**INTRODUCTION**

As state policymakers wrestle with how to increase college completion rates and make postsecondary education more affordable, they confront a significant challenge with the large number of students engaged in both school and work. A preponderance of evidence suggests that students do better in school when they do not work long hours.

Today, however, the reality is that fewer students can afford not to work, as need-based financial aid fails to keep pace with rising tuition rates and the higher cost of living, and as the challenging job market has prompted more students into trying to build up their resumes before graduating. Many of these working students, especially in community colleges, are low-income adults who have to earn money to support their families and pay for their education.

States have a range of policy tools to help address the costs of college and the effects of school-year employment. Establishing a state-sponsored work-study program could be one such tool. As exemplified by the long-standing, $1 billion per year Federal Work-Study Program, financially needy students typically are assigned to part-time campus jobs that explicitly avoid conflicts with classes, so not to hurt their academic performance. Yet, the downside is that work-study positions typically provide little relevant work experience and pay minimum wage.

Bucking this trend, a handful of states have set up their own work-study programs that provide students with more meaningful work assignments off campus and for higher pay. Despite these promising initiatives, state funding of work-study remains paltry compared to other forms of financial aid, even though state dollars stretch farther because employers pay a portion of student wages.

This policy brief explores ways that states can reimagine and reinvest in their work-study programs, especially to benefit low-income adult students with families. This is an important policy area for the Working Poor Families Project (WPFP), a
national initiative to strengthen state policies that influence the well-being of low-income working families. By directing more attention to this issue, WPFP and its state nonprofit organizational partners can promote state policies for work-study programs that address the financial needs of low-income adult students and improve their chances for successfully completing their postsecondary experience and obtaining post-graduation employment.

This policy brief examines the employment experiences of low-income adults in college, describes the work-study model, and spotlights state programs that are addressing the needs of low-income adult students with families. It also offers recommendations that WPFP state partners can use to promote more effective state work-study programs.

EMPLOYMENT EXPERIENCES OF LOW-INCOME ADULTS IN COLLEGE

In an era of skyrocketing tuition rates and increased competition for limited financial aid resources, it is easy to understand why two out of three students work during college. As one indicator of the need to make money, nearly three-quarters of low-income students participating in Washington State's work-study program said they would not be able to afford to stay in school without the earnings they make through work-study.

Low-income adults are far more likely to need employment to support their families and finance their education. On average, low-income adult students log more hours per week on the job than younger students, according to an analysis of National Postsecondary Student Aid Survey (NPSAS) data (Figure 1).

Working over 16 hours per week is common among low-income adults, whether they are enrolled in college full- or part-time (Table 1). Their “work first, academics second” circumstances echo the habits of the broader population of adult college students. Forty percent of employed college students age 24 and over combine full-time work with part-time school attendance. Meanwhile, just 20 percent attend school full-time and work part-time (Figure 2). The combination of work, school, and family commitments poses significant barriers to academic success.

![Figure 1: Undergraduate Employment Rate and Work Hours, by Traditional and Nontraditional Student Categories](image)


Traditional students are defined as undergraduate students under age 24 claimed as dependents by parents. Nontraditional students are defined as undergraduates age 24 and over who are married, unmarried, or separated; with dependent children; with a total household income (including their spouse's earnings) that does not exceed $45,397 (the equivalent of 200 percent of the federal poverty level in 2011 for a family of four).
Table 1: Employment Rate of Nontraditional Students Heading Low-income Families

<table>
<thead>
<tr>
<th>Job: Hours worked per week (Including Work-Study)</th>
<th>1-15 hours</th>
<th>16-34 hours</th>
<th>35 or more hours</th>
<th>Not working</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7.6</td>
<td>20.0</td>
<td>37.1</td>
<td>35.3</td>
</tr>
<tr>
<td>By Full-time Attendance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public 4-year</td>
<td>10.6</td>
<td>22.4</td>
<td>25.8</td>
<td>41.2</td>
</tr>
<tr>
<td>Public 2-year</td>
<td>8.3</td>
<td>23</td>
<td>26.7</td>
<td>42</td>
</tr>
<tr>
<td>Proprietary</td>
<td>5.6</td>
<td>16</td>
<td>37.2</td>
<td>41.3</td>
</tr>
<tr>
<td>By Part-time Attendance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public 4-year</td>
<td>9.3</td>
<td>22</td>
<td>43.7</td>
<td>25</td>
</tr>
<tr>
<td>Public 2-year</td>
<td>7.4</td>
<td>20.9</td>
<td>42.9</td>
<td>28.8</td>
</tr>
<tr>
<td>Proprietary</td>
<td>4.7</td>
<td>15</td>
<td>48.7</td>
<td>31.5</td>
</tr>
</tbody>
</table>

Source: NPSAS 2011.

