

Federal Work-Study (FWS) Experiment Webinar Transcript
June 25, 2020
1:30pm – 3:00pm Eastern Time

Slide 1:

Hello financial aid professionals, and welcome to the FWS experiment session. My name is Ashley Schuler and I am a member of the ESI Team. Also joining me today is Michael Cagle, Tamy Abernathy, David Musser and David Rhodes. We also have Melanie Storey with us, and she is part of the team that oversees the Experimental Sites initiative. Michael and Tamy will be conducting most of the presentation today and the rest of the team will be assisting with the questions and answers.

Before we begin, I would like to go over a few housekeeping items. Please ensure your audio is muted. Further, to help with bandwidth issues, we also ask that you turn your camera off.

You all should have a copy of today's power point presentation that was forwarded to you earlier. If you have questions during the webinar, you can use the chat feature here in Microsoft Teams. Although an answer may be provided to you during this session, some questions will be read aloud at the end and answered so that everyone can benefit from the question and answer.

We also apologize that due to the large number of institutions invited and space limitations, we had to limit participation in the webinar to one person from each institution. As a helpful resource for those who cannot attend, the Department will post the PowerPoint presentation, a transcript of the Questions & Answers shortly after the presentation. We also plan to make a recording of the webinar available soon so you can share it with others on your team who were not able to attend in person.

Now let me turn the session over to Melanie Storey who would like to provide some opening remarks.

Slide 2:

Thank you, Ashley. The purpose of this session is to provide guidance to schools who have been accepted into this experiment. During this webinar we'll have a brief overview of the experiment that will generally serve as a reminder of the purpose of the experiment, the statutory and regulatory waivers provided for this experiment, evaluation expectations, and other important information.

Melanie, you can say whatever you like.

I will turn the session over to Michael Cagle.

Slide 3:

Thanks Melanie. I would like to extend my welcome to you. We are excited to have the opportunity to speak with you today about the FWS experiment.

We have a great agenda planned.

Simply stated, our agenda today includes an overview of the experiment, including brief explanations of the details included in the Federal Register notice published on May 23, 2019.

We will discuss the requirements for participating schools including preliminary ideas on reporting and evaluation.

And finally, we will discuss the details for successfully implementing the experiment, including the various resources available.

Slide 4:

Just like all of our experiments, implementing this experiment will require coordination amongst various offices on your campus; and special to this particular experiment, institutions are encouraged to collaborate with local governments, companies, trade and industry groups, non-profit organizations, unions, joint-labor management organizations, apprenticeship intermediaries, and others in order to develop relevant career-focused experiences for students.

Institutions should view participating in ESI as a collaborative effort; that means you will need to work with other offices at your institution, such as the Financial Aid Office, Business Office, Faculty, Registrar, Admissions, Communications, and the President's Office. That is not an exhaustive list, so you may want to think about other offices (some that may be unique to your institution) that you will work with. Other groups you may partner with will be your accrediting agency, vendors, state agencies and other policy stakeholders.

Although under this experiment schools are exempt from certain parts of the regulations, you are required to adhere to all other Title IV requirements.

You can see the administrative capability regulation on the screen – that is the regulation that requires institutions – not just financial aid staff – to craft policies that are compliant with Federal laws and regulations. These experiments are no exception: it is vitally important that you develop and carefully document your policies & procedures related to this experiment. You also want to ensure that you are in compliance with both Federal and institutional policies. We will review the specific waivers for this experiment shortly, but we want to remind institutions that the only waivers will be those granted under the experiment and included in your amended Program Participation Agreement.

Remember, administering federal student aid is an institutional responsibility. It is not just the responsibility of the financial aid staff. Remember that talking with the Financial Aid Office can assist with the application and approval process for this experiment. They are well versed on Federal aid regulations.

Slide 5:

You may be wondering how your institution was selected to participate in the experiment.

Institutions were qualified to participate based on the following criteria:

Strong record in administering Title IV

Strong standards of financial responsibility

Slide 6:

Let's spend a few minutes discussing the purpose of the experiment.

In addition to providing financial aid, the Department would like to determine if participation in this experiment will enhance the overall learning experience of the student as well as retention and graduation rates and a student's preparation for employment after graduation.

The experiment does this by engaging students in off-campus work-study experiences that are integrated with their program of study. Participation in the experiment will also introduce students to potential employers.

