

**WORK STUDY FUND MANAGEMENT
MINIMIZE THE RISK,
IMPROVE THE OUTCOMES**

Submitted for the NSEA Workbook

By

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Introduction and Overview

Work study fund management can be complicated. The purpose of this paper is to explain an approach to breaking down the fund management task into more manageable segments in order to maximize student work opportunity and minimize the financial liability to your institution.

Understandably, readers may vary widely in their specific roles or levels of final responsibility for spending work study funds. Maybe you are the financial aid administrator, and you bear the highest level of responsibility to make certain the funds are fully utilized. Maybe you work in career services or in a human resources setting with a charge to “just post jobs.”

Regardless of your specific role, in most institutions work study fund management turns on a partnership of efforts. Its success depends on all the parties understanding the full context of fund management, realizing the impact of their part on the whole equation, and understanding the important influence each can bring to bear on improving and sustaining strong work study utilization.

Admittedly, work study fund management can be a tedious task, and it is subject to an outlandish and sometimes discouraging number of vagaries. The greatest inspiration for investing our time, attention, and energy in fund management is to bring students back into the center of our thinking. Many of us can identify numerous cases where work study opportunity was a crucial turning point for a student both financially and otherwise.

With college costs up, and student loan borrowing at all time highs, work study administrators are uniquely positioned to fulfill in the greatest degree possible today the founding principle that financial aid can “level the playing field” for low-income and needy students to make it similar to what students from wealthier families experience. When financially needy students maximize their access to grants and work study – a form of self-help worked off with current effort – and minimize reliance on student loans, they graduate in a financial condition to more immediately assume the full benefits of a higher education. We know these work study-aided students graduate better prepared to enter the workforce and society. They arrive with less debt and with workplace skills that equip them to step in and fully participate in the responsibilities of citizenship along with the significant personal and societal benefits of having attained a higher education. *The more often work study funds are utilized at your campus – instead of being returned unused to the government – the more times you extend this kind of opportunity for the next student.* This requires the active, informed participation of all the partners mentioned above.

When this synergy of partners is achieved, not only do students fully benefit from this taxpayer-supplied form of financial aid, but law- and policy-makers can recognize the work study program’s potential as an aid resource for students. Effective fund management, at a minimum, demonstrates the need for current funding, and at its best, contributes to the case for program funding increases to keep pace with rising college costs. It also can act as a significant offset to student borrowing.

Stages in Managing Work Study Funds

The general stages of work study fund management can be identified in the answers to five fundamental questions:

1. How much money is available for student earnings?
2. How much opportunity should be awarded to get the desired year-end earnings?
 - How will the work opportunity be apportioned among students?
 - How can administrators identify, monitor, and factor in changing trends?
3. How can administrators monitor earnings?
4. How can utilization be moved upwards or downwards? What options, or “levers,” exist to influence utilization?
5. How should administrators respond at year-end when money remains available?

This paper will attempt to answer these questions with a focus on principles that can be applied in a variety of settings, that is, in institutions of a variety in size, type, and also a variety of record-keeping systems. In **Part One** the paper focuses on the essential concepts that form the foundation for successful fund management. In **Part Two** the paper presents a case study to illustrate the application of these concepts. Supporting both parts are several appendices. Appendix A details the different types of conditions or trends that can influence student earnings. Appendix B details the options or tools to adjust expenditures. Appendices C, D, and E are detailed reports supporting the case study.

Caveats: The worksheets and examples contained in this paper are for illustration only and should not be interpreted to be a recommendation of policy. An institution might use the thinking and form contained here, but would necessarily customize the process with its unique profile, conditions and history.

Also, the examples used in this paper illustrate the general uses of work study program rules. For exact program provisions consult the appropriate regulations and guidelines issued by the granting agency. In the case of the Federal Work Study (FWS) program, the U.S. Department of Education’s Federal Student Aid Handbook, Volume #6, provides excellent guidance. If you also manage a state-funded work study program, consult that program manual.

PART ONE – UNDERSTANDING CONCEPTS

The broad stages of fund management are understood by examining the answers to the five basic questions posed in the Introduction and Overview. And as we examine each answer in Part One, a short incremental example will be provided. These examples will be covered in more detail as the reader moves into Part Two of the paper.

How much is available for student earnings?

In the winter and spring before the official start of the coming academic year, the institution receives notice from funding agencies (usually the US Department of Education and, in some states, the counterpart higher education state agency) of the amount of work study funding that will be available for the new year. For the Federal Work Study (FWS) program, this amount is indicated with any other federal campus-based allocations on a letter issued by the Department, titled *FWS Final Funding (year)*. This notice is meant to coincide with the institution's activities in awarding other forms of financial aid. However, it can be delayed for any number of reasons, and the institution may need to operate on an estimated reserve of funds, later adjusting the calculation when final amounts become available. Or, an institution may choose to begin awarding before the official notice arrives.

Allocation. This official allocation amount must be adjusted in several ways to establish the actual base amount of student work study opportunity that will become the final goal for student expenditures to eventually fully utilize the allocation.

For purposes of this illustration, assume an institution's allocation of FWS begins at \$500,000. If the institution under allowable provisions within the program underspent last year and therefore has a **carry forward** amount from last year; *or*, as is illustrated in this case, had **overspent** its prior year FWS allocation and had to **carry back** from this year to pay prior year earnings, these adjustments are reflected in this step. Also, by law the institution can take 10 percent, but no more than \$50,000 for certain job location and development or **JLD** activities.

Allocation	\$500,000
Carry Forward	0
Carry Back	(5,000)
JLD	<u>(50,000)</u>
Adjusted Allocation	\$445,000

Next, the institution is allowed, but is not required, to take up to five percent of the *gross* FWS student earnings (FWS allocation *plus* employer match) as an administrative cost allowance or **ACA**. Assume a school will end this year with an estimated \$550,000 in gross federal work study earnings. That school may claim up to 5 percent, or \$27,500 in an administrative cost allowance (ACA) to help pay for the cost of managing the FWS program. The ACA is charged to the school's FWS allocation via an entry on the annual FISAP report.

Adjusted Allocation	\$445,000
ACA	<u>(27,500)</u>
Allocation for Earnings	\$417,500

There are other provisions that can further alter the adjusted allocation. For example, an institution could choose to **transfer** a limited amount of FWS funds to the FSEOG program. Consult the program regulations and the Federal Student Aid Handbook, Volume Six, for more details.

Employer Match. In design the work study program is a form of reimbursement to an employer. The employer hires an eligible student, the student works and is paid by the employer. The employer then seeks reimbursement for part of the student wages. In this way, the work study model relies on the employer to provide a “match” to the work study dollars the government and taxpayers provide.

Depending on the type of employer and the type of job placement, there can be a variety of required matches, or reimbursements. In the case of the FWS program if your institution is designated as a Title III school, the requirement to provide an employer match for on-campus placements may be waived entirely.

FWS placement categories include the following reimbursement rates:

Placement Category	FWS Reimbursement Rate	Employer Match
Private for profit employer	50%	50%
On campus employer	75%	25%
Off campus community service employer	75%	25%
Certain non profit off campus programs	90%	10%
Eligible tutoring programs	100%	0%
Eligible Title III schools	100%	0%

The total employer match amount depends on the mix of job placements and their associated reimbursement rates (or FWS share). Consult the Federal Student Aid Handbook, Volume #6 for specific program reimbursement conditions.