According to multiple empirical studies, college students who work several hours per week tend to earn lower grades.6 Furthermore, according to former college students surveyed for two recent studies, working too many hours is a major factor for why students decide to drop out of school. The combination of full-time work, part-time attendance, and family responsibilities puts nontraditional students particularly at risk of dropping out of college.

In a 2003 study of the working habits of adult students,7 non-completion was most common among the two-thirds of employed adults enrolled in college who deemed work as their primary activity (“employees who study”) as compared to the one-third of employed adults who largely worked part-time to pay for education expenses (“students who work”). In examining a longitudinal cohort of older undergraduates who first began their postsecondary education in 1995–96, the study finds that 62 percent of “employees who study” left school without earning a credential, compared to only 39 percent of “students who work.”

On the other hand, some evidence suggests that part-time employment, ideally on campus and in a position related to one’s academic interests, positively affects persistence and degree completion. Moreover, unlike other forms of school-year employment, holding a part-time work-study job may not hurt the academic performance of students.8 Interestingly, work-study generally had

Figure 2: School and Work Commitments of Employed Students, Age 24 and Over

a better effect on the academic performance of older students, compared to traditional undergraduates who enrolled in college directly after graduating from high school.\textsuperscript{9}

Large majorities of Washington college students report that their work-study experience has supported (rather than hindered) their pursuit of earning a degree (83 percent); has helped clarify their educational and career goals (86 percent); and has made them more marketable for future employers (94 percent). Furthermore, in Illinois, 70 percent of work-study students seeking regular jobs were permanently hired by their employers.

Unfortunately, most undergraduates, particularly low-income adults with children, do not hold jobs that are structured to support—let alone, enhance—academic studies. Eighty percent of working students spend 15 hours or more per week on the job; among low-income working adults enrolled in college, nearly 90 percent work more than 15 hours a week.

Moreover, the vast majority of college students are employed off-campus (91 percent), with most working for for-profit companies (63 percent), followed by nonprofits and government/military (12 percent each) and their college or university (7 percent).\textsuperscript{10} Strikingly, among students attending community college in Washington, 77 percent of incoming students employed in their first quarter in college were working at a job they held prior to college enrollment—primarily in off-campus jobs at retail, accommodations, and food services establishments.

Meanwhile, less than six percent of undergraduates are employed through work-study positions. The vast majority of work-study participants are “traditional” students under the age of 24 whose parents claim them as dependents. Many of them attend private four-year universities (Figure 3).

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure3.png}
\caption{Work-Study Participation by Institutional Sector and Student Status}
\end{figure}

\begin{itemize}
\item Source: NPSAS 2011-12.
\end{itemize}
Nontraditional students (including independent or low-income adult students) fill about half of the small share of work-study jobs offered through community colleges, as well as a small portion of four-year public and private schools.

Far more low-income adult students could be employed in work-study jobs than the current 2 percent. Whether or not employed during the school year, about 75 percent of adults heading families with incomes at or below $45,000 received some form of need-based aid while attending college—a strong indicator that they also would qualify for work-study positions. Moreover, a recent examination of work-study participation in West Virginia finds that adult students with family incomes as high as $55,000 qualify for work-study jobs. To help increase student completion through work-study, the challenge will be structuring state-funded work-study programs in ways that meet the specific needs of more low-income adults.

WORK-STUDY PROGRAMS MODEL AND STATE PROGRAM EFFORTS

Most college students who hold work-study jobs are funded through the nearly $1 billion per year Federal Work-Study (FWS) program administered by the U.S. Department of Education. The author performed a 50-state scan to determine the prevalence of state-sponsored work-study programs, their funding sources, program designs and structures, eligibility requirements, policy goals, enrollments levels, and educational and employment outcomes. The survey identified 14 states that fund and administer work-study (Table 2). By and large these state programs share many traits with the Federal Work-Study Program:

- Funds are allocated directly to colleges and universities, which are responsible for enrolling students in the program and disbursing their work-study award amounts via hourly wages paid by employers. It is up to students to use their earnings to pay for school-related expenses.
- To qualify, students must be deemed to have an unmet financial need (meaning that the total cost of attendance exceeds their expected family contribution) after accounting for other forms of financial aid they have received.
- Students cannot earn more than their unmet financial need.
- Work-study earnings are not factored into eligibility determinations for other forms of financial aid.
- Students can work on and off campus with public, nonprofit, and for-profit employers, as long as their work hours do not interfere with students’ class schedules.
- Work-study employers are typically required to pay students at least minimum wage and cover a portion of student wages (usually 50 percent); employers cannot use work-study students to supplant their permanent workforce.
- Students may receive academic credits for participating in work-study if enrolled in an internship or practicum, or employed in research, teaching, or assistantship.