Slide 7:

Our hope is that participation in the FWS experiment will:

Incentivize institutions and employers to work together to ensure that the academic curriculum adequately prepares students to enter the workforce, regardless of their chosen occupation or field

Increase the likelihood that a low-income student will accept their FWS award

Improve student outcomes, including retention, graduation and post-graduation earnings

We also plan to evaluate the results from the partnerships between institutions and private-sector FWS partners.

Slide 8:

There are some very important objectives for the FWS Experiment, and we will discuss some of these on the next few slides.

This experiment will allow participating institutions to better integrate FWS experiments and expand the number of hours a student may work.

In addition, it will also expand the types of employment opportunities available to students. Our hope is that this will expose more students to employer networks while they are in school.

Another key objective is to align cost-sharing requirements of small businesses with those of institutions of higher education and non-profit organizations.

Slide 9:

The experiment will also recognize that students may work more than 10 hours per week. Participation in the experiment will enable them to do so through a single FWS job.

We also hope that participation in the experiment will encourage institutions to identify FWS employers who can provide job opportunities that align with the student's academic program or career goals.

Participation in the experiment will also enable institutions of higher education to pay eligible FWS students for required work-based learning experiences, such as internships and externships.

Slide 10:

The Department also wishes to determine if these additional flexibilities will do the following:

Increase the number of academic program-aligned private sector FWS opportunities, the number of work hours made available to FWS who need to work more than 10 hours per week, and the hourly wages paid to FWS students?

Improve college completion, job placement, and earnings outcomes?

Increase student participation among low-income students who may have otherwise declined their FWS to seek a job that offers more hours or pays a higher wage?

Improve student satisfaction with their FWS experience?

Slide 11:

The Department also hopes to learn if the waivers and flexibilities in the experiment will:

Encourage institutions to seek more private-sector FWS job opportunities for students and engage employers more actively in program review and curriculum development.

We hope participation in the experiment can reduce borrowing or increase persistence and completion among low income students engaged in required externships, internships or student teaching.

Slide 12:

The Department also wishes to determine if these additional flexibilities will help participating institutions to build and maintain relationships with private-sector employers.

We also hope that participating institutions are able to expand the Job Location and Development Program (referred to as JLD) to provide more students with placements in off-campus jobs that align with their academic or career goals.

Slide 13:

Let's take a few moments to discuss the potential benefits for students under the experiment.

The benefits for students are:

Increased employment opportunities

Connecting to opportunities and apprenticeships that are better aligned with career and academic goals

Enabling low-income and disadvantaged students' greater opportunities to develop strong employer networks that will result in better job placements upon graduation.

We also hope that participation in the experiment will enable students to have a better understanding of what is expected of them in the workplace and that this may be very different than expectations on campus.

Slide 14:

There are also several benefits for employers. Our hope is that participation in the experiment will enable employers to help improve academic programs and ensure that graduates are better prepared to meet workforce needs.

It is our hope that this will create a pipeline of qualified workers with students graduating with strong workplace competencies.

Participation in the experiment will also off-set a portion of the cost of hiring student workers.

Slide 15:

There are also benefits for participating institutions. Participation in the experiment will allow participating institutions to:

Create improved partnerships with business leaders.

Provide experts who have the real-world experience and can inform academic programs and curricula.

We also hope that participation in the experiment will connect students with potential employers for enhanced employment outcomes.

This enables low income students to remain full-time while enrolled in required, and previously unpaid internships and externships.

I will now turn this over to Tamy who will discuss the waivers under the experiment and provide some more important information.

Tamy, it is all yours.

Slide 16:

Thank you, Michael. Let's look at what this experiment specifically waives.

As you can see on this slide, the left-hand column provides the current rules and the right-hand side highlights the waivers under the experiment.

The first waiver is 34 CFR Part 675 which restricts students in the FWS program to part-time employment. The experiment waives this requirement and allows students to work full-time in positions related to the student's academic program (such as apprenticeships, clinical rotations or student teaching).

The second waiver under the experiment is 34 CFR 675.23, which limits the amount of an institution's FWS allocation and re-allocation for an award year to pay the compensations of FWS students employed by a private for-profit organization to 25 percent. The experiment waives this restriction and allows schools to use 100 percent of FWS allocation and reallocation for employment in private for-profit organizations.