Gross Earnings. Having arrived at an amount of the FWS allocation that is available for student earnings and having considered the employer match issues, the total amount of funds available for student earnings must be determined. Some schools find that the mix of programs they use each year remains fairly consistent and that they are able to make a fairly easy calculation to determine how much students can earn to fully utilize their FWS allocation and employer match. For example, a school may place most students in 75% reimbursement programs, and a few students in 100% reimbursement programs. The average reimbursement may amount to 77% of the gross earnings. If the average percent reimbursement has been fairly consistent in previous years, the school can simply divide the FWS allocation available for earnings by the 77% figure to determine the total gross amount that students may earn.

As an example, assume a school has found that over the past three years, given the mix of reimbursement programs used, that 75.9% of gross earnings get charged to the federal allocation. The other 24.1% of gross earnings are paid by employer match. The school can make a quick calculation on the upcoming year's FWS allocation available for earnings as follows:

FWS allocation for earnings	\$417,500
Divide by average reimbursement	75.9%
Gross earnings goal	<u>\$550,000 (rounded)</u>

In this example students can earn \$550,000 for the year. \$417,500 will be reimbursed by the FWS allocation. The remainder will be paid by the employer match. The effects of all the different employer match options are summarized in one estimate.

Another option is to separate the FWS Allocation for Earnings into smaller segments and apply exact reimbursement percentages for on-campus, off campus and all the other subcategories. But at this stage a summarized percent of employer match is generally sufficient.

The case study presented later contains a detailed description of these steps under its answer to this same question, "*How much is available for student earnings?*" And, in that illustration there is a check installed to make certain that the 7 percent FWS community service spending requirement will be met or exceeded.

How much opportunity should be awarded students to meet the earnings goal?

Experience makes clear that:

- Not every student offered work study in their financial aid package enrolls in the institution;
- Not every student who accepts a work study offer locates employment;
- Not every student that works earns all of the award; and
- Not every type of student earns at the same rate.

In fact, there are almost as many variations on “return on award” in actual earnings as there are students. For these reasons, it is necessary to award students more work study funds than the institution actually has available. In our example the Expenditure Goal, amount is \$550,000.

The yield on offers or, inversely, the overcommit estimate, is best derived from historical reports providing views of rates comparing “offered to accepted” patterns, “accepted to earned” patterns, etc. These historical snapshots should provide at least monthly views, especially in key periods of time when awarding is underway. The prior year pattern tends to be most illustrative of what will happen in the new year because other underlying climate and decision making tend to be similar. However maintaining at least a three to five-year set of overall patterns is recommended.

The awarding question actually becomes, “How much work opportunity needs to be offered to students to yield student earnings of \$550,000?” For this example, and at this stage of the estimate, on a historical basis assume the institution determines it nets about a 50 percent return on the dollars it initially offers and therefore decides to initially over commit twice the Expenditure Goal of \$550,286.

Expenditure Goal	\$ 550,000
Initial Overcommitment	x <u>200%</u>
Initial Amount to Award	\$1,100,000

The \$1.1m estimate above basically assumes everything else will be identical in the new year to the decisions and conditions of the prior year—and in reality this is rarely the case. So, before committing the \$1.1m, at least two other areas should be examined initially to firm up the “Initial Amount to Award” and may result in moving that number either up or down:

- Any changes in this year’s packaging decisions about which students will be offered work study; and
- Other “climate” changes that might affect the rates of earnings.

How will the work opportunity be apportioned among students?

Existing Awarding Assumptions. Many institutions as a starting point use the answer to the Federal Student Aid Application (FAFSA) or a similar one on their institutional application to determine student interest in work study. But this is not always the case, and to encourage work study among a certain population, an institution may include those that answer “no” into a pool in order to meet another set of policy or institutional goals. For example, all seniors might be offered an off-campus work opportunity to prepare them for entry into the permanent workforce upon graduation.

Some institutions tie assumptions about who should be offered work study to class standing (freshman, sophomore, etc.); class type (undergraduates versus graduate/professional); state residents versus non-residents; those that met certain deadlines; and even those of a certain level of estimated family contribution (EFC). Others tie the decisions more closely to an institution’s mission or even to surveyed student academic/career interests.

The amount of each offer also needs to be determined. This amount is usually based on reasonable estimates about how much students should work, estimated pay rates, drop off points in hours worked per week at which the employers will no longer see a trade-off to time invested in training the student, etc., and any need to spread opportunity broadly.

These choices are tallied to establish certain parameters that can be modeled to estimate the share of the \$1,100,000 that should be made available for packaging various groups. For example, it might be determined that, to serve the applying freshman indicating interest in work study, who met the priority deadline, and who had EFC less than \$2,500, the institution would dedicate \$300,000.

Initial Amount to Award	\$1,100,000
Modeled for Freshman	<u>(300,000)</u>
Amount Remaining	\$ 800,000

If the award amount for each freshman was determined to be \$3,000 (roughly 33 weeks, 12 hours per week at \$7.50 per hour), then about 100 freshman awards could be made. A different set of estimates such as hours worked per week might govern award amounts to seniors or graduates.

As freshman awards hit the streets, the institution goes on to make awards to returning and, possibly, transfer students. Perhaps it is a policy to offer all returning students who earned under a work study program last year a work study opportunity for the upcoming year. As the awarding phases continue, you have additional layers of new offers going out, declines and acceptances coming in.

Changes to Awarding Assumptions. A change in awarding philosophy can alter yields on offered awards. For example, if more money is awarded this year to graduate students than last and they tend to earn a higher percent of the accepted award, an adjustment needs to be made. Or if you have a small incoming freshman class, perhaps the amount you reserve for freshman awards needs to be scaled back this year and spread to the returning undergraduates. Or, with college costs going up and minimum wage on the increase, perhaps each student should be offered a larger award. Any upfront decisions like this can alter the historical “yield” and condition the amount of “Initial Amount to Award” as the awarding process unfolds.

Changes to the Earnings Climate. One more area that may influence historical patterns of overcommit are changes to the earnings climate. Earnings trends are diverse and can be numerous. Despite this, trends appear to fall into some groupings along a continuum. They range from causes as general as shifts in the economy and family values to very specific issues

particular to policy changes in a particular state or federal work study program. Any set of trends should be also considered for whether they impact the work study programs as a whole – or maybe just part of one program. Trends fall into five broad categories:

- Changes in the economy or in student/family behavior
- Trends in higher education generally
- Changes within the institution
- Influences outside of student employment but within financial aid
- Conditions specific to student work study programs

Within each category, there are many individual trends that can be cataloged or considered for their impact on overall utilization. Some of the trends are closely related to issues of the day and will be subject to change over time. Others are more established and will be predictable over time. The point is whether funding is being cut, is growing, or is simply being carried forward, there will always be a changing context in which work study dollars are spent. And, for this reason, to be successful in managing funds it is important to pause and examine that context. For a detailed list of the trends falling under these categories, **refer to Appendix A.**

How can administrators monitor student earnings?

Measure Frequently. To successfully manage the risks of the overcommit but not underspend the fund, the work study administrator needs to be vigilant. Developing a plan for utilization and checking results frequently are key. Without exception at the core of each successful work study fund management effort is a history of data and information about past management of the fund and a responsive set of tools or levers to turn. This history forms the basis for decision making. Overcommit levels tracked over time, paired with assumptions and expenditures, reveal a picture of how accurately the trends and their impact on the student population have been assessed. The information also establishes a baseline for future predictions. It is necessary at least once a month to “measure” earnings against assumptions. This allows you to always know whether earnings are on target, lagging or leading.

