employment on campus. If pay rates are not consistent across funding sources, some students may be discouraged from applying for certain positions, or may seek employment elsewhere. By offering fair and equitable pay, the institution can create a positive work environment and help to cultivate a loyal and motivated student workforce. The wage amount should not differ if the student is being paid by FWS funds or institutional funds.

¹⁰ <https://fsapartners.ed.gov/sites/default/files/attachments/2020-11/2021FSAHbkVol6Ch2.pdf>

Conclusion and Future Work

As the higher education community continues to navigate the challenges still felt by the aftermath of the COVID-19 pandemic on campuses and financial aid programs, implementing these robust recommendations and best practices for the Federal Work-Study program is imperative. Prioritizing flexibility in awarding arrangements, leveraging technology for work opportunities, and enhancing communication channels across campus will contribute to the program's resilience. To further fortify its efficacy, future work should explore strategies for increased program accessibility, proactive outreach to underserved student populations, and ongoing evaluation of the program's adaptability in dynamic higher education landscapes. By continually refining and innovating the FWS program, we can ensure its sustained impact on fostering student success amid evolving circumstances.

Methodology and Survey Results

In January 2023, NASFAA's Examining Federal Work-Study Task Force, in partnership with NASFAA's policy and federal relations and research departments, developed a survey to examine flexibilities that may be needed for this program to be successful into the future. On February 1, 2023, NASFAA's Research Department distributed the anonymous electronic survey to its Rapid Response Network (RRN), which is composed of approximately 146 financial aid administrators who work at NASFAA member institutions. The survey closed on February 17 at 12:00 p.m. ET. There were 79 surveys submitted answering at least one question, resulting in a 54% response rate.

While this data can be considered a representative sample of NASFAA's RRN, these results should be interpreted with caution, and it should not be considered a representative sample of all NASFAA member institutions or all postsecondary institutions that receive Federal Work-Study funding.



APPENDIX A: OVERALL RESULTS

Do you feel your institution has benefited from the FWS flexibilities instituted during the pandemic?

No	8%
Yes	91%
Unsure/don't know	1%
n	77

Do you foresee any problems returning to the "status-quo" when any or all of the COVID-19 flexibilities end?

No	31%
Yes	56%
Unsure/don't know	13%
n	77

Do you utilize the ability to carry-forward or carry-back 10% of your FWS allocation?

No	18%
Yes	79%
Unsure/don't know	3%
n	77

Do you utilize the ability to carry-forward or carry-back 10% of your FWS allocation?

No	18%
Yes	79%
Unsure/don't know	3%
n	77

Do you use these capabilities regularly?

No	11%
Yes	89%
Unsure/don't know	0%
n	61

Would it be helpful if this amount were increased to 15% or more?

No	16%
Yes	79%
Unsure/don't know	5%
n	61

What roles are students using their FWS funds for in the financial aid office?

Call center	42%
Data processing	41%
Receptionist	55%
Document scanning/tracking	73%
Other (Please specify below.)	36%
Unsure/don't know	3%
n	74

Other, open-ended responses: Most open-ended comments indicated clerical or general office work (n=6) or assistance with financial literacy programming (n=4). Other comments indicated their offices do not use FWS employees in the financial aid office and listed roles in other offices outside of the financial aid office.

What departments/jobs on campus are the most popular?

These responses were provided as open-ended comments. NASFAA's Research Department reviewed the comments and categorized them below.

Administrative / Office Assistant (No Department Listed):	14%
Admissions and/or Welcome Center	19%
American Reads	3%
Athletics	27%
Business Office	3%
Community Service Organization	3%
Daycare center	5%
Dining	8%
Financial Aid	5%
Housing (Includes RA):	9%
IT or a Lab	13%
Library	36%
Research / Academic Departments (Includes Teaching Assistants:)	22%
Student Life / Campus Recreation / Student Activities Center	38%
Tutoring	13%
Wellness or Fitness Center	13%
Miscellaneous	16%
n	70

Are you experiencing or do you foresee issues reestablishing or establishing off-campus community service positions after the COVID-19 flexibilities end?

No	32%
Yes	56%
Unsure/don't know	12%
n	77

What are some best practices you have implemented to encourage FWS participation?

Forty-eight respondents provided open-ended comments. Of those comments the most cited best practices were targeted, direct, and/or individual communications and advertising to students (n=14), increasing hourly wages (n=13), partnering in some way with another department on campus (n=11), and FWS specific job fairs or job boards (n=6).

