

The Federal Work-Study (FWS) Program encourages the part-time employment of undergraduate and graduate students who need the income to help pay for their cost of education, and encourages FWS recipients to participate in community service activities. Schools are required to utilize money from their FWS Program funds to compensate students employed in community service jobs.

RECENT CHANGES

The following changes resulted from the Higher Education Amendments of 1998. Unless otherwise stated, these changes became effective October 1, 1998.

- A school is required to offer (make available) a **reasonable proportion** of its FWS allocation to independent or less-than-full-time students.
- The definition of “community services” given in the law now includes on-campus child-care services that are open and accessible to the community. This change simply adds one of the Department’s long-standing policies to the law.
- The definition of “community services” given in the law now includes services to students who have disabilities and are enrolled at the school. Previously, the Department didn’t consider these services community services because they weren’t open and accessible to the community outside the school.
- The law now states that FWS employment may include internships, practica, or research and teaching assistantships as determined eligible by the Department. Previously, the Department has stated that FWS employment may include internships, practica, or research assistantships with certain restrictions (even if the student may receive academic credit for the work performed). This change adds one of the Department’s long-standing policies to the law.
- A school participating in FWS is no longer required to make equivalent non-FWS jobs reasonably available to all students who want work.
- For up to 10 percent of a school’s FWS students, the federal share of a student’s compensation may exceed the current 75-percent limit. In such a case, the federal share is capped at 90

percent of the student's compensation. A school can take advantage of this higher federal share only in cases where the student is employed at a nonprofit or public organization that:

- 1) is unable to pay the regular non-federal share, and
 - 2) has no ownership, operation, or control relationship with the school.
- Jobs in private for-profit companies must be academically relevant only to the maximum extent possible. Previously, jobs in such companies always had to be academically relevant to the student's course of study.
 - On a student's request, a school may make payments directly to the student's bank account or may credit the student's school account for tuition and fees, room and board (if the student contracts with the schools for these services), and other institutionally provided goods and services.
 - A student may be paid for a reasonable amount of time for travel or training that is directly related to a community service job.
 - Starting with the 2000-2001 award year, the allocation formula changes. Under the new formula,
 - 1) the base is equal to the total of the base guarantee plus the pro rata share received for the 1999-2000 award year,
 - 2) the pro rata share is eliminated, and
 - 3) the fair share calculation is based on all the excess funds after the base guarantees are met.
 - Beginning with the 2000-2001 award year, the Department must reallocate returned FWS funds to a school that used at least 5 percent of its total FWS allocation to pay students employed as reading tutors or in family literacy activities. Previously, the Department was required to reallocate funds to a school that used at least 10 percent of its FWS allocation for students employed in community services.
 - Starting with the 2000-2001 award year, a school must spend at least 7 percent of its allocation on community service jobs.
 - Starting with the 2000-2001 award year, to meet the community service requirement, a school must use FWS funds to pay students employed in at least one
 - 1) family literacy project, or
 - 2) reading tutoring program for children who are preschool age or in elementary school.

- The law now states that starting with the 2000-2001 award year, the federal share of compensation paid students employed as reading tutors or in family literacy activities may exceed 75 percent. This change changed the law to include one of the Department's existing regulations.

WORK-COLLEGES PROGRAM

The Higher Education Amendments of 1992 authorized the Work-Colleges Program. Schools that satisfy the definition of "work-college" may apply with the U.S. Department of Education to participate in the program. A work-college may transfer funds from its allocation for the FWS Program and/or Federal Perkins Loan Program to fund the school's Work-Colleges Program.

The Work-Colleges Program recognizes, encourages, and promotes the use of comprehensive work-learning programs as a valuable educational approach when used as an integral part of the school's educational program and as a part of a financial plan that decreases reliance on grants and loans. The program also encourages students to participate in community service activities.

The term "work-college" is defined as an eligible institution¹ that

- is a public or private nonprofit school with a commitment to community service;
 - has operated a **comprehensive work-learning program** for at least two years;
 - provides students participating in the comprehensive work-learning program with the opportunity to contribute to their education and to the welfare of the community as a whole;
 - requires all students who reside on campus to participate in a comprehensive work-learning program; and
 - requires providing services as an integral part of the school's educational program and as part of the school's educational philosophy.
- A "comprehensive student work-learning program" is defined as a student work/service program that
- is an integral and stated part of the institution's educational philosophy and program;
 - requires participation of all resident students for enrollment, participation, and graduation;

Purpose of Work-Colleges Program Cite
34 CFR 675.43

Definition of Work-College Cite
34 CFR 675.41

Comprehensive Student Work-Learning Program Definition Cites:
HEA Section 448
34 CFR 675.41(b)

1. See *SFA Handbook: Institutional Eligibility and Participation* for the definition of an eligible institution.

- includes learning objectives, evaluation, and a record of work performance as part of the student's college record;
- provides programmatic leadership by college personnel at levels comparable to traditional academic programs;
- recognizes the educational role of work-learning supervisors; and
- includes consequences for nonperformance or failure in the work-learning program similar to the consequences for failure in the regular academic program.

Allowable Costs

The Higher Education Act of 1998 provided for additional flexibility for Work-Colleges in the use of funds. Allocated and reallocated program funds may be used to:

- i) support the educational costs of students through self-help provided under the work-learning program within the limits of their demonstrated financial need;
- ii) promote the work-learning service experience as a tool of education and community service.
- iii) carry out FWS and Job Location and Development (JLD)
- iv) administer, develop, and assess comprehensive work-learning programs;
- v) coordinate and carry out joint projects and activities to promote work service learning; and
- vi) conduct a comprehensive longitudinal study of academic progress and academic and career outcomes.

Additional requirements for the Work-Colleges Program are found in 34 CFR 675, Subpart C.

Use of Allocated Funds Cite
34 CFR 675.45