In the early part of the awarding cycle, the decision for an “Initial Amount to Award” of \$1.1m usually sets the “high watermark” in offering work study for the year. However, the example in Part Two illustrates what happens when the “Initial Amount of Award” is not yielding the needed rate acceptances. Then an additional amount is added to the “Initial Amount to Award.” From these early points forward generally this amount will start to be managed downward and more closely through comparisons of accepted awards and earnings (measured in dollars and percentages) compared to historical information.

If your office provides a service for referring students, you may be able to track placements more closely; if you run a “free market” for students and employers to find each other, then you may have more uncertainty in play until you can identify those that have located a job and are actually earning.

Compare to History. The focus during the award year is one of regular intervals of measurement to gain comparison snapshots especially to last year, but, as was said earlier, useful comparisons can go back five years or more. For example, how does this January 15 payroll compare to last year's same pay period? If that comparison looks to be in great variance, enlarge the comparison to a 30, 60, 90 day look. Perhaps students were quicker finding jobs and getting to work one year than the next; or perhaps the pace is truly quicker due to more students accepting and earning a higher percent of their awards. A word of caution: if you know the institution has changed or upgraded information systems in recent years be sure that historical statistical views are really based on the same data and formulas as the current system views you are getting.

If you are new to this responsibility, it is good to be sure you know the accounting system at the institution well enough to know where to look for all the earnings. Often an institution might use part of the work study allocation for placements on-campus, so student earnings and the resulting reimbursement from the work study program are all handled directly in the payroll and financial aid systems. The billings from off-campus employers for reimbursement of student timesheets may be processed in the accounts payable/receivable area and appear on a different budget status report.

Also if you are new to this responsibility, know that some of the ability to manage funds very closely is a function of experience. Those with more experience are better equipped to be more intuitive in their assumptions and risks. If you are inexperienced, stay closer to what the objective information and numbers indicate.

How can utilization be moved upwards or downwards? What options, or “levers,” exist to influence utilization?

When you identify the need to adjust work study offers in either direction – spend more or reduce commitments – you need a ready set of options you can employ. In **Appendix B** a range of options and tools are listed. Customize these tools for conditions at your institution. As you gain experience in fund management, you will want to track other options you develop to move earnings in one direction of the other.

Identify the options that should offset the trend and use these ideas to communicate solutions as you discuss this with your financial aid director, or other partners so together you can determine what actions will be taken. Maybe the institution has never maintained a “waiting list” for those interested in work study but not initially awarded it. It may be a labor intensive step, for example, to establish a deadline for accepting an award and then canceling all those offers that do not come back with a response, but the “back end” payoff may be a significantly clearer picture or focus on active awards.

Give careful consideration to the mechanics of the option and to the effects of the option. For example, if earning rates are high, you can cut students off from working, but what does that mean for students, for employers, and for the long range relationships that influence the reputation of the institution or the program?

Note of Caution

In addition to maintaining historical numeric data, keep descriptive notes about significant shifts in policy and practices for each year so that a few years down the road you are aware of the impact the change had on your data. For example, a fundamental change in philosophy to shift all FWS awarding to undergraduates can forever after affect the historical data of a school that at one time spread opportunity to all students.

Appendix B begins with a range of suggested reports that you should have to accurately monitor the program allocation against expenditures to determine if expenditures should be accelerated or slowed. Accurately predicting utilization is largely a function of understanding the unique features of the institution and its students. While these features cannot be duplicated or simulated at another institution, the pieces of information tracked are fairly universal regardless of institution.

Make sure you track the institution's interests in using the program flexibility options initially and finally, so during mid-year monitoring you know if you can build a back-up pool of funding should earnings exceed the available funding at year-end. Find out what options the institution has to use local funds to provide, for example, a 5% backup should earnings escalate. All these options should be categorized by whether they help you increase or decrease earnings; and should be ordered within those categories as to which should be employed first and which should be considered least desirable. And remember, the larger the back-up, the more you can afford to risk--and the more likely you will be to fully utilize the funds.

How should administrators respond at year-end when money remains available?

Despite best efforts, it happens: an institution is left with unspent work study funds at the end of the year. When it does happen, be prepared again with options. Find out if you can transfer to the program earnings perhaps from an institutional work study program meeting the same requirements. Have you employed every flexibility to carry forward or carry back funds within the program guidelines? Still have money that cannot be spent by the institution? Then be sure in the FWS program to fill out the *Campus-Based Reallocation Form* due in August that will allow the money to be returned to the U.S. Department of Education to be used for work study at other schools. If you do not take this step and the unspent money is simply reported later in October on the FISAP report, the funds lapse to the General Treasury and never will reach the intended recipient, the financially needy college student. For state-funded programs, consult with the state agency that oversees the program regarding procedures and timelines for returning unused funds.

Managing parts of a program or more than one work study program... and mandates.

You may determine it is necessary to break down the program allocation into sub-programs. Perhaps for clarity, or because of accounting rules, you manage on-campus earnings separate from off-campus earnings. A mandate in a program, such as the current one to spend seven percent of FWS on community service placements, may cause you to separately track and monitor part of the allocation. In this way, each mandate, especially those that come without additional funding, can add serious complexity to the process of fund management. Other examples may involve your state or institution operating additional work study programs, like a state work study program, a welfare-to-work program, or an institution-based work study program. Each new program or sub-program should be examined using this same thinking to determine the initial amounts to award in these funds.

Conclusion to “Part One – Understanding Concepts”

There are many factors which contribute to the challenge of managing a work study program. Student interest, employer willingness, simple aspects of geography, and even the weather, are just a few of the elements which can confound the use of proven and successful fund management techniques.

The goal of work study fund management is 100 percent fund utilization. The means to this end is:

- accurately determining the amount to be awarded;
- translating trends, conditions, and historical information into a financial projection;
- making periodic assessments; and
- employing selected practices and adjustments to arrive at year end with allocated program funds having fully benefited students.

Not all of what has been covered here pertains to each type of institution or to each administrator, but in the whole this information is representative of the kind of comprehensive thinking and results oriented practices used by successful administrators across the country to make this challenging work more predictable and more invigorating. Observe, analyze, think, decide, act, and assess the outcome. The use of this sequence in thought, repeated over time, predicts success in work study fund management.

Whatever role you have in the partnership to administer work study at your institution, time spent understanding the facets of fund management will deliver immediate and long term benefits in ensuring that your institution serves needy students as fully as possible

PART TWO – CASE STUDY APPLYING THE CONCEPTS

Part One of this paper, **Understanding the Concepts**, talked about the essential stages of work study fund management using an incremental example. Part Two, **Applying the Concepts**, takes that level of understanding and explains it in a more detailed case study, answering the five fundamental questions by walking the reader through an analysis of earnings data over time, identifying key findings and ways to respond.

1. How much money is available for student earnings?
2. How much opportunity should be awarded to get the desired year-end earnings?
3. How can administrators monitor earnings?
4. How can utilization be moved upwards or downwards? What options, or “levers,” exist to influence utilization?
5. How should administrators respond at year-end when money remains available?

How much money is available for student earnings?

Given the mix of Federal Work Study (FWS) job placement programs along with the FWS allocation carry forward and carry back options, the Job Location and Development (JLD) program, and administrative cost allowance (ACA) spending provisions, the fund manager must determine the amount of FWS allocation available in a current year for student earnings and the administrative cost allowance (ACA). The process can be separated into **three detailed steps** to arrive at the amount available for student earnings.