Do you utilize your HR department to do onboarding paperwork for FWS hires?

No	32%
Yes	66%
Unsure/don't know	1%
n	77

Does your institution pay more than your state's minimum wage requirement?

No	29%
Yes	71%
Unsure/don't know	0%
n	77

Does this result in some student's hourly pay being the same or more than lower paid full-time campus employees' hourly pay?

No	64%
Yes	24%
Unsure/don't know	13%
n	55

Have increases to your state's minimum wage reduced the number of students you are able to hire?

No	70%
Yes	22%
Unsure/don't know	8%
n	77

Is the hourly wage rate of lower paid staff in your office/campus considered when deciding FWS hourly wages?

No	36%
Yes	52%
Unsure/don't know	12%
n	77

Does your campus have different hourly rates for university-paid student positions versus FWS positions?

No	70%
Yes	23%
Unsure/don't know	6%
n	77

Do you feel this is causing hiring issues for your FWS positions?

No	72%
Yes	22%
Unsure/don't know	6%
n	18

Is your office having difficulties with spending its federal work study allocation?

No	37%
Yes	60%
Unsure/don't know	3%
n	78

Do you feel the difficulty worsened due to the pandemic?

No	4%
Yes	94%
Unsure/don't know	2%
n	47

Would the ability to offer federal work study to students without financial need help you spend your allocation (assuming students with need are prioritized)?

No	6%
Yes	87%
Unsure/don't know	6%
n	47

Besides the current COVID-19 flexibilities, are there any other flexibilities you would like to see incorporated into the FWS program?

Thirty-eight respondents provided open-ended comments. Overall those comments fell into three major categories: removing any restrictions related to transferred funds (n=10), changes to the community service requirement, including keeping the COVID-19 waiver, eliminating the requirement, reducing the percentage required of FWS allocation, changing the requirements for what counts toward the requirement, or making it voluntary (n=10), and allowing FWS to be awarded as non-need-based financial aid (n=4)

Is your institution using a Job Location and Development (JLD) program to expand your FWS reach to non-need-based students?

No	67%
Yes	27%
Unsure/don't know	6%
n	79

Feeder Question: Is your institution using a Job Location and Development (JLD) program to expand your FWS reach to non-need-based students? Open-ended Question: Why not?

Thirty-two respondents provided open-ended comments. Most respondents indicated they do not have enough staff to expand outreach (n=8), their school is not eligible or does not need the JLD program (n=8), or that their FWS dollars are spent in full every year and do not need to reach out to non-need-based students (n=7),

Does your institution provide any support for students who don't have access to transportation to get to off-campus FWS jobs?

No	85%
Yes	8%
Unsure/don't know	8%
n	79

Feeder Question: Does your institution provide any support for students who don't have access to transportation to get to off-campus FWS jobs? Open-ended Question: What kind of support?

These results are not displayed as the response rate was less than ten.

Do you utilize the COVID-19 flexibility to transfer FWS to SEOG?

No	15%
Yes	81%
Unsure/don't know	4%
n	79

How much?

0-25%	25%
25%-50%	33%
50%-75%	22%
75%-100%	6%
Unsure/don't know	14%
n	64

Is this a flexibility you'd like to maintain?

No	3%
Yes	3%
Unsure/don't know	94%
n	64

Prior to the pandemic flexibilities, did you use the ability to transfer up to 25% of your FWS to the SEOG program?

No	19%
Yes	75%
Unsure/don't know	6%
n	79

Do you have any creative ways your institution is utilizing your FWS funding?

Seventeen respondents provided open-ended comments. The most common response was a partnership with another entity in some way (n=9). Some respondents (n=5) cited partnering with other departments on-campus such as career services or academic departments and some cited partnering with off-campus groups to either focus on meeting their community service requirements, or just create more job opportunities in general for students to use FWS funds. Cited off-campus partners included: local library, museum, Big Brothers/Big Sisters, and local daycares.

Do you have any other thoughts about FWS related issues we should think about when doing our research and writing our report?

Nineteen respondents provided open-ended responses. Most comments left feedback and thoughts on changes to the program to increase its impact to students including increasing the amount of funds that can be transferred to SEOG and changing FWS to a non-need-based program (n=9). Several other respondents left comments on the community service requirements and difficulty meeting them annually (n=4).

What is your institution's sector?

Community College	22%
Proprietary	3%
Non-profit	34%
Public 4-year	39%
Graduate/Professional	3%
n	79