The goals of work-study programs are to provide funds for part-time employment to help needy students finance the costs of postsecondary education. The FWS program is open to the full range of financially needy college students. But, until the late 1990s, colleges were required to award a specific proportion of FWS awards to part-time students and to students who are financially independent of their parents. Instead, the federal government now simply requests that participating colleges provide “a reasonable share” of awards to these students.
<table>
<thead>
<tr>
<th>STATE</th>
<th>FUNDS*</th>
<th>ELIGIBILITY</th>
<th>EARNINGS</th>
<th>JOB LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Based on Fin. Need*</td>
<td>Part-time</td>
<td>Avg/Max</td>
</tr>
<tr>
<td>CA*</td>
<td>Minimum allocation $4.9 mil Prop 98</td>
<td>TANF</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>CO</td>
<td>Gen Rev $16.4 mil FY13-14</td>
<td>70% of slots</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>FL</td>
<td>$1.569 mil FY12-13</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>ID</td>
<td>$1.186 mil FY13</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>IL</td>
<td>$1.1 million FY14</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>IN</td>
<td>$837K</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>KS</td>
<td>$496k (requested) FY13</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>KY</td>
<td>$401K FY13</td>
<td>Y</td>
<td>Y</td>
<td>Only 1 CC</td>
</tr>
<tr>
<td>KY*</td>
<td>$7.6 mil FY14 TANF + $3.1 mil for support staff</td>
<td>TANF</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>MN</td>
<td>$14.635 mil FY13</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>
Some states have made notable progress in remaking work-study as a more effective employment, career development, and financial aid program for low-income adults, in three overarching ways:

1. **Improving the work-study experience and purpose**, through meaningful, skills-building job assignments tied to career interests, support of school–work–life balance, and a commitment to increased earnings potential.

2. **Targeting work-study jobs to student populations most likely to work their way through school**, by extending eligibility or structuring specific programs for low-income, nontraditional students.

3. **Expanding investments in work-study**, by appropriating more state resources, raising employer match requirements, and leveraging other potential funding sources.

Examples of states where these approaches have been used successfully follow.

### Improving the Work-Study Experience and Purpose

#### a. Meaningful, Skills-Building Job Assignments

Like Federal Work-Study, students employed through state-sponsored programs generally work in entry-level, low-skilled jobs on- or off-campus earning at or near minimum wage. Some states, like Washington and Texas, have established special initiatives to employ small shares of students in work-study assignments tied to academic-related projects or community service.

However, only a couple of states—Illinois and Indiana—have actually structured work-study to provide all participants with meaningful, skills-building job assignments that connect academic studies with career interests. These two Midwestern states have done this by redefining work-study jobs as experiential internship offerings.

Like other state-funded internship and co-op programs, such as in Ohio and Massachusetts, the Illinois Cooperative Work Study Program does

<table>
<thead>
<tr>
<th>State</th>
<th>Appropriations</th>
<th>TANF</th>
<th>Slots</th>
<th>Match</th>
<th>Average Match</th>
<th>Non-Profit</th>
<th>Profit</th>
<th>Schools</th>
<th>Breaks</th>
<th>Mentors</th>
<th>Yrs</th>
<th>Yrs</th>
<th>Yrs</th>
<th>Yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>MN*</td>
<td>$250K TANF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MT</td>
<td>$800K 70% of</td>
<td>N</td>
<td>Y</td>
<td>30%</td>
<td>20</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>slots</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NM</td>
<td>$6.2mil FY13</td>
<td>Y</td>
<td>Y</td>
<td>1 CC</td>
<td>$1535 (avg)</td>
<td>20%</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td></td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>Up to $3,600</td>
<td>60% to 70%</td>
<td>40</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TX</td>
<td>$18 mil</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>Avg. $1456</td>
<td>50%</td>
<td>20 for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>mentors</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WA</td>
<td>$7 mil</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td>$2-$5K</td>
<td>30% non-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>profit</td>
<td></td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled by David Altstadt, with research assistance from Sean Darby, intern with Policy Matters Ohio.

*These amounts represent state appropriations for the most recent year available. State expenditures on work-study are reported for the 2011–12 academic year in 43rd Annual Survey Report on State-Sponsored Student Financial Aid, published in 2013 by The National Association of State Student Grant and Aid Programs. In most states, actual expenditures differ than funding levels reported, above.

** Work-study positions reserved for students who receive TANF cash assistance
not specify financial need in its student eligibility criteria.\textsuperscript{13} Although not need-based, per se, the Illinois program has a stated goal of reducing student reliance on loans. Moreover, state officials told WPFP that in practice colleges tend to gear their work-study internships primarily to lower-income students. Due to grant requirements, schools must tailor their internship offerings to local community needs and labor market demands, with an emphasis on engineering, science, math, and education fields. Moreover, schools are required to contribute staff time to supervise work-study participants and use other institutional resources to provide them with support services. Schools also need to conduct a self-funded program evaluation to measure and report impact.