Step 1 – FWS Allocation Available for Earnings & ACA

Rich Nichols is the work study fund manager for School ABC. Rich has three years of historical work study earnings data available and is preparing for Year 4. In this example, the school has \$500,000 in FWS allocation for its upcoming Year 4. Rich Nichols must apply adjustments to the allocation to determine how much of the allocation he can use for student earnings. First, from his Year 3 fund management notes, Rich finds that School ABC overspent its FWS allocation and used the *carry back* provision to use \$5,000 of Year 4 allocation in Year 3 (effectively borrowing from Year 4 to pay for spending in Year 3). Rich reduces the Year 4 allocation by \$5,000 to account for the carry back.

Second, School ABC participates in the FWS Job Location and Development (JLD) Program. The school uses the 10 percent, or \$50,000 maximum, spending provision to run their JLD program. Rich reduces the Year 4 allocation by the JLD spending allowance.

Rich Nichols summarizes the FWS allocation adjustments as follows:

	Year 4 Projected	Year 3 (most recent)	Year 2	Year 1
FWS Allocation	\$500,000	\$500,000	\$515,000	\$510,000
Carry Forward (from Previous Year)	-	\$ 6,675	\$ 10,700	
Carried Back (to Last Year)	\$ (5,000)			
JLD Overhead Allowance	\$(50,000)	\$(50,000)	\$(50,000)	\$(50,000)
Subtotal: FWS adjusted allocation available for earnings & ACA	\$445,000	\$456,675	\$475,700	\$460,000

Rich Nichols determines that School ABC has \$445,000 in FWS allocation available for student earnings and to pay for the administrative cost allocation (ACA) option.

Step 2 – Estimating Gross Earnings for ACA Calculation and Establishing the Earnings Goal

School ABC may apply an administrative cost allowance (ACA) charge up to five percent of **gross student earnings** (FWS dollars plus employer match) to the FWS allocation. To accurately determine the amount of FWS available for earnings, the fund manager must adjust the FWS allocation to reflect the expected ACA charge. Since the five percent ACA is based on gross earnings, Rich Nichols must estimate a gross earnings amount for Year 4 to be able to estimate the amount of ACA that will be charged to the FWS allocation.

Earnings history combined with current year allocation information offers the fund manager a starting point to estimate total FWS earnings. In this example, School ABC participates in four federal work study earnings programs: regular on-campus employment, employment on campus eligible for community service designation, literacy tutoring (a 100% federal match program), and off-campus community service employment.

Based on the historical earnings patterns within these four programs, Rich Nichols estimates that **gross earnings** as presented in the following table will allow School ABC to remain within its FWS allocation for both establishing its student earnings goal and providing sufficient remaining allocation to support the 5 percent ACA.

FWS Job Program	Estimated Gross Earnings
On campus Community service	\$ 3,000.00
On campus Regular	495,000.00
Literacy Tutors (AmericaReads)	19,086.00
Off Campus Community Service	<u>33,200.00</u>
Total Estimated Gross Earnings	\$550,286.00

Step 3 – Check Spending Assumptions

Rich Nichols uses his spending estimates to check whether his assumptions fit with the school's available FWS allocation. In the table below, Rich calculates the Federal share of work student earnings for the 100% and 75% federal share job placement programs.

Program	Gross Earnings	Reimbursement	FWS Share
On Campus Community Service	\$ 3,000	75%	\$ 2,250
On Campus Regular earnings	\$ 495,000	75%	\$ 371,250
Literacy Tutors	\$ 19,086	100%	\$ 19,086
Off Campus Community Service	\$ 33,200	75%	\$ 24,900
Total earnings	\$ 550,286		\$ 417,486
Administrative Cost Allowance		5%	\$ 27,514.30
FWS Share, earnings & ACA			\$445,000.30

Adding together the estimated FWS share of student earnings (\$417,486) and the ACA (\$27,514.30), Rich estimates the total charges against School ABC's FWS allocation is \$445,000. This amount equals the amount Rich determined was available for spending for Year 4 in Step 1. His spending assumptions support the school's FWS allocation.

Fund Management Tip – Community Service Requirement

The Federal Work Study program requires that schools spend 7% of their federal work study allocation on Community Service Placements. Work study fund managers need to begin the year with sufficient community service placements to ensure the school is on track to meet the 7% spending requirement. (See **Appendix E**, Report 6)

To minimize the liability to School ABC, Rich Nichols checks his estimated earnings assumptions to ensure that Community Service spending plans are on track. With a \$500,000 FWS allocation, a 7% spending requirement means that School ABC must have at least **\$35,000** in federal share community service spending.

In the table below, Rich lists each community service program along with the estimated gross earnings to determine the federal share of earnings. Given his gross earnings plan, Rich projects that School ABC will have **\$46,236** in federal share spending on Community Service.

Community Service Programs	Estimated Gross Earnings	Federal Share %	Federal Share Amount
On campus Community service	\$ 3,000	75%	\$ 2,250
Literacy Tutors (AmericaReads)	\$19,086	100%	\$19,086
Off Campus Community Service	\$33,200	75%	\$24,900
Total Estimated Gross Earnings	\$55,286		\$46,236

Rich will closely monitor Community Service earnings throughout the year; however, Rich Nichols is minimizing School ABC's liability regarding the community service spending requirement by planning to place a sufficient number of students in community service jobs to spend \$46,236 – a good plan to meet or exceed the \$35,000 spending requirement.

How much opportunity should be awarded to get desired year-end earnings?

Schools begin making their initial federal work study awards to their students generally from February through August for the upcoming academic year. As discussed in Part 1, many factors need to be considered in deciding how much federal work study is awarded to ensure full fund utilization. In the fund management example for School ABC that follows, several methods are employed to monitor and adjust the federal work study award amounts to meet the earnings goal.

Initial Award Overcommitment

As Rich Nichols is the work study fund manager for School ABC, it is time for Rich Nichols to make the federal work study awards for the upcoming academic year. Rich wants to offer an initial amount of work study that will put School ABC on track to fully utilize its federal work study allocation while minimizing the number of work study awarding revisions required during the year. Rich has gathered some work study awarding and earnings data summarized the table below.

	Year 3 (most recent)	Year 2	Year 1
Total Work Study Funds Awarded for Earnings	\$1,300,000	\$1,200,000	\$1,100,000
Actual Gross Work Study Earnings	\$614,000	\$616,600	\$590,900
Actual FWS Share of Earnings & ACA	\$466,575	\$469,025	\$449,300
FWS Allocation for Earnings & ACA	\$456,675	\$475,700	\$460,000
FWS Allocation Underspent (Overspent)	\$(9,900)	\$6,675	\$10,700
Awarded to Earned Percent	212%	195%	186%

Rich notes that during the course of Year 1 School ABC awarded a total of \$1,100,000 in work study; however, students only earned a total of \$590,900. School ABC awarded 186% more work study than was earned. Rich also sees that School ABC underspent its federal work study allocation by \$10,700.

Rich Nichols examines Year 2 as well. Here, Rich finds that School ABC awarded 195% more work study than was earned. The federal work study allocation was still underspent, but not by as much compared to Year 1.

In Year 3 of the data Rich gathered, School ABC increased its work study awarding activity again. This time the amount awarded was 212% of the actual earnings. Rich notes that although the amount awarded increased from Year 2 to Year 3, earnings were a bit lower in Year 3. Additionally, the federal work study was *overspent* in Year 3 (the amount of work study School ABC had available to spend in Year 3 was lower than in the previous year – an example of tracking the allocation will follow).

