National Association of Student Financial Aid Administrators' Federal Work-Study Research:

EXECUTIVE SUMMARY

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NASFAA
NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

PUBLIC AGENDA

ACKNOWLEDGEMENTS

ABOUT NASFAA

NASFAA is a nonprofit membership organization that represents more than 20,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. NASFAA member institutions serve nine out of every 10 undergraduates in the United States. Based in Washington, DC, NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis, and training for financial aid administrators. For more information, visit www.nasfaa.org.

ABOUT PUBLIC AGENDA

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EXECUTIVE SUMMARY

In winter 2015, the Bill & Melinda Gates Foundation awarded NASFAA a grant to conduct a study of the components needed to efficiently and effectively administer Federal Work-Study (FWS) and to examine ways in which schools can strengthen their FWS programs to yield greater persistence and completion among students while staying within federal parameters. The goal of this research was to determine what components would create a framework, or "taxonomy," for understanding, evaluating, and improving FWS that program administrators could use on their campuses.

Our research indicates that optimally functional and innovative FWS programs incorporate all of the following components:

- Identify where FWS functions are located within the institution
- Address the disconnect from award to employment
- Advertise FWS positions
- Match students with jobs
- Monitor award usage
- Address barriers to fulfilling community service requirements
- Determine the effectiveness of FWS

Based on the findings from our research, we put forth the following 17 recommendations that address the project goals:

Recommendations for Policymakers

#1: Revise the campus-based aid allocation formula.

#2: Expand the definition of the community service requirement.

Recommendations for Institutions

#3: Use FWS to reduce loan borrowing and indebtedness.

#4: Identify ways that those working with FWS can be innovative in addressing the program's policies and procedures.

#5: Have a staff position dedicated to implementing innovative FWS practices.

#6: Examine best practices and implement peer mentoring for FWS students.

#7: Build cross-campus relationships and leverage partnerships between entities with similar goals relating to FWS.

#8: Streamline the FWS pipeline.

Recommendations for NASFAA and/or the U.S. Department of Education

#9: Increase the capability of institutions to gather, examine, share, and utilize data relevant to FWS practices.

#10: Look for ways to help institutions increase their effectiveness in assisting FWS students to meet their educational or career goals.

#11: Implement a national FWS student survey.

#12: Develop a best practices toolkit.

#13: Develop a data infrastructure and support for data use.

Recommendations for Future Research

#14: Conduct further empirical research on FWS practices.

#15: Conduct more research on the real-life experiences of FWS students.

#16: Examine the types of jobs performed by FWS students and the associated outcomes.

#17: Assess the effects of FWS awarded with different combinations of student aid.

What follows in this document are the details on these 17 recommendations. In addition, we have included a full explanation of each of the components we found institutions needed in order to have an optionally functional and robust FWS program on their campus.

BACKGROUND

In order to identify the framework components and recommendations in this report, NASFAA, in conjunction with Public Agenda, conducted the following research:

- *A literature review and policy scan to examine the administration and impact of the FWS program*. In this work, we offer a policy scan that reviews the existing policies pertaining to FWS, covering a brief history of FWS and explaining the roles of the U.S. Department of Education (ED), higher education institutions, and students' employers. We conclude by summarizing the literature and most significant studies examining the effects of participation in FWS.

- *Surveys to capture information on best practices and innovative programs in FWS*. The surveys were sent to staff at colleges and universities across the United States who work with FWS programs. Of the 1,885 total respondents, the final database included 1,207

respondents in financial aid positions (64% of total respondents) and 678 respondents working in other departments (36% of total respondents).

- *Eleven focus groups with a total of 88 participants*. These groups discussed innovative practices in FWS; challenges and pain points in the administration of the program; and ways institutions can use data to improve it. These groups were comprised of financial aid administrators (FAAs) and other individuals who worked for four-year public institutions, private institutions, and community colleges and indicated they handled one or more components related to the administration of the FWS program, as identified by an online survey.