Among the funded projects, Oakton Community College is placing students in 12- to 14-week internships primarily in accounting, web and graphic design, marketing, engineering, information technology, and manufacturing. Students are working on average 10-20 hours a week for an average of $10 per hour (The state minimum wage is $8.25). Lake Land College is targeting internship placements in civil engineering, technology, computer-aided design, and agriculture with private and public employers in the area. Students are required to complete three learning objectives and to research Illinois job opportunities in their career field. The state boasts that employers permanently hire 70 percent of program participants seeking regular jobs.

Meanwhile, in 2013, \textit{Indiana} revamped its work-study program, now known as EARN Indiana (Employment Aid Readiness Network). In overhauling the program, the Indiana Commission for Higher Education (CHE) adopted some policies and procedures atypical of work-study programs. First, CHE neither allocates funds directly to colleges and universities nor holds them responsible for placing students into work-study positions. Rather, in directly administering the program, CHE refers interested students and employers to an Indiana Chamber-administered web portal, IndianaIntern.net, to make their matches.

Second, CHE reviews and approves employers’ internship job descriptions to ensure that work-study students would be afforded opportunities to complete job tasks that provide career awareness, exploration, and preparation, along the lines of what the agency has defined as experiential learning.\textsuperscript{14} According to CHE’s criteria, employers should limit clerical or routine support tasks to no more than 25 percent of the interns’ work responsibilities, while the lion’s share of their time and effort should be spent doing tasks that support experiential learning and career development.

Third, according to Indiana law, internships must last at least eight weeks. So far, the EARN program has provided work-study internships for only 150 students. In the current semester, students are earning $10.19 an hour on average. Time will tell if the EARN program, as currently structured, will attract more participation from employers and students.

If states structure work-study jobs like internships, they can put low-income students on the path to career success, as demonstrated by the growing body of evidence of the immediate and longer-term benefits of internship experience.\textsuperscript{15} On average, four-year students say they earned more than $16 an hour as an intern during college.\textsuperscript{16} This is more than double the federal minimum wage, which is standard compensation for Federal Work-Study participants. Moreover, nearly two-thirds of students completing paid internships received at least one job offer upon graduation, compared to just over one-third of non-participants.\textsuperscript{17}

\textbf{b. Support for School-Work-Life Balance}

A number of states place limits on how many hours work-study students may work. In particular, \textit{Washington, Colorado}, and \textit{Indiana} are taking a common sense approach to safeguarding academic performance while enabling students to earn more money when classes are not in session. They limit students to about 20 hours of work a week during the school year, but allow them to work as many as 40 hours a week during school breaks. Washington’s work-study program data demonstrates that placing work hour limits does not tamp down the participation of adults, particularly those with children.\textsuperscript{18} In 2010-11, more than half of all participants were independent students. Meanwhile, 39 percent of participants were at least 24 years old. Strikingly, 22 percent of all participants had dependent children.

\textbf{c. Commitment to Increased Earnings Potential}

Although work hour limits may benefit students’ academics, it caps the potential for earnings. To assure work-study addresses student financial
need, state programs can require higher hourly wage rates for work-study participants. For instance, Texas requires that work-study students employed as mentors be paid a wage of $10 an hour for up to 20 hours of work a week.\textsuperscript{19}

Meanwhile, Washington has taken a different tack. The state requires that employers pay work-study students a comparable wage to permanent workers doing similar job tasks. For on-campus or public-sector jobs, it is as simple as following the established pay ranges corresponding to job classifications. For private employers, ensuring comparable wages is more complicated. According to the Washington Student Achievement Council, the goal is that employers provide work-study students either a wage rate that is within the range of either what they pay non-students for similar jobs or the going rate within their communities for comparable work.\textsuperscript{20} To validate whether employers are proposing appropriate wage rates, the state seeks the input of college student employment administrators who are familiar with their local labor markets and can advise employers on making wage rate adjustments.\textsuperscript{21}

**Targeting Work-Study to Student Populations Most in Need of Working through School**

**a. Ensuring Targeted Student Populations Qualify for Work-Study**

In a troubling trend, Indiana and Montana are among states that do not allow part-time students to enroll in work-study. Equally worrisome, Kansas does not provide work-study positions for community college students. In addition, Colorado and Montana each extend work-study eligibility to students who do not have unmet financial needs. These states permit using up to 30 percent of state work-study appropriations to employ students whose income is too high to qualify for need-based financial aid. Proponents of the Colorado policy note that the expansive definition gives institutions some level of discretion to help servicing non-need students; these might include certain working-age adults who for whatever reason do not qualify under the state’s need-based guidelines. Still, taken as a whole, these state policies are chipping away support for student populations most in need of working their way through school.