Rich concludes from the data that the 212% overcommit amount was too high and that 195% was too low. To begin the new Year 4, Rich will use a 200% overcommit figure. In the allocation portion of the fund management process presented earlier, School ABC estimated that gross federal work study amount available for earnings for the coming year will be \$550,286. Rich will initially offer \$1,100,000 in work study for student earnings to achieve the 200% overcommit target. He hopes that amount will be just right, but he will continue to monitor student earnings and make adjustments throughout the year if necessary.

Fund Management Decision: based on historical yield data, a 200% overcommit figure is used for the work study award offers.

Note of Caution

In this example the data suggest a 200% overcommit figure for School ABC; however, each school's fund manager will need to closely study his or her own data to arrive at an overcommit figure that is responsive to that particular school's data.

How will the work opportunity be apportioned among students? Refer to Part One for the full discussion on this more policy oriented question.

How to Monitor Student Earnings?

To monitor work study activity, various reports that gather yield and earnings data are essential.

Awarding Yields and Targets

Fund managers can use their work study awarding activity and earnings data to calculate key ratios to read the status of their work study fund. School ABC has a report shown in this paper as **Appendix C**, they call **Work Study Summary Table**. The table includes the estimated earnings figure of \$550,286 as determined in the Allocation segment of Part Two. It also includes the \$1,100,000 overcommit figure as determined previously in the Initial Award Overcommit segment. Beginning with these figures, the fund manager collects new data points for the table on a monthly basis including figures such as the amount of work study accepted and the amount of work study earned (while this example is based on a monthly analysis, schools with a two-week pay period can perform the same process each pay period for additional data points).

After a few years of collecting the data, patterns become evident and provide an historical perspective on which to base current year funding decisions. For example, Rich Nichols sees that in September the amount of work study accepted by students was \$750,000 and the amount offered was \$1,100,000 for an Accepted to Offered ratio (or yield) of 68%. From the historical data that Rich has collected over several years, he determined that 70% is a good target amount for the Accepted to Offered ratio. Students are apparently not accepting their work study awards at the rate Rich expected. He can use this yield information to decide if he should offer more work study at this point of the year.

Payroll Reports

School ABC has historical payroll reports for the previous three years (Reports 3, 4, and 5 in **Appendix D**). These payroll reports offer the fund manager important clues in understanding earnings patterns and spotting changing earnings trends. Rich Nichols, our School ABC work study fund manager can view these reports and see at a glance the earnings activity by month for the four different FWS earnings options in which the school places students:

- on campus community service;
- on campus regular work study;
- literacy tutoring (includes common references to AmericaReads); and,
- off campus community service.

The historical payroll reports arranged from the most recent year, Year 3, to the oldest, Year 1, also show percentage usage figures. For example, the Monthly Percent of Gross Earnings figures show how much of the gross earnings were earned in a particular month. Rich can see at a quick glance that the Monthly Percent of Gross Earnings for Years 3, 2, and 1 for November are 12.7%, 12.8%, and 13.7%, respectively. The Accumulated Percent of Gross Earnings figures show the relative amount of earnings realized for the year on an accumulating basis. For Years 3, 2, and 1, student earnings as of November are 28.1%, 27.4%, and 28.1%, respectively, of the total earnings for the year. These data points show that students have historically earned around 27% or 28% of their total earnings for the year by the end of November. If Rich Nichols saw the November accumulated percent earnings rate come in at 35% for Year 4, for example, he could quickly see the aberration in earnings and investigate further. These historical earnings metrics provide Rich Nichols with information to gauge whether the current year earnings are on track as Year 4 progresses.

Early in the Academic Year

During the early part of the work study fund management process, the data available to track and compare include the amount of work study *offered* and the amount students have formally *accepted*. Up until the August timeframe Rich Nichols has been using his 200% overcommit figure as a basis to decide how much work study to award. As students return their notices of financial aid for the upcoming Year 4, Rich can switch to tracking the work study acceptance information on which to base work study awarding decisions.

As mentioned earlier, Rich Nichols sees that as Year 4 progresses, September data show that students accepted their work study awards at a 68% yield (32% of work study offered to students was not accepted). Rich has targeted 70% as a desirable rate based on historical patterns. While it appears from the ratio that students are not accepting their work study at the desired level, Rich determines that his initial 200% overcommit remains the dominant data point in his fund management process at this point. He believes that it is too early to change the amount of work study offered based on the Accepted to Offered ratio.

Fund Management Decision: based on the initial 200% overcommit value and on the 68% Accepted to Offered ratio, no change is needed in work study awarding activity.

Note of Caution

While the 70% accepted to offered yield target may be suitable for School ABC, each fund manager will need to closely follow patterns at his or her own school to determine the appropriate accepted to offered work study yield target.

October

Year 4 progresses and new data become available for the month October. Virtually all of the financial aid offers made to students have been returned indicating whether students have accepted or declined their aid offers, including work study. Additionally, students have begun earning under their work study jobs. Typically, though, the earnings data at this time is not sufficient to spot a trend. In Rich's case, the Accepted to Offered Ratio now gives the best information for fund management decision-making.

At the end of October Rich updates his *Work Study Summary Table* report. He notes that the Accepted to Offered ratio remains at 68% -- still not at the desired 70% target. Rich is now concerned that students at School ABC have not accepted a sufficient amount of work study to fully expend the federal work study allocation. He believes that now would be an appropriate time to offer more work study opportunity to the school's students.

How much more work study should Rich offer now? Since the desired Accepted to Offered ratio is 70%, Rich calculates that 70% of the \$1,100,000 offered amount is \$770,000. Students have accepted only \$750,000 as of the end of October – a \$20,000 shortfall of the target. Rich decides that he will need to offer \$25,000 more in work study to yield \$20,000 in additional accepted work study.

Since August Rich has maintained a Work Study Waiting List to record those students who actively asked for work study but have not yet received it. Rich uses his Work Study Waiting List to select students to receive \$25,000 more in work study.

Fund Management Decision: based on the Accepted to Offered comparison, an additional \$25,000 in work study opportunity will be offered to students.

November

At the end of November, Rich again updates and reviews the *Work Study Ratio Summary Table* report. Now the Accepted to Offered ratio at 69% is very close to the target ratio of 70%; a bit more in accepted work study is needed to reach the target ratio. Also, by the end of November, sufficient earnings data is available on which to base awarding decisions using the Earnings to Accepted ratio (a measure of how much work study students have earned, compared to how much they accepted). As earnings increase, the ratio increases towards the target ratio. In this example, School ABC targets 23% as the appropriate ratio at this early point in the year. The November ratio of 22% indicates that earnings are lower than expected.

Rich Nichols uses the Accepted to Offered ratio and the Earnings to Accepted ratio as indicators that room for more work study opportunity can be given to students. Sometimes fund managers do not have an analytical tool available to determine the right amount of incremental work study to award. In this case, Rich Nichols considers the current information, his past experience with supplemental work study awarding, and the size of the federal work study allocation to conclude that \$25,000 is an appropriate amount of work study opportunity to award to students at this point.

Fund Management Decision: based on the Accepted to Offered ratio and the Earned to Accepted ratio, offer \$25,000 more in work study.

Fund Management Tip – Community Service Requirement

The Federal Work Study program requires that schools spend 7% of their federal work study allocation on Community Service placements. Work study fund managers need to routinely gauge the level of work study earnings in community service placements to ensure the school is on track to meeting the 7% spending requirement.