Slide 17:

The third waiver relates to 34 CFR 675/26(a)(3) which limits the Federal share of the compensation to a student employed by a private for-profit organization to 25 percent. The experiment waives this restriction and increases the federal share of compensation for employment in private for-profit organizations to 75 percent (which is the same as the current non-profit or community service employment amount).

The fourth waiver relates to 34 CFR 675.32 which caps the amount of an institution's FWS allocation to support a JLD Program at the lesser of \$75,000 or 10 percent. The experiment waives this CAP and allows total FWS allocation to support JLD program.

The fifth waiver relates to 34 CFR 675.18(g) which requires seven percent of FWS funds to be spent on Community Service positions. The experiment waives this seven percent Community Service requirement.

Slide 18:

Finally, the sixth waiver relates to HEA section 442(a)(4)(A) and (B) which permits the Secretary to allocate to eligible institutions up to 10 percent of the amount appropriated for FWS in excess of 700 million in any fiscal year. The experiment permits additional FWS funding allocation to institutions participating in the experiment.

Slide 19:

These requirements are some of several requirements that were outlined in the Federal Register Notice.

The Department has various expectations that participating institutions should keep in mind.

First, employers and institutions must work together to coordinate schedules and prevent conflict between academic and employment activities.

Further, participants must ensure that FWS supported private-sector employment is academically relevant and aligns with the student's career goals as required by Section 443(c)(4) of the HEA.

Slide 20:

On the next couple slides, we will spend a few minutes discussing some important information related to institutions participating in the FWS experiment.

Slide 21:

Institutions will be required to return a signed PPA amendment by July 10, 2020 before the institution is considered for any additional allocation for the 2020-2021 award year. This PPA amendment states, "An institution must utilize any additional FWS funding specifically given for the purposes of participating in this experiment for students that are participating in FWS jobs affected by part of this the experiment."

The Department will use 10% of the amount of FWS funds appropriated that are over \$700,000,000 and will calculate FWS funding for institutions participating in the experiment. Institutions will be able to access their funding in the Department's G5 system as soon as the institution's statement of accounts is updated in the COD system.

Slide 22:

The allocation provided to institutions for the experiment will be referred to as an "additional initial allocation." The Experimental Sites team will retrieve each institution's FISAP data and incorporate that data into an Excel spreadsheet each year. This spreadsheet will be used to determine the amount of funding each institution will receive. This process will repeat for subsequent years.

Additional initial allocation awards will be generated after initial awards are allocation by April 1, and FSA will notify institutions by May 31. All the additional initial funding an institution receives must be spent on FWS students participating in the experiment. FSA does not have the ability to monitor this on the FISAP or by checking data normally available in COD.

Slide 23:

All FWS participating institutions report prior year expenditures on the FISAP by October 1 annually. While the FISAP provides FWS program specific information about the number of students and the amount of money institutions have expended, there is no way for an institution participating in this experiment to separate out FWS funding. On the FISAP, institutions report total dollars expended during the award year and total numbers of students employed in different categories. The COD system only collects the FISAP data from institutions; it does not collect student-level data for the FWS program. Institutions do not report FWS by student level data because this information is not reported in COD (or on any other FSA system).

Slide 24:

FSA will include very specific questions in a survey inquiring about how the institution restricted the use of its additional initial allocation for the purposes of the experiment only. FSA also believes that many of the institutions participating in the experiment may utilize additional funding sources to pay students. Institutions participating in the experiment will be required to report additional student level information required by the evaluation that is not available in COD system. Institutions will upload this data using an Excel template which will be provided by the Department.

Slide 25:

On this slide, we discuss requirements related to the administration of the experiment. These requirements are outlined in the PPA amendment, signed by your institution.

Participating institutions must:

- Use any additional FWS funding specifically for the purposes of participating in this experiment
- Award and pay FWS funds to students for employment opportunities that have been created as a direct result of the institution's participation in the experiment.

As part of this, institutions must ensure there is an accounting system track the use of funding:

There must also be a recordkeeping system, including a process to identify which students are employed with jobs created under the experiment.

This process should be applied to whichever waivers are utilized under the experiment.

In addition, institutions are not allowed to use any additional funds allocated for this experiment to fund normal FWS jobs.

Slide 26:

On this slide, we discuss some additional requirements under the experiment.

Participating FWS institutions must ensure that FWS Off-Campus positions are:

- Appropriate and reasonable based upon the type of work a student may perform
- Related to the student's academic and career goals
- In line with the student's skill level

In addition, the institution must ensure that the positions do not replace regular employees, including workers on strike or those positions that were eliminated.