A full version of all three reports, and the framework components we created by institutional sector, may be viewed in our website at www.nasfaa.org/fws.

RECOMMENDATIONS

Recommendations for Policymakers

#1: Revise the campus-based aid allocation formula.

Previous research from NASFAA's 2014 Campus-Based Aid Allocation Task Force examined the formula by which congressional appropriations for campus-based programs are distributed to institutions. Their study aimed to provide recommendations for changes leading up to the reauthorization of the Higher Education Act. The task force found that there is a need for a change to the funding formula in order to achieve a more equitable distribution of campus-based programs among Title IV institutions based on the financial needs of their population of eligible students[1]. The findings of our review and policy scan support consideration of such changes.

Additionally, our focus group participants from all types of institutions cited FWS funding challenges. In particular, participants from community colleges seemed to experience the most acute struggles; these are partially related to the high levels of financial need usually found among the

populations they serve. The campus-based aid allocation formula should be revised to more accurately and equitably reflect the comparative need of the student populations of schools applying for campus-based aid allocations. This can be accomplished by eliminating the base guarantee and including phase-in protection so that no institution has a funding decrease or increase of more than 10% per year.

The base guarantee of funding, currently based on FY 1999 expenditures, was intended to be a temporary measure to mitigate losses to individual institutions that could result from radical fluctuations in funding. Due to the static nature of the formula, the prior-year expenditure for most schools is linked to the school's program participation in the 1970s. Thus, today's allocation of campus-based funds largely reflects a 40-year-old model for distribution of program funds. The base guarantee assures funding for certain long-established institutions, leaving less funding available for growing schools serving increasing numbers of financially needy students. By eliminating the base guarantee, allocations would be based only on a fair-share formula. A phase-in protection would ensure that no institution's allocation would increase or decrease by more than 10% per year, avoiding large swings in allocations from year to year.

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[1]   NASFAA (2014). *The Campus-Based Aid Allocation Formula — Task Force Report.* Retrieved from https://www.nasfaa.org/The_Campus_Based_Aid_Allocation_Formula_Task_Force_Report

#2: Expand the definition of the community service requirement.

Citing difficulty in meeting the requirement, many focus group participants acknowledged that they would like to see the definition of eligible community service expanded so that more jobs could qualify. For example, current law includes "child care services provided on campus that are open and accessible to the community" (HEA §441(c)(1) [42 U.S.C. 2751]) in the definition of community service. Child care facilities that only serve employees and students of the institution are not considered open and accessible to the community. NASFAA recommends that this definition be revised to acknowledge that the "community" includes faculty, staff, and students residing off-campus, and that on-campus child care facilities that give priority to institutional employees and students may count as community service so long as they do not actually bar members of the community at large who are not associated with the institution.

Recommendations for Institutions

#3: Use FWS to reduce loan borrowing and indebtedness.

Several focus group participants — particularly community college participants — noted that they would ultimately like to learn more about how the FWS program can help to reduce overall student debt. The interplay between FWS and student debt fits nicely with NASFAA's existing recommendation to allow financial aid administrators the authority to limit loan amounts for certain categories of students. An example of this would be allowing aid administrators to set a policy making all of their part-time students eligible for only half of the annual loan limit. (Schools could, however, use professional judgment on a case-by-case basis if they deemed the student needed the full amount.) This authority, coupled with an effort to use FWS in place of the other half of the loan amount, would allow students to finance their education with less debt and more work experience. Participants agreed that better data would be necessary to determine the amount of additional funds and administrative resources that would be needed as well as the potential effectiveness of such an approach.

#4: Identify ways that those working with FWS can be innovative in addressing the program's policies and procedures.

This would likely involve training FWS staff in how to become more innovative in their thinking, as well as showing them how they can implement innovative policies and procedures within the confines of their work environment and federal regulations. Thus, this recommendation would address two areas: how to be innovative in the college and university environment and how to adopt promising innovative practices that have been used at other institutions.

#5: Have a staff position dedicated to implementing innovative FWS practices.