School ABC has **Appendix E**, Report 6 – Community Service Spending Chart updated through the end of November. School ABC's community service programs include the traditional off campus placements, eligible literacy tutoring placements, and the allowable on campus placements that provide services to disabled students. Report 6 allows Rich to see that School ABC has already met 46% of the spending requirement. Additionally, he sees that with the October spending at \$5,950 and November spending at \$9,750, he expects to meet the remaining spending requirement of \$18,950 by the end of February – a comfortable position to be in. While he will continue to monitor Community Service earnings, Rich Nichols has minimized School ABC's liability regarding the community service spending requirement. He is on track to meet the spending requirement.

December

Rich Nichols again updates and reviews the *Work Study Summary Table* report. He also looks at the *Payroll Chart for Year 4* (Report 5). As the data for December is updated, Rich sees that the *Payroll Chart for Year 4* shows students have earned 38.5% of the total estimated earnings for the year. Rich can also see from his *Work Study Summary Table* report that the 38.5% figure is high compared to the target ratio of 37% – a warning signal.

The *Work Study Summary Table* report also shows that the Earnings to Accepted ratio of 26% matches the 26% target. This ratio suggests earnings may be on track and conflicts with the warning above.

With the data offering conflicting signs, Rich notes that earnings are slightly ahead of the target; however, work study earnings can vary from term to term and from pay period to pay period while not necessarily following a new trend. As the work study fund manager Rich Nichols will need to carefully track the first few pay periods in the winter term to determine whether a trend of higher than desired earnings is in place, or if earnings return to expectations.

Fund Management Decision: based on the Earnings to Allocation Ratio and the Earnings to Accepted ratio, no change in work study awarding is needed. Careful monitoring of earnings during the next few pay periods is warranted.

January

At this point in the academic year, the earnings behavior becomes the dominant factor to track. While the ratios tracking offered and accepted work study amounts can continue to reveal information on work study activity, the *earnings to allocation ratio* contributes the most to understanding how the work study funds are being utilized.

Rich Nichols notices that as of the end of January earnings remain ahead of the target. The Earnings to Allocation comparison is 53% in contrast to the 52% target. For School ABC it is not unusual to expend over half of the annual allocation by the end of January. The school finds that historically their students work more in the fall term and early winter term than they do during spring term. There is room for concern at this point that earnings continue to outpace the target. A one percent difference from the target may sound small, but one percent of a large allocation can be a big number. For example, 1% of the \$550,286 earnings allocation is just over \$5,500. Further, if a trend of increasing earnings is in place, the 1% difference could develop into 2% or 3% gap.

Note of Caution

For School ABC it may be normal to have over half of the work study allocation earned by the end of January; however, each school's fund manager must understand the earnings patterns that represent typical earnings for that school. For example, a school located near a popular ski resort may experience a drop off in earnings during winter term and a pick up in earnings spring term.

With a possibility of overspending the work study allocation taking shape, Rich Nichols considers options available to School ABC at this point: make no further work study awards, decline requests from students and employers to increase existing work study awards, make arrangements with employers to pick up a greater share of the employer match, invite some students to give up their work study awards in favor of other aid that may be available (institutional grant for example), or do nothing. Rich may be comfortable with the earnings situation as it is knowing that at the end of the year other levers exist to adjust a moderate overexpenditure. These levers include carrying back FWS allocation from the coming year or charging the FWS portion of the administrative cost allowance to another campus-based program allocation.

February to June

For the time periods beyond January, and until year end, the same basic philosophy of examination and adjustment apply. As the year comes to a close, the time between measurements might be increased to at least every two weeks, if your payroll system works on that schedule. Adjustments made mid-year have less time to impact year-end utilization.

Also, many accounting systems work on a theory of containing a “13th” or “25th” month, a period of a few weeks after June 30, when additional expenditures can still be charged to that year’s allocation. This is often a critical time for final adjustments within and across programs to be made in order to fully maximize the allocation.

How can Utilization be Moved Upwards or Downwards? What Options, or *Levers*, Exist to Influence Utilization?

Levers

The federal work study program offers the fund manager several levers to manipulate to help ensure work study funds are appropriately utilized. For example, School ABC is permitted to carry forward 10% of its unspent FWS allocation into the following year to offer to students then. If students earn more than expected and the school overspends its FWS allocation, School ABC can carry back FWS funds from the upcoming year to use in the current year. Also, the school can decide to charge the FWS portion of the Administrative Cost Allowance (ACA) to a different Campus Based program such as FSEOG or Perkins Loan Fund. Further, 25% of the FWS allocation may be transferred to the FSEOG allocation and be given out to students in the form of a grant (consult the FSA Handbook for details).

Other levers exist for schools to use as well. If a school knows early in the year that fully expending its FWS allocation may be difficult it can attempt to refer more students to the 100% reimbursement programs such as literacy tutoring. Where a trend of over earning is apparent, schools can arrange for employers to agree to provide a higher percentage match. For example, a school could agree to provide a 35% percent match and charge only 65% (rather than 75%) of the earnings to the FWS share of the allocation.

Fund managers should take full advantage of the levers available to ensure FWS funds are fully expended to ensure the fullest opportunities are provided to the school’s students. Refer to **Appendix B** for more ideas.

School ABC Example

Returning to our FWS fund manager, Rich Nichols, at School ABC, let’s assume that Year 4 has progressed to year-end. Rich now looks at the *Payroll Chart for Year 4* (Report 5). In spite of awarding adjustments Rich may have made during the winter and spring term, students over earned the allocation for earnings by 4.5% as seen by the accumulated percent of gross earnings figure of 104.5%. Gross earnings came in at \$575,000 while his target was \$550,286.

From his allocation chart shown previously in Step 1 of the allocation process, School ABC has \$445,000 to spend on the federal share of work study earnings as shown below:

Federal Work-Study (FWS) Allocation	\$ 500,000.00
Carry Forward (from Previous Year)	-
Carried Back (to Last Year)	\$ (5,000.00)
JLD Overhead Allowance	\$(50,000.00)
Subtotal: FWS allocation available for earnings & ACA	\$445,000.00

Rich then uses the *Payroll Chart for Year 4* (Report 5) to find how much federal share of work study was actually spent. The federal work study share of expenditures depends on the reimbursement amount for each work study program. For School ABC, the FWS expenditures are as follows:

FWS Program	Total Earnings	FWS Share %	FWS Share Amount
On campus Community service	\$3,350	75.0%	\$2,512.50
On campus Regular	\$500,400	75.0%	\$375,300.00
Literacy Tutoring (AmericaReads)	\$23,950	100.0%	\$23,950.00
Off Campus Community Service	\$47,300	75.0%	\$35,475.00
Total	\$575,000		\$437,237.50

Most of the FWS programs School ABC uses are 75% reimbursement programs; however, School ABC does use the 100% reimbursement literacy tutoring option as well. School ABC has gross earnings of \$575,000 for Year 4. Considering the reimbursement rates, \$437,237.50 of the earnings represent the FWS share.

Year-end – Putting it All Together

Rich Nichols now summarizes the gross earnings, FWS share of earnings, and the administrative cost allowance (ACA) in the following table:

Total Gross FWS Earnings	\$575,000.00
FWS allocation available for earnings & ACA	445,000.00
Actual Earnings, FWS Share	437,237.50
Administrative Cost Allowance (ACA) at 5% of Gross Earnings	<u>28,750.00</u>
Subtotal, FWS Share of Earnings & ACA	<u>\$465,987.50</u>
Amount Underspent (Overspent)	\$(20,987.50)

Fund Manager Rich Nichols calculates that School ABC has overspent the FWS allocation by \$20,987.20 when considering the FWS share of earnings and the allowable ACA charge. Rich Nichols consults with the financial aid director to discuss the available levers to resolve the overspent condition. Rich and the director decide to use the carry back lever to bring back \$10,000 in FWS allocation from next year (Year 5) to apply to the current Year 4. They also decide to use the administrative cost allowance (ACA) flexibility lever to redirect \$10,987.20 of the \$28,750 ACA charge to another campus based program (Perkins Loan, for example). The year-end overspent condition is then resolved as summarized in the following table:

Carry Back from Next Year	\$10,000.00
Administrative Cost Allowance Redirection	<u>\$10,987.50</u>
Amount of adjustment achieved	<u>\$20,987.50</u>
Net Amount Underspent (Overspent)	\$0

Fund Management Decision: Use the carry back and ACA charge flexibility to resolve overspent condition.