In contrast, a few states have expanded eligibility or invested in new work-study programs that reach more disadvantaged students. For example, Florida passed legislation in 2007 to open up work-study to students enrolled in certificate programs offered through public school districts as well as educator preparation institutes.\textsuperscript{22}

**b. Structuring Work-Study to the Needs of Targeted Low-Income Student Populations**

College students receiving TANF cash assistance represent one population well suited for work-study. Due to restrictive federal welfare-to-work rules, state and local welfare agencies typically dictate that welfare recipients satisfy their weekly participation hours through employment or other work-related activities, rather than enrollment in education and training. However, work-study provides a means for TANF participants to satisfy their core work requirements (generally 20 hours per week) through a supportive job assignment while attending college to meet their non-core work requirements (generally 10 hours per week).

A nationwide scan of state TANF plans, handbooks, and rules found that several states specifically mention work-study as a permissible form of subsidized employment. Moreover, these states typically do not factor work-study earnings into determining eligibility and dollar amount of monthly cash assistance to welfare recipients (the same cannot be said for food stamps/SNAP benefits). Despite these encouraging policies, it is unclear how many states actually engage welfare recipients in work-study.

Four states have dedicated funding to work-study programs geared toward welfare recipients. In Minnesota, lawmakers have recently appropriated $250,000 in TANF funds to conduct a two-year pilot program.\textsuperscript{23} During the current legislative session, Washington state lawmakers have reinstated $1.5 million in funding for work-study slots targeted to TANF recipients. Kentucky and California each have gained national acclaim for long-established, multi-million dollar initiatives that provide work-study jobs and a host of wrap-around services to welfare recipients enrolled in community colleges.\textsuperscript{24}

In both the Kentucky Community and Technical College System’s Ready-to-Work program and California Community College’s CalWORKs program, state TANF agencies use a portion of their state TANF allotments to contract with their community college systems. The community colleges employ dedicated staff responsible for offering participating students academic and career coaching, advocacy and mentoring, service
referrals, and/or other life skills and student success services. In Kentucky, the campus coordinators take care in assigning participants to unpaid work experience or paid work-study jobs that are appropriate for the employability level of participants, in an effort to maximize their chances of success while protecting long-standing relationships with off-campus employers. Moreover, Kentucky requires that all private sector job placements be directly connected to the student’s program of study and career interest.

In both states, evidence suggests that state investments in work-study, along with wrap-around services, are returning good outcomes for students. In Kentucky, a 2004 legislative report found that former welfare recipients who engaged in the jobs skills education activity (comprised mostly of work-study participants) were more likely to work, retain employment for at least one year, and earn higher wages than other former welfare recipients in Kentucky.\(^{25}\) Community college officials also report that current work-study participants have higher semester-to-semester retention rates than the general community college student body, while their grade point averages are quite similar—an encouraging sign considering the 20-hour work requirement. Moreover, welfare recipients have very high work activity participation levels when engaged in work-study. In an interview, program director Shauna King-Simms identified a number of program features that have been key to the longevity and success of the Ready-to-Work program (Table 3).

Despite their common program elements, Ready to Work and CCC CalWORKs appear to be on very different trajectories. In the past few years, California has adopted sweeping changes to its state welfare law,\(^{26}\) while also severely curtailing funding for the overall CCC CalWORKs program. Meanwhile, Kentucky has more than doubled the Ready-to-Work budget and expanded eligibility for work-study slots to include adult education students.

### Expanding Investments in Work-Study

As a number of WPFP state partners have recently reported, student demand for state need-based grants is far outstripping appropriated funds.\(^{27}\) Faced with tight budgets, states could stretch their financial aid dollars further through work-study, which unlike traditional aid programs can be designed to leverage private investment by way of employer wage contributions.

#### Table 3: Keys to Success for Kentucky Ready to Work

- A state law (Kentucky House Bill 434 (1998) opened the door to extending TANF supportive services and higher education opportunities to college students and provided the foundation for their TANF funded work study program. The law permits engaging welfare recipients in postsecondary education, requires that the state TANF agency report regularly to the state legislature on the take-up rate of education and training activities, and ensures that welfare recipients enrolled in college have access to TANF supportive services, including childcare, transportation, and emergency funds.\(^a\)
- State policy disregards work-study earnings in determining eligibility and benefit level of cash assistance.
- Campus-based coordination, case management, career and financial literacy coaching all work toward two goals: college success and meeting TANF participation requirements.
- Close and trusting working relationships exist at the state level and among college Ready-to- Work staff and local welfare offices. For example, the TANF agency makes available a limited amount of summer tuition money so participants may choose to stay in school year round.
- Work-study placements are developed with off-campus employers and in the student’s field of study/area of career interest—a great tool for transitioning into unsubsidized employment.
- Job placements are tiered so students can learn work readiness and executive functioning skills in supportive, safe environments before working in the real world.
- Unpaid community service opportunities for students so that they can meet participation requirements while waiting to be cleared for paid work-study or until demonstrating job readiness.