Many of our survey respondents who said they had innovative FWS practices worked for institutions that had dedicated staff and resources to a specific innovative practice. Because it is not feasible for all schools to dedicate a separate position to FWS, NASFAA should conduct further research to create best practice toolkits emphasizing effective innovations that are easily scalable and applicative to various sectors.

#6: Examine best practices and implement peer mentoring for FWS students.

Input from focus group participants suggests that students further along in their academic careers are the most likely to be successful in FWS positions. Using seasoned FWS students as peer mentors/coaches for new FWS students and/or incoming freshmen might help significantly more first-time and first-year FWS students to successfully balance work and school, making the most of their FWS opportunity as a coherent part of their overall education.

Additionally, many of the existing innovative programs from our survey had ties to mentorship. Mentorship can occur at several levels, with FWS students in community service/tutoring positions serving as mentors or FWS students themselves being mentored in their positions. Given the research findings about the powerful influences of mentorship[2], we feel this is a particularly important area of innovation to pursue.

#7: Build cross-campus relationships and leverage partnerships between entities with similar goals relating to FWS.

Offices handling FWS should leverage their cross-training and partnerships with other offices on campus. This may alleviate some of the burden these offices feel and allow them to focus on different parts of the program that they could innovate more. Leveraging cross-training and partnerships should be done in a coordinated and consistent way from year to year.

Despite resource constraints, input from the focus groups suggests that financial aid offices (FAOs) can and should be working with other offices and departments in their institutions to strengthen FWS in various areas. Examples raised by focus group participants included working more effectively with institutional research offices to pull better data, working with the career services office to help with employment matching and building relationships with off-campus employers, and working with academic affairs and student services to create summer FWS opportunities for incoming students that align with and support the overall orientation of new students.

[2] Kuh, G. D. (2008). High-impact educational practices: What they are, who has access to them, and why they matter. Washington, DC: Association of American Colleges and Universities.

#8: Streamline the FWS pipeline.

Schools should reduce the disconnect between students receiving an offer of a FWS and their actually finding, accepting, and successfully performing a FWS job. Schools can achieve this by communicating effectively about the opportunities available through FWS and changing the overall perception of these jobs at the institution.

In addressing this disconnect, an important opportunity for intervention occurs after students receive their FWS awards, since only approximately half of those students go on to take FWS positions. NASFAA could create a communication tool to help its members explain to their students the possibilities and benefits of a FWS position. On the institutional side, efforts can be made to increase the understanding of faculty and staff about what a FWS position can entail, with the objective of expanding the range of positions offered to FWS students.

Recommendations for NASFAA and/or the U.S. Department of Education

#9: Increase the capability of institutions to gather, examine, share, and utilize data relevant to FWS practices.

Increasing institutional capacity in terms of data collection, reporting, and use is paramount. Examining data is key to understanding various aspects of the FWS program and identifying areas for improvement. Unfortunately, many institutions do not have ready access to relevant data relating to FWS implementation, and offices that need to share information do not always have the infrastructure to do so. A central portal for data on FWS students would be the most efficient and useful way to integrate disparate sources of information on FWS.

Though increasing staff resources would be the most expedient way to spark change, it seems practical in the current economic environment to recommend ways that this might be accomplished without additional resources. We believe data utilization could be increased through other means, such as training administrators involved with FWS on how to efficiently work with data and the tools that would facilitate data collection.

Another possible route for better data usage would be to increase the communication between the office on campus responsible for data use (often the institutional research office) and those working in FWS. Increased communication could result in partnerships and increased resource sharing among relevant departments and simplify the data collection processes.

Finally, NASFAA could investigate creating a model FWS portal to be implemented on top of existing student information systems. The association could accomplish this by working with FWS administrators to define the necessary parameters and collaborating with student information system providers to incorporate their suggestions. NASFAA should give special attention to ensuring streamlined and efficient FWS data collection that would not increase the administrative burden already experienced by FAOs.