If the year ended with unexpended FWS dollars, Rich would have referred to the options discussed in Part One under the question, “How should administrators respond at year-end when money remains available?”

Conclusion – Part Two

By using the principals explained in Part One, and then applied in Part Two, along with employing the FWS and other program levers, Rich Nichols has successfully managed the work study fund to bring full work study opportunity to students. Rich makes a fund management note for the year detailing the overexpenditure and adjustments used to remain within the FWS allocation. The adjustments are reported on the school’s FISAP report.

Trends Influencing Work Study Earnings

The information that follows lists some of the different categories of trends and types of trends that could condition how much an institution initially offers for earning or could appear mid-year and condition the rate of earnings within the year. It is expected that each administrator could add to such a list based on local factors, and determine at each institution how much weight to give each trend in arriving at a further refinement of the “Initial Amount to Award.” These trends are generally listed from the very broad influences to ones with more direct bearing on the decision making.

1. Changes in the economy or in student/family behavior

- Generally more conservative or progressive economic outlook
- Unemployment rates higher or lower
- Employer base may change with changes in the economy (employers no longer able to provide employer match, or new businesses growing up)
- Families more willing or more pressed to borrow
- Rising costs may cause student to feel pressed to quickly finish their education, trading off the part-time work experience
- Students feel pressed to work full-time
- Some students may find it increasingly difficult to work
- Parents of first-year students may prefer they not work
- Students may need education about the benefits of work
- Students may fear loss of other benefits if they work
- Students may fear going off campus or not know how to use public transportation
- Reform in government programs, like welfare or workforce training
- Community college students tend to enter the institution year-round

2. Trends in higher education generally.

- Increasing costs
- Budget cuts
- Borrowed financial aid/student employment staff to work in other parts of the college
- Enrollment profile fluctuations
- Rules on state retirement eligibility and payment of FICA may constrain the number of hours a student will be permitted to work
- Changes in accounting practices that restrict or enhance the ability to accept funds late in the aid year

3. Trends in the specific institution.

- Faculty preference for academic experience over paid work experience
- New curriculum increases academic requirements or students
- New volunteer efforts, for example in tutoring, may displace existing paid student placements

4. Influences outside of student employment but within financial aid

- Increased borrowing limits and options with student loans
- Institutions' practices of packaging unsubsidized loans
- The need to borrow is communicated as inevitable
- Institutional backup funds have diminished
- Overall increase to applicant pool due to availability of free application may drain staff resources
- Financial aid staff resources spread thin by new requirements or aid programs
- Demographic make-up of financial aid eligible student body may shift
- Convenience of "cash up front" for tuition payment available through borrowing rather than work
- Administrators may be risk adverse because at one time they had to ask their institution to cover work study overages
- Less institutional money available to "over-match" work study

5. Conditions specific to the Federal Work Study program

- Spike in funding after static period
- Federal methodology creates a disincentive to earn work study
- Lack of work study information on FAFSA
- Job Location and Development federal funding has been reduced and some schools chose to spend on reimbursements
- Federal 7% community service requirement may mean "borrowing" from other placements
- Work Study programs are time intensive
- Different rules among work programs may generate a different "net" effect
- Entry point for new staff; fairly high turnover
- Some non-financial aid education assistance programs provide disincentives for work
- Some areas experience sudden economic downturns when, for example, a school levy fails and school district placements dry up
- If there is a large full-time program during the summer, the "net" isn't clear until middle of fall term
- Assuming that schools will have strong fund management tools because they have large federal work programs can be a misconception
- America Reads – reading, family literacy, and math employer match waivers

6. Issues specific to a State Work Study program

- Modest but periodic program funding increases
- Program serving fewer out-of-state who have been highly motivated "earners" due to limited access to other funding
- Movement to fewer full-time SWS summer awards which were high "net" award to earnings
- With no growth in funding, less money is being circulated so schools that could spend more are being conservative
- Employers want to pay lower wages so prefer FWS placements
- In some locations, the cost of off-campus employment presents a barrier
- Some students prefer on-campus work
- Some schools are located in rural settings

Options to Adjust Expenditures

Usually the most effective options for making adjustments to work study commitments resides with the student employment administrator. Additionally, there are other areas where levers and options can be tapped for their influence in managing the funds. They are roughly grouped by those that have the information and authority to employ change.

1. Student Employment Administrators

- ▣ Develop a set of fund management reports with these features at a minimum:
 - Obtain data by month, year, dollars, percentages, and numbers
 - Students "offered" to "allocated"
 - Repeat for "offered" to "accepted"
 - Repeat for "accepted" to "earned"
 - Repeat for "offered" to "earned"
 - Decide on any subcategories - such as full-time summer vs. academic year
 - Maintain a rolling history of at least five years and track basic distinctions of each year
- ▣ Develop a band of placements that can be attributed to either FWS or SWS for year-end adjustments
- ▣ Understand the broad array of Federal Work Study utilization options available
- ▣ Recognize that placements in certain high-net areas anchor portions of the utilization effort
- ▣ Revise work award once employment is found based on hourly pay rate and estimated number of hours student can realistically work
- ▣ Place a focus on work by doing mailings separate from the financial aid award
- ▣ Limit the time in which the student has to accept the award and the amount of time they have to secure a placement; then recirculate the opportunity to other students
- ▣ Establish waiting lists or flags for students interested in work study should the need for additional placements arise
- ▣ Communicate information to financial aid personnel as decisions are made on the initial awarding philosophy and commitment levels; then develop updates at least monthly
- ▣ Consider the return on periodic contacts with students and employers on award utilization
- ▣ Hold work study orientations; some institutions propose administering a test of work study information as condition of being referred to employers
- ▣ If employers are late submitting timesheets, consider sending them out monthly as a form of invoice
- ▣ Rather than focus on jobs, focus on employers; an interested employer will often develop a placement for a student and be there for the next student
- ▣ Do small studies of certain sub-groups within the awarded population to establish information about their "net" rates; find out, for example, if there are differences between the "nets" of single parents and dependent students, and then compare to placement practices
- ▣ Strong matches (that is, good placements for students and employers) tend to "net" higher Award vs. Earn ratios
- ▣ Collect off-campus timesheets that miss payment deadlines to pay at year-end should funds remain available.
- ▣ Develop outreach to expand the knowledge about benefits of work with students, employers, and other campus offices
- ▣ Review the need for staff training in program administration and fund management
- ▣ Employ institutional resources to staff the office, to work on timesheets, to design a new computer system for monitoring expenditures
- ▣ Explore benefits of software, telephone options, and the Nationwide Student Work Consortium for matching students with employers which may net a higher ratio of awarded to earned

2. Financial Aid Administrators

- Annually consider awarding philosophy and overcommit levels based on all the information gained under the "Student Employment" section; for example, if high need students are targeted, they may include a large population of single parents who earn at a lower rate
- Develop a planned initial overcommit and a target for a declining over-commitment in each succeeding month of the year; adjust commitments and awards as needed
- Fully consider awarding options within program guidelines
- Estimate the effect of changes in program guidelines
- Utilize any options in one program that can offset restrictions in another program; for example, use the FWS carryforward option if there is no carryforward for SWS
- Employ all the Federal Work Study utilization levers that apply
- Review staffing levels and needs for computer support
- Clearly determine any distinctions in responsibilities, especially if Student Employment reports to another area
- Consider the use of institutionally controlled dollars, to leverage more placements, or perhaps overmatch allowable on-campus FWS placements.