Source: Author interview with Shauna King-Simms
Yet, work-study accounts for less than 1 percent of all state spending on student aid.\textsuperscript{28} Inexplicably, some states operating strong work-study programs have recently curtailed their funding, as part of a wider nationwide trend of cutbacks to state need-based aid due to Great Recession-era budget deficits as well as the elimination of the federal Leveraging Education Assistance Program.\textsuperscript{29} Since FY2009, Illinois has cut state funding for the cooperative work-study by 46 percent, from $2.06 million to $1.1 million. Meanwhile, the Washington higher education board has slashed the state work-study budget by about 66 percent, from a high of $22 million in FY08 to $7.8 million in FY13. Due to these cuts, both states now award far fewer work-study positions to students: Washington now only offers work-study jobs to 1 in 35 eligible students, compared to 1 in 12 at its peak. Moreover, Washington suspended rules that had allowed work-study students to work full-time during school breaks and has defunded some special academic-related projects.

In the midst of these cutbacks, some states also have taken steps to expand investments in work-study. Texas and Colorado are among states that have recently increased or proposed to increase state funding levels for work-study. Texas increased funding for its work-study program by 6 percent, up to $18 million in FY2014–15.\textsuperscript{30} Meanwhile, in Colorado, the governor’s FY2014–15 budget proposes an additional $5 million for the state work-study program; if approved, this would raise total funding to more than $21 million.\textsuperscript{31}

Even states that have flat-lined or curtailed work-study funding have taken steps to stretch funding further. For instance, to offset its budgetary cuts, Washington has increased employer match requirements; for-profit employers’ match increased from 35 percent up to 50 percent of student earnings, and the match for nonprofit employers (including colleges) increased from 20 to 30 percent. This is a common sense approach to growing the work-study pot of funds, while subsidizing at least half of student wages.

States can explore the feasibility of using resources other than general revenue to support work-study for the general population of financially needy students or for targeted populations, such as adults heading low-income families. For example, researchers have recommended that New Jersey establish a college opportunity trust fund to pay for a number of program priorities, including a state work-study program; however, to date the state has not adopted this policy recommendation.\textsuperscript{33} States also could investigate using federal On-the-Job training funds to place a student nearing graduation into a subsidized trainee job with an employer intent on hiring them immediately after graduation.\textsuperscript{34}

**STATE POLICY RECOMMENDATIONS**

The Working Poor Families Project recommends that states take the following steps to expand access to meaningful work-study jobs for low-income adults who are continuing their education. Several of these policy recommendations have intertwined effects on the quality and scope of work-study, and therefore should be considered as one platform. For example, advocating for higher wage rates without increased state funding and/or employer matches would effectively limit work-study slots or award levels.

1. **Create more work-study jobs** through increased state investments and raising employer match requirements to at least 50 percent of student wages.

2. **Prioritize work-study jobs to students most in need and likely to work.** These include low-income adults, community college students, and part-time students.
a. **Restrict eligibility to those students with unmet financial needs.**

b. **Give funding priority to community colleges and technical schools.** Target state funding to populations underserved by the Federal Work-Study program.

c. **Target work-study funds to adults and part-time students.** Require that schools set aside a portion of their state work-study funds for adults and part-time students to support completion for the student populations most likely to be employed and to work long hours.

3. **Ensure that work-study addresses financial needs without hurting academic performance.** Increase wage rates to livable levels so can earn more through fewer hours worked.

a. **Restrict work hours during school year.** Cap work-study during the school year to no more than 15-20 hours for full-time students and 25-30 hours for part-time students. Allow all work-study students to work full-time during summer and semester breaks.

b. **Require livable or “comparable” wages.** States could increase earnings potential in several ways: (1) by statutorily requiring that employers pay work-study students a certain wage level, as Texas has done with its $10 an hour rule for mentors; (2) by statutorily requiring that employers pay students a wage rate comparable to what permanent workers receive for performing similar job tasks in the local labor market; and/or (3) by raising the quality of work-study job assignments so higher wages are appropriate.

c. **Ensure that work-study income does not negatively affect other public benefit programs or future financial aid eligibility.** Low-income students should be able to continue receiving such benefits as food stamps (SNAP) while enrolled in school. Work-study earnings should not count as income when assessing future financial aid need.