#10: Look for ways to help institutions increase their effectiveness in assisting FWS students to meet their educational or career goals.

Again, we see this as a data issue, as many institutions have no data on how their efforts to match student goals with employer offerings have turned out. In our research, institutions that were successful in this area administered surveys to students and employers, and also held exit interviews. NASFAA can facilitate this process by offering a centralized service that provides access to such tools, as well as the accompanying reporting and benchmarking.

#11: Implement a national FWS student survey.

This survey of college and university administrators uncovered important patterns in terms of institutional practices concerning FWS. However, our study only provides institutional perspectives; what is missing is the student experience. What gains do students perceive as connected to their FWS experience? How do these differ from the gains perceived by students employed in non-FWS jobs? What aspects of the FWS program do students feel are limiting? Do they think FWS helped them to reach their academic or career goals, and if so, in what way? Such key issues must be taken into account, but can only be learned from the students themselves. This survey could be administered by NASFAA or ED, since ED receives fiscal information and recipient data for the federal campus-based programs. If conducted by ED, this may require lifting the Student Unit Record ban currently in place.

#12: Develop a best practices toolkit.

Focus group participants expressed a wide range of needs related to implementing best practices in the design and administration of FWS. Any toolkit of materials for those involved in administering FWS should include guidance for training FWS employees and supervisors, accessible communications and marketing materials to educate students and relevant on-campus departments about the value of FWS, and a checklist of best practices to ensure that students are placed in positions that will be of greatest benefit to them. A more ambitious approach would be a comprehensive manual for postsecondary institutions on how to navigate the entire FWS process, connect FWS with student success efforts, and make FWS a marketable program. This toolkit or manual could be produced by NASFAA or ED, but should be developed in collaboration with FAAs, FWS program administrators, and staff in other offices that work with FWS students.

#13: Develop a data infrastructure and support for data use.
Across our focus groups, input from participants suggested the creation of a central database that would allow institutions to easily compare their FWS student data on key measures such as retention, graduation, loan default, and post-graduation labor market outcomes and/or transfer rates and outcomes. This dataset could be created by ED, which receives fiscal information and recipient data for the federal campus-based programs and has other metrics, such as graduation and default rates, in other federal databases. In the absence of a robust database (or as a complement to such a database, should one be created), NASFAA should provide professional development and training to support financial aid professionals in using data to strengthen their FWS program.

Recommendations for Future Research

#14: Conduct further empirical research on FWS practices.
Our review of literature showed a lack of research focused on what works well. There is minimal literature that addresses key practices or innovations for administering FWS. Further empirical evidence is needed to understand the effectiveness of current FWS practices and to identify which innovative practices have the potential for greatest impact.

#15: Conduct more research on the real-life experiences of FWS students.
Our survey and review of literature showed that little is known about how FWS students navigate the process and how they view the FWS experience and its impacts.

#16: Examine the types of jobs performed by FWS students and the associated outcomes.
The literature lacks sufficient detail about the types of FWS jobs available to students and whether these job types make a difference in student outcomes. For example, few reports examine whether FWS employment helps students gain "soft skills" such as teamwork, problem solving, conflict resolution, and critical thinking.