Finally, the institution may use an application and screening process led by the employer to select successful candidates.

Slide 27:

Let's take a few minutes to discuss Job Description requirements:

As with all FWS positions, job descriptions under the experiment should include the following elements:

- Position name and classification
- Employer and supervisor name and address
- Department/office and location where the student will be employed
- Purpose or role of the position within the organization
- Procedures for determining a student's rate of pay
- Evaluation procedures and schedules
- Duties, responsibilities, and rates of pay associated with position
- General and specific qualifications for the position and rates of pay
- Beginning and ending dates for student's employment

Slide 28:

Let's take a few minutes to discuss Job Description requirements:

In addition, job descriptions under the experiment must include:

- Evaluation procedures and schedules
- Duties, responsibilities, and rates of pay associated with position
- General and specific qualifications for the position and rates of pay
- Beginning and ending dates for student's employment

Slide 29:

On the next couple slides, we will spend a few minutes discussing some important information related to students participating in the FWS experiment.

Slide 30:

A student may earn academic credit in addition to wages for an FWS job

If earning academic credit, the student **may not be:**

- Paid less than the student would be paid if no academic credit was awarded.
- Paid for receiving instruction in an academic setting (except in case of an apprenticeship).
- Paid unless the employer would normally pay a person for the same job.

In the case of apprenticeships that otherwise pay participants for time spent engaged in classroom learning, FWS wages may be used to support those “work” hours.

Slide 31:

There are some important considerations concerning wages that should be considered.

The institution and employer should consider the following when creating a student’s wages:

- Skills needed to perform the job.
- How much individuals with such skills are paid in the local area for doing the same type of job.
- Rates the school or employer would normally pay similar non-FWS employees.
- All applicable federal, state, or local laws must be followed.
- Wage rates must not be based on student’s financial need.

Slide 32:

It is permissible for the institution:

- To require prepayment of the non-federal share by the employer at the beginning of a payment term, or
- To pay the non-Federal share out of their own non-Federal funds and be reimbursed by the employer at the end of a payment term.

Further, the federal share limit increased to 75% for a small business employer

Students must work hours prior to being paid for those hours.

In addition:

- Undergraduates must be paid hourly.
- Graduates may be paid hourly or salary.

Slide 33:

Some additional benefits are discussed on this slide:

- FWS earnings are not counted as earnings for Federal Student Aid needs analysis

- An institution or employer may provide the student with W-2 forms that indicate the amount of wages that must be included in the student's needs analysis.
- Institution may not use FWS funds to provide benefits such as sick leave, vacation, holiday, Social Security, workers' comp, retirement, or other welfare or insurance program.
- Schools or employers are permitted to pay fringe benefits from a separate account.

Slide 34:

Institutions may wish to introduce class schedule options that help students manage work and school such as:

Block Scheduling

- Permits the student to complete all their classroom instruction on specific days.
- Allows the student to work during regular business hours on the other days.

Fixed Scheduling

- Offers students an opportunity to attend classes and work on the same days at the same times from one semester to the next.

Flexible Scheduling

- Enables students to attend other sections of their classes when unexpected circumstances prevent a student from attending their regularly scheduled classes.

Slide 35:

The next slides discuss important information pertaining to employers under the FWS experiment.

Slide 36:

The institution and employer should enter into a partnership or employer agreement that outlines the following (non-exhaustive) list of issues:

- Number and type of FWS Jobs.
- Student Qualifications for FWS positions.
- Wage share percentage.
- Whether the institution or the employer will issue paychecks.

Examples of employment partnership agreements can be found in the FWS Experiment Toolkit located on our website. We will provide the link after the FWS Webinar to attendees.

Slide 37:

Let's take a few moments to discuss the Job Location and Development (JLD) Program.

The purpose of the JLD program is to locate and develop off-campus job opportunities for students who are currently enrolled and who want jobs regardless of financial need.

- JLD funds may be used to establish, administer, or expand a JLD program.
- Jobs are required to be located and developed under the JLD program that are available to both FWS and non-FWS eligible students.
- FWS allocation may be used to pay up to 80% of the allowable costs in the JLD program and the (school/employer provides the remaining 20%)

Slide 38:

Under the FWS Experiment, institutions are permitted to do the following:

- Contract with third-party businesses
- Develop new apprenticeship opportunities for students
- Cultivate private non-profit and for-profit sector jobs under the JLD program.
- Waive the 10% or \$75,000 cap on its FWS allocation and reallocation to support JLD

I will now turn this back over to Michael who will continue with the last few slides.