4. **Reimagine work-study as internships to enhance academics and career development.** In doing so, states should ensure that students:

a. **Have the option of working on- and off-campus in progressively more skilled, demanding internships.** Provide inexperienced students with supportive job assignments on-campus until they have built up work experiences and are farther along in their studies, at which point they could be placed off-campus with for-profit, nonprofit, or public agencies in formal internships.

b. **Earn academic credits.** Allow work-study students to earn academic credits for internships.

c. **Gain experience in job tasks that enhance experiential learning, career exploration, and executive functioning skills.** Minimize the number of work hours and assignments for menial tasks.

d. **Receive high-quality supervision and mentorship at the workplace.**

e. **Receive ongoing support from college career development office.** Career offices should also be charged with job development, placement, and employer outreach. States should consider funding campus coordinators, as Kentucky has done through its Ready-to-Work program.

5. **Leverage TANF funds to provide supportive work-study jobs for students on public assistance.** This would permit and encourage more low-income adults on public assistance to enroll in college and gain work experience, while helping states meet their
work participation goals. In doing so, states should:

a. **Structure work-study to satisfy the federal 30-hour work activity requirement.** The most straightforward approach would be to employ welfare recipients 20 hours a week in work-study to meet their core work requirements in the form of subsidized employment, while registering them for a part-time load of classes, which along with study time would satisfy their 10 non-core work hours as “job skills training.”

b. **Give welfare recipients a range of work-study options depending on their work histories, employment barriers, and career interests.** Students with weaker workplace skills could be placed on-campus in supportive work-study job assignments before they are placed off-campus.

c. **Ensure that welfare recipients receive mentorship, advocacy, and wrap-around services from campus staff.** States should use a portion of TANF funds to pay for an on-campus job coach charged with recruiting, placing, and supporting welfare clients in jobs, while also reaching out to their employers to troubleshoot workplace situations that may arise.

d. **Stipulate that the work-study income does not affect eligibility for public assistance benefits.** State policies for TANF, food stamps, housing subsidies, heating assistance, etc. should explicitly say that work-study is not a form of earned income, so does not affect their eligibility for and award of public assistance.

e. **Provide a waiver or reduction in work requirements for welfare recipients on work-study who are on track to graduate on time.**

f. **Revise the state TANF plan to specify a priority for enrolling welfare recipients in college.** The higher education priority expressed in Kentucky cleared the way for establishing the Ready-to-Work program.

6. **Evaluate the impact of work-study programs.** Like other workforce development programs, states should prioritize collecting participant data and conducting regular rigorous evaluations to assess the effects of work-study on student persistence, completion, and academic performance. States also should evaluate the effect of work-study participation on student loan debt and post-graduation employment outcomes.

7. **Revise higher education strategic plans to emphasize experiential learning and employment and affordability.** Several states reported how their work-study innovations aligned with state strategic plans.

For questions about this policy brief or the Working Poor Families Project contact:

Brandon Roberts
robert3@starpower.net
(301) 657-1480
# APPENDIX

## State Work-Study Policy Information

<table>
<thead>
<tr>
<th>State</th>
<th>Links</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td><a href="http://extranet.cccco.edu/Portals/1/SSSP/CalWORKs/Policies/August%202011%20CalWORKs%20Handbook.pdf">http://extranet.cccco.edu/Portals/1/SSSP/CalWORKs/Policies/August%202011%20CalWORKs%20Handbook.pdf</a></td>
</tr>
</tbody>
</table>
| Colorado  | [http://highered.colorado.gov/Publications/Policies/](http://highered.colorado.gov/Publications/Policies/)  
| Florida   | [https://www.floridastudentfinancialaidsg.org/home/FWEB_faq.asp](https://www.floridastudentfinancialaidsg.org/home/FWEB_faq.asp)  
[http://legislature.idaho.gov/idstat/Title33/T33CH44.htm](http://legislature.idaho.gov/idstat/Title33/T33CH44.htm)  
| Illinois  | [http://www.ibhe.state.il.us/Grants/grantPrg/ICWS.htm](http://www.ibhe.state.il.us/Grants/grantPrg/ICWS.htm)  
| Indiana   | [http://www.in.gov/ssaci/2340.htm](http://www.in.gov/ssaci/2340.htm) |
| Kansas    | [http://www.kansasregents.org/scholarships_and_grants](http://www.kansasregents.org/scholarships_and_grants)  
| Kentucky  | [https://www.kheaa.com/website/kheaa/kwsp?main=1](https://www.kheaa.com/website/kheaa/kwsp?main=1)  
| Minnesota | [http://www.ohio.state.mn.us/mpg.cfm?pageID=1300](http://www.ohio.state.mn.us/mpg.cfm?pageID=1300)  
[http://www.ohio.state.mn.us/pdf/WorkStudyGuidelines.pdf](http://www.ohio.state.mn.us/pdf/WorkStudyGuidelines.pdf)  
[http://www.ohio.state.mn.us/pdf/MNWorkStudyFY2013.pdf](http://www.ohio.state.mn.us/pdf/MNWorkStudyFY2013.pdf)  
| Montana   | [http://mus.edu/Prepare/Pay/Work_Study.asp](http://mus.edu/Prepare/Pay/Work_Study.asp)  
[http://mus.edu/borpol/bor500/5042.htm](http://mus.edu/borpol/bor500/5042.htm) |
| New Mexico | [http://hed.state.nm.us/WorkStudy.aspx](http://hed.state.nm.us/WorkStudy.aspx)  
[http://www.nmccpr.state.nm.us/nmac/parts/title05/05.007/0010.htm](http://www.nmccpr.state.nm.us/nmac/parts/title05/05.007/0010.htm) |
| Washington | [http://www.wsac.wa.gov/PayingForCollege/StateAid/WorkStudy](http://www.wsac.wa.gov/PayingForCollege/StateAid/WorkStudy)  