#17: Assess the effects of FWS awarded with different combinations of student aid.
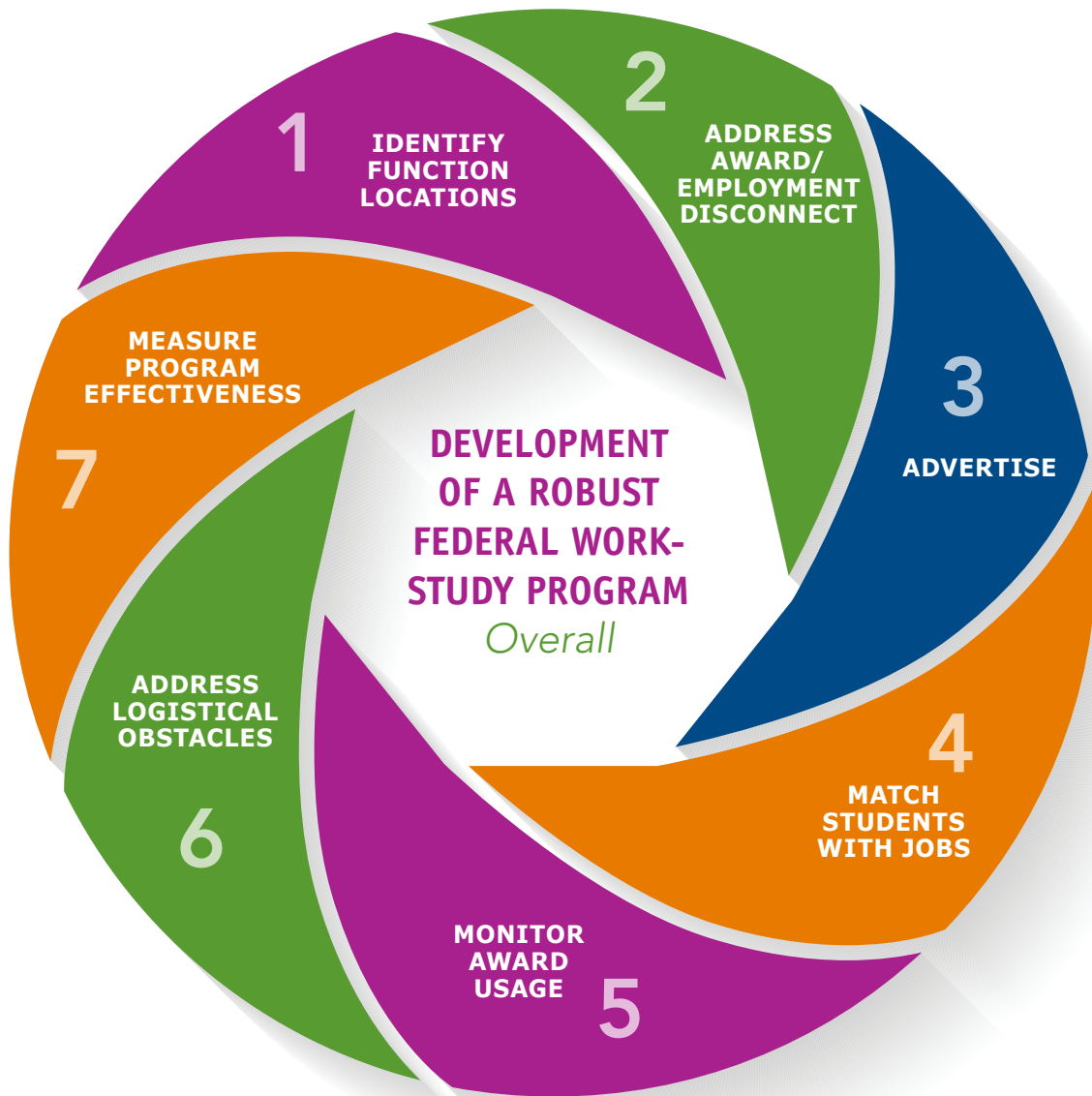Little is known about the interplay of FWS with other forms of financial aid. For example, if students receive multiple forms of aid, how can we accurately assess the impact and success of each type of aid?

DEVELOPMENT OF A ROBUST FEDERAL WORK-STUDY PROGRAM
Overall

Research by the National Association of Student Financial Aid Administrators (NASFAA) and Public Agenda indicates that optimally functional and innovative FWS programs incorporate all of the following components:

1 IDENTIFY FUNCTION LOCATIONS

2 ADDRESS AWARD/ EMPLOYMENT DISCONNECT

3 ADVERTISE

4 MATCH STUDENTS WITH JOBS

5 MONITOR AWARD USAGE

6 ADDRESS LOGISTICAL OBSTACLES

7 MEASURE PROGRAM EFFECTIVENESS

DEVELOPMENT OF A ROBUST FEDERAL WORK-STUDY PROGRAM *Overall*

In order to facilitate these components, four "knowledge organization systems" have been created to help guide institutions in executing a successful FWS program (a general system and three sector-specific systems: community colleges, private four-year not-for-profit institutions, and public four-year institutions). The components identified in this system are a result of findings from a research project comprised of a literature review and policy scan, a national survey, and focus groups.