Slide 39:

Thanks, Tamy. The reporting will include two parts. First, participating institutions will be required to complete a survey at the end of each award year.

This school survey will ask schools to answer questions about the implementation of the experiment including addressing any unforeseen challenges or opportunities identified in conjunction with administering the experiment.

In addition to the survey, schools will upload a template into COD that includes personal identifies participating in the experiment.

Here are some examples of the types of information we will collect for each student:

- SSN
- Employer ID #
- Number of hours worked
- Number of hours worked not supported by FWS wages
- Wages paid
- Wages paid (including hours not supported by FWS paid work with the same employer)
- Student academic program
- Student persistence/graduation data
- Post-graduation employment outcomes (to the extent possible)

Institutions should also be prepared to provide information on the FWS jobs offered under the experiment as well as jobs offered outside of the experiment

Slide 40:

Other information to be collected for the evaluation include:

- Enrollment, completion and withdrawal of students who receive title IV funds while enrolled at the institution during the student's participation in the experiment. As we mentioned, this will

include participating institutions using the Experimental Sites Reporting Tool to report personal identifiers (SSN, etc.) for all students participating in the experiment.

- Information from the Fiscal Operations Report and Application to Participate (FISAP) annual form.
- Records that substantiate student work hours and wage share requirements.
- Data regarding student and employer participation in the experiment.

The Department will provide formalized guidance to institutions to assist with the reporting procedures. We will also post a workbook that will provide institutions with instructions for uploading the reporting template using COD.

Slide 41:

The Department has developed a toolkit that can assist institutions and off-campus employers who might have questions regarding specific requirements under the experiment.

This will serve as a resource for the FWS experiment.

The Toolkit will be posted to the ESI website soon.

Slide 42:

Let's take a few moments and discuss the amended Program Participation Agreement (PPA) Process.

The PPA amendments were sent to the President's office. Please carefully review the PPA amendment and understand your institution's commitment to participate in this experiment.

Your institution will need to obtain the required signatures and return the signed Amendment to FSA following the instructions provided by the institution's School Participation Team.

FSA will then send the school a countersigned amendment to the PPA. The school must keep this countersigned amendment on file.

Your school cannot officially begin participation in the experiment until it receives the countersigned amendment to the PPA.

When a school has a fully executed amendment to their (PPA Amendment) for the Experiment, they will receive a Welcome Letter from the ESI Team. This will inform the institution that they may begin implementation of the experiment. In addition, the Welcome Letter will include the additional FWS funding that the institution will receive as part of the experiment.

It is important that an institution returns the signed PPA amendment to the Department by July 10, 2020 (which is the deadline included in the email received by the school participation team). Returning the PPA amendment on time will ensure that your institution is considered for additional FWS funding for the 2020-21 academic year.

Slide 43:

The Experimental Sites website is a useful resource that you all should become familiar with and access to assist you with implementing your experiment. The web address is located on this slide. We hope you save it as a favorite to your desktop.

There are resources related to ESI here that you might find interesting. All information related to this experiment will also be posted here once the experiment is up and running.

Slide 44:

This slide provides our contact information.

If you are unable to ask your question during this time or think of other questions after the session ends, please feel free to send the question to ESI mailbox and we will provide you with an answer.

Slide 45:

We will review questions using the chat feature. If you have a question, please use the chat feature. We will read the questions aloud and provide an answer out loud so everyone can benefit from the questions and answers.

Again, if you are unable to ask your question during this time, please feel free to send the question to ESI mailbox. We monitor that mailbox frequently and will provide you answers as quickly as possible.

Ashley, I am going to turn this over to you to moderate the questions and answers.

[The webinar continued with a Q&A session. We have provided a summary of the Questions and Answers as another attachment. Please refer to the Questions & Answers attachment to review the Questions asked and answered during the webinar. We will also post a Q&A document to the ESI website soon. That document will be updated as important questions are asked and answered.]

Thank you for attending today. We hope you found the information useful. Remember, if you have additional questions, please continue to send them to the experimental sites email address: ExperimentalSites@ed.gov. Have a great rest of your day!