3. Other Institutional Administrators

- Communicate policy decisions which may alter the make-up of newly admitted students
- Communicate demographic trends in currently admitted population
- Develop an understanding of work study as more than a form of financial aid, a form of assistance that supports and tests learning, much like internships and cooperative education
- Support work study for the community connections it develops and for its potential to forge needed partnerships with business

4. State or Federal Agency

- Understand the prime opportunity for schools to spend additional money is during the original award cycle, for full-time summer awards, and in the early academic year; later, it is harder to spend
- Develop a public relations piece for students - "why work"
- Seek carry-forward option and flexibility among programs
- Sponsor training for new administrators
- Explore technical support options, like posting to the Internet
- Consider a systemwide overcommit
- Job Developer - focus on students and parents
- Identify "low utilizers" and target development money to them for software and training
- Contract with local experts or stars (student recruitment, funds management, and job location); convene administrators to share best practices
- Fund small grants to individual campuses or consortia of institutions
- Promote placements in new areas, such as those aligned with the state's economic goals
- Process reimbursements for public institution off-campus employers
- Examine process, especially with timesheets, for streamlining reimbursement process
- Understand that having unexpended dollars does not mean that the student need and interest in work study is met

Report 1 – Work Study Ratio Summary for Year 4 Data

	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Earnings Allocation	550,286	550,286	550,286	550,286	550,286	550,286	550,286
Offered	1,100,000	1,100,000	1,100,000	1,100,000	1,125,000	1,150,000	1,150,000
Accepted	50,000	650,000	750,000	750,000	776,250	798,750	798,750
Earnings			3,850	91,900	169,950	211,625	290,025
Offered- Allocation Ratio	200%	200%	200%	200%	204%	209%	209%
Target Offered- Allocation Ratio	200%	200%	200%				
Accepted to Offered Ratio			68%	68%	69%		
Target Accepted to Offered Ratio			70%	70%	70%		
Earnings to Accepted Ratio					22%	26%	36%
Target Earnings to Accepted Ratio					23%	26%	34%
Earnings- Allocation Ratio						38.5%	53%
Target Earnings- Allocation Ratio						37%	52%

Appendix D

Report 5 – Payroll Chart for Year 4

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
On campus Community service	150	450	450	275	300	425	275	450	475	100
On campus Regular	3,500	82,100	68,300	34,400	67,100	65,800	44,000	63,000	54,700	17,500
Literacy Tutoring (AmericaReads)	200	2,200	3,000	1,500	2,900	4,100	2,900	3,550	3,600	-
Off Campus Community Service	-	3,300	6,300	5,500	8,100	5,200	9,900	5,400	3,600	-
Pay Period Total	3,850	88,050	78,050	41,675	78,400	75,525	57,075	72,400	62,375	17,600
Running Balance	3,850	91,900	169,950	211,625	290,025	365,550	422,625	495,025	557,400	575,000
Monthly % of Estimated Gross Earnings	0.7%	16.0%	14.2%	7.6%	14.2%	13.7%	10.4%	13.2%	11.3%	3.2%
Accumulated % of Gross Earnings	0.7%	16.7%	30.9%	38.5%	52.7%	66.4%	76.8%	90.0%	101.3%	104.5%

Report 4 – Payroll Chart for Year 3

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
On campus Community service	200	400	300	100	300	400	300	400	400	100
On campus Regular	3,600	83,700	69,700	35,100	68,400	70,200	49,500	73,800	65,700	19,800
Literacy Tutoring (AmericaReads)	200	3,200	1,800	1,100	3,600	4,500	2,700	3,600	3,600	0
Off Campus Community Service	0	3,300	6,300	5,500	8,100	5,200	9,900	5,400	3,600	0
Pay Period Total	4,000	90,600	78,100	41,800	80,400	80,300	62,400	83,200	73,300	19,900
Running Balance	4,000	94,600	172,700	214,500	294,900	375,200	437,600	520,800	594,100	614,000
Monthly % of Gross Earnings	0.7%	14.8%	12.7%	6.8%	13.1%	13.1%	10.2%	13.6%	11.9%	3.2%
Accumulated % of Gross Earnings	0.7%	15.4%	28.1%	34.9%	48.0%	61.1%	71.3%	84.8%	96.8%	100.0%

Report 3 – Payroll Chart for Year 2

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
On campus Community service	400	1,200	1,100	500	900	1,200	500	550	400	200
On campus Regular	3,500	79,600	71,000	31,200	59,700	72,200	52,050	74,000	72,600	27,600
Literacy Tutoring (AmericaReads)	-	4,300	3,200	1,400	2,000	2,400	1,600	3,300	5,800	2,300
Off Campus Community Service	-	1,200	3,700	4,000	7,700	4,800	3,500	6,500	5,200	3,300
Pay Period Total	3,900	86,300	79,000	37,100	70,300	80,600	57,650	84,350	84,000	33,400
Running Balance	3,900	90,200	169,200	206,300	276,600	357,200	414,850	499,200	583,200	616,600
Monthly % of Gross Earnings	0.6%	14.0%	12.8%	6.0%	11.4%	13.1%	9.3%	13.7%	13.6%	5.4%
Accumulated % of Gross Earnings	0.6%	14.6%	27.4%	33.5%	44.9%	57.9%	67.3%	81.0%	94.6%	100.0%

Report 2 – Payroll Chart for Year 1

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
On campus Community service	300	1,200	800	500	800	600	800	500	650	100
On campus Regular	3,300	75,200	71,700	36,300	55,500	65,300	55,500	68,200	65,450	26,500
Literacy Tutoring (AmericaReads)	300	2,300	3,800	2,000	2,500	2,900	2,500	2,400	4,500	1,300
Off Campus Community Service	-	2,500	4,800	3,600	5,100	4,100	4,800	6,000	3,800	2,500
Pay Period Total	3,900	81,200	81,100	42,400	63,900	72,900	63,600	77,100	74,400	30,400
Running Balance	3,900	85,100	166,200	208,600	272,500	345,400	409,000	486,100	560,500	590,900
Monthly % of Gross Earnings	0.7%	13.7%	13.7%	7.2%	10.8%	12.3%	10.8%	13.0%	12.6%	5.1%
Accumulated % of Gross Earnings	0.7%	14.4%	28.1%	35.3%	46.1%	58.5%	69.2%	82.3%	94.9%	100.0%

Appendix E

Report 6 -- Community Service Spending Chart for Year 4, as of end of November

Item	Sep	Oct	Nov
On campus Community service	150	450	450
Literacy Tutoring (America Reads)	200	2,200	3,000
Off Campus Community Service	0	3,300	6,300
Pay Period Total	350	5,950	9,750
Running Balance	350	6,300	16,050
FWS Allocation			500,000
Spending Requirement %			7%
Spending Requirement Amount			35,000
Amount of Spending Needed to Meet Requirement			18,950
Percent of Requirement Already Met			46%