In general, where survey and focus group results differed, our recommendations relied more strongly on the survey findings, since the survey respondents were a more representative sample than the much smaller focus groups. The "Promising Innovative Practices" sections on the following pages list current practices for each of the seven areas that survey respondents and focus group participants have implemented and found successful on their own campuses. This project was generously funded by the Bill & Melinda Gates Foundation.

DEVELOPMENT OF A ROBUST FEDERAL WORK-STUDY PROGRAM *Overall*

1 IDENTIFY WHERE FWS FUNCTIONS ARE LOCATED WITHIN THE INSTITUTION

FWS functions can be within the purview of the financial aid office (FAO), but can also be dispersed across the institution. Survey findings showed:

- *Management of FWS Expenditures/Fund Usage:* 91% reported this function was in the FAO, 2% in the bursar's office, and 1% in payroll.
- *Data Collection:* 67% reported this function was in the FAO, 4% in the institutional research office, 4% in student employment, and 4% in human resources.
- *Coordination of FWS Community Service and/or Job Location and Development Programs:* 59% reported this function was in the FAO. For community service, 12% reported it is in student employment, 3% in human resources, and some institutions have specific community service offices that fulfill this role. For Job Location and Development Programs, 5% reported it is located within student employment.
- *Advertising FWS Positions:* 60% reported this was carried out by the FAO, 11% by student employment, and 5% by human resources.
- *Hiring/Placement:* 55% reported this function was in the FAO, 13% in student employment, and 8% in human resources.
- *Managing FWS Payroll:* 40% reported this function was in the FAO, 36% in payroll, 10% in human resources, 8% in student employment, and 6% in the bursar's office.

Promising Innovative Practices:
- Using technology to connect office systems and databases that are currently maintaining separate records.
- Partnering with the institutional research office to leverage data compilation and analysis skills.

2 ADDRESS THE DISCONNECT FROM AWARD TO EMPLOYMENT

A key piece of a robust FWS program should include some type of intervention to better connect the receipt of an award to actual employment. Many more students are awarded FWS than actually end up employed in FWS positions. Thirty-three percent of survey respondents reported that fewer than half of the students awarded FWS at their institution were employed in an FWS position. According to our survey respondents, many FWS-awarded students simply did not apply for FWS positions, some found non-FWS employment, others applied but were not hired, and some students could not find FWS positions they wanted. Many of our survey respondents told us that they thought this was because students could make more money in a non-FWS position, while some thought it was because they already had non-FWS jobs that they kept. Finally, some survey respondents speculated that students took non-FWS positions to get more job experience.

Promising Innovative Practices:
- Offering returning students a higher wage to make FWS positions more attractive.
- Expanding the types of FWS positions offered to provide a wider range of job experiences.

3 ADVERTISE FWS POSITIONS

Because the gap between students with FWS awards and those taking FWS positions is so large, any step to increase the percentage of eligible students in positions is beneficial to the program. Advertising is one way to expose FWS students to the possibilities of FWS employment, whether that be by promoting the variety of job types available, the flexibility in scheduling, or other beneficial aspects of FWS jobs.

Promising Innovative Practices:
- Establishing online portals for students that provide information on the available FWS jobs.
- Holding job fairs for FWS students.