Compiled by David Altstadt and Sean Darby, intern with Policy Matters Ohio.
ENDNOTES

1 As the Principal of David Altstadt Consulting, LLC, Mr. Altstadt undertakes research, public policy analysis, and special projects to promote effective skills development solutions. Mr. Altstadt has researched, written, and spoken about innovations at community and technical colleges, adult basic education, welfare, workforce development, apprenticeship, and labor market information systems. A graduate of Georgetown University and Ohio University, Mr. Altstadt resides in Brattleboro, Vermont.

The author would like to acknowledge the following individuals who have aided in the research and writing of this report. Nadia Valliani, The Campaign for College Opportunity; Sean Darby, Policy Matters Ohio; Elizabeth Lower-Basch, Center on Law and Social Policy; Shauna King-Simms, Kentucky Community and Technical College System; Jeffrey Powell, Washington Student Achievement Council; Amanda Stanley, Indiana Commission on Higher Education; Celina Duran, Colorado Department of Higher Education; Tom Hilliard, Frank Waterous, The Bell Policy Center; Ashley Spaulding, Kentucky Center for Economic Policy; Deborah Schlick, Minnesota Department of Human Services; Tony Lee, Statewide Poverty Action Network based in Washington state; Leslie Helmcamp, Center for Public Policy Priorities based in Texas; Jessica Fraser, Indiana Community Action Association; and Brandon Roberts and Deborah Povich of the Working Poor Families Project.

2 Stone, Charley et al., Chasing the American Dream: Recent College Graduates and the Great Recess (Rutgers University, 2012); and The College Board, Trends in Student Aid 2013 and Trends in College Pricing 2013.


4 In a special analysis of the 2011-12 National Postsecondary Student Aid Survey, the author looked at the work and school habits of adult students heading low-income families, in comparison to the broader pool of adults enrolled in college as well as “traditional” undergraduates. “Traditional students” are defined as students under the age of 24 who are still claimed as dependents by their parents. “Non-traditional students” are defined as students over the age of 24 who are raising dependent children and whose household income is at or below $45,397 (equivalent to 200% of the federal poverty threshold for a family of four according to the 2011 American Community Survey).


7 Berker and Horn, op cit., 2003.


9 Ibid.


11 Scott-Clayton, op cit.


13 Illinois Cooperative Work Study Program. Legislative language, rules, and project descriptions are available at http://www.ibhe.state.il.us/Grants/grantPrg/ICWS.htm.


Hart Research Associates, It Takes More Than a Major: Employer Priorities for College Learning and Student Success, 2013. Conducted on behalf of the Association of American Colleges and Universities.

Stone, Charley et al., op cit.


17 National Association of Employers and Colleges, op cit.


20 Author interviews with Jeffrey Powell, Associate Director of the Washington Student Achievement Council.

21 For more information on Washington’s local student employment administrators, go to www.wsasea.org.

22 For more information on student eligibility for the Florida Work Experience Program, go to https://www.floridastudentfinancialaidsg.org/home/FWEP_faq.asp.

23 For more information on Minnesota’s work-study funding for MFIP participants, see Article 14 Health and Human Services Appropriations (line 12.17 to 12.24): accessed 1/29/14 at www.senate.leg.state.mn.us/committees/display_select_committee_amendment.php?ls=&id=92.


27 For state examples, see:


35 States have some flexibility to employ students in fewer hours to encourage them to attend class full-time. Federal law permits welfare recipients to participate in vocational education as a core 20-hour activity for up to 12 months. However, states only can allow up to 30 percent of its statewide TANF caseload to participate in vocational education.