4 ▸ MATCH STUDENTS WITH FWS JOBS

Another key component to a successful FWS program is the ability of an institution, to the extent possible, to help connect students with jobs related to their career interests. About half (47%) of our survey respondents reported that they would always take the student's educational program or career goals into account when placing students in FWS positions, assuming the student could articulate such goals. Unfortunately, only 19% of survey respondents thought that their school was "very effective" at helping students find positions that reflect their goals. Because placement of FWS students into positions is not isolated in the FAO, it is important to have institution-wide practices and policies to ensure the FWS student and employer experiences are uniform and positive. Focus group attendees told us that the general perception of FWS positions is that they are more clerical in nature. This misperception could discourage faculty and staff with other types of positions from thinking of them as potential FWS positions and turn students away from looking for an FWS position.

Promising Innovative Practices:

- Educating staff, faculty, and students on the actual types of positions that can be FWS jobs.
- Promoting more of a mentor/mentee relationship between FWS students and employers through trainings.
- Exploring being able to offer students employed in FWS positions academic credit, when applicable, in addition to their FWS wages.

5 ▸ MONITOR STUDENT AWARD USAGE

One of the key difficulties FWS administrators reported is monitoring student award usage at the individual level. A negative consequence of not monitoring fund usage can be the sudden termination of a student's employment if a student runs out of funding. This can, in turn, contribute to poor academic performance, dropping a course, or even dropping out of school. Some schools have systems in place to monitor fund usage, but few have systems that will alert the program administrator when a student is on track to prematurely use up the allotment.

Promising Innovative Practices:

- Using technology to create systems that alert all parties if projections indicate the student will run out of FWS funding.
- Encouraging the student and employer to work out a schedule in advance so the relationship between hours worked and the FWS award is fully understood. In addition, they should come to an agreement as to whether the student will still be employed after their FWS award runs out and, if so, what the funding source will be.

6 ▸ ADDRESS BARRIERS TO FULFILLING COMMUNITY SERVICE REQUIREMENTS

Per federal regulations, at least 7% of a school's FWS allocation must be used to employ students in community service jobs and at least one student must be employed as a reading tutor or in a family literacy project; however, one quarter of institutions reported difficulty meeting these requirements. FWS administrators reported they would like the definition of what constitutes a community service position to be broadened so they can more easily expand their community service offerings. In addition, about half of community service FWS positions are off-campus, which can create a barrier to filling the positions because, for students, getting to the job can be costly, time-consuming, confusing to figure out, or all three. Only about one in five respondents told us that their school has a Job Location and Development Program, and this could be expanded. Only 8% of those that did have such a program were operating it in collaboration with other schools.

Promising Innovative Practices:

- Offering mentor programs that pair FWS college students with younger students in the community to assist with the college decision-making and application process, especially in communities with low levels of educational achievement, in order to satisfy community service requirements.
- Providing transportation facilitated by the school or community service agency for off-campus community service positions.

7 ▸ DETERMINE THE EFFECTIVENESS OF FWS

Throughout the other areas there has been a lack of data that allow the institution to understand how to improve the process of implementing FWS. Few institutions indicated they collect data that link retention or the graduation rate of FWS students to the FWS program. Fewer still have conducted research on the long-term impact of FWS participation on readiness for employment or workplace engagement. We think collecting this and other data would be helpful and would contribute to a successful program.

Promising Innovative Practices:

- Distributing surveys to students, both before and after their FWS experience, that measure change over time on aspects related to retention and future success in careers, then redistributing surveys several years after graduation.

CONCLUSION

A primary takeaway from this project is that college and university employees who work with FWS care about the program and have a lot to say about how it functions. We hope that the information shared in this research report will provide a deeper understanding of the challenges and opportunities that exist for making FWS a true part of the student success and completion narrative for postsecondary institutions. Throughout our survey and focus group analyses, we were struck not only by the tremendous creativity and commitment of the participants, but also by their ability and willingness to innovate every day on behalf of better outcomes for FWS students. We hope that the results of study and our "knowledge organization systems" will lay the foundation to provide more tools and resources to those working on FWS, and will help support effective implementation of promising practices in the design, administration, and improvement of FWS programs.

National Association of Student
Financial Aid Administrators (NASFAA)
provides professional development
for financial aid administrators;
advocates for public policies that
increase student access and success;
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