

Higher Education Coordinating Board
Annual Workshops
May 1 - 4, 2012



WASHINGTON
OPPORTUNITY PATHWAYS

Student Aid Professionals



What my family thinks I do



What my students think I do



What society thinks I do



What my boss thinks I do



What I think I do



What I actually do



State Work Study Update

Higher Education Coordinating Board

Annual Workshops

May 1 - 4, 2012

Agenda

- Legislative update / context
- 2012-13 allocations
- Full-time SWS
- Policy reminders
- Employer renewals
- 2012-13 operations and goals
- 2011-12 overview and key dates

Final 2012-13 Budget

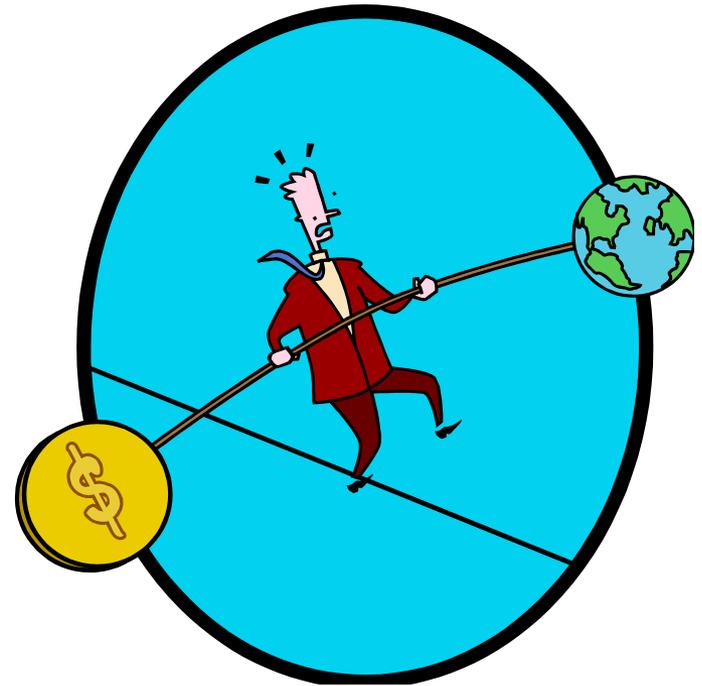


- Maintains anticipated funding level per the 2011 biennial budget
- Like 11-12, the 12-13 appropriation is approximately 7.8 million, or roughly 50% less than in 10-11
- Does not include new directives intended to offset the impact of the funding reductions, but maintains 11-12 directives:
 - Increased employer matching contributions
 - Revise distribution methods to institutions by considering factors such as off-campus job development, historical utilization trends, and student need
 - Non-residents ineligible for SWS

Legislative Context

Overall: fortunate to have a functioning SWS program in 12-13

- Proposed for suspension in the **Governor's budget proposal in late 2011**
- Concerns from the Legislature on program necessity and effectiveness amidst large budget shortfall, other priorities
- Shrunken program easier to suspend, fewer impacted stakeholders

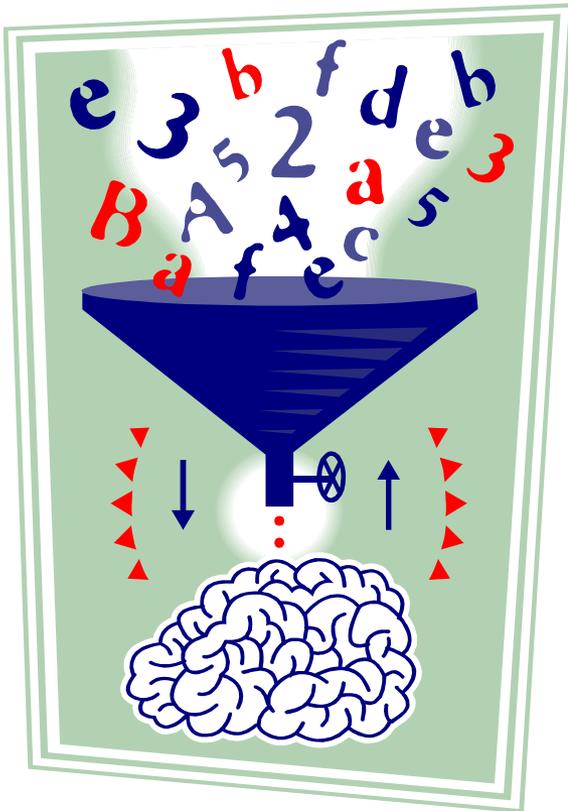


Legislative Context

Saving graces:

- Much less cutting required to balance the budget than originally anticipated
- Understanding of the long-term implications of further reductions to higher education funding on future economic growth
- Proactive efforts to reinforce and develop a better understanding of the vital role SWS plays in connecting low and middle income students with relevant job experience pre-graduation to help meet the short and long-term **workforce needs of Washington's economy while helping to minimize post-graduation debt**
- Compelling stories/voices from stakeholders and affected communities

Outreach



- Employer survey sent to all employers – overwhelmingly positive feedback
- Employer Perspectives brief created for public consumption
- Hearing on an alternative funding mechanism for SWS provided an opportunity for testimony from students and employers
- Institutional and sector efforts to inform and motivate impacted students, especially the Washington Student Association and ICW
- SWS – FWS compare and contrast document produced and disseminated

Work Study Research

- Research correlates part-time work experiences with improved retention, persistence, and completion
- **“Real world” contextual learning while in college improves the quality of career choices**
- **There is a “tipping point” in the number of hours associated with persistence – fewer than 20 hours enhances persistence**
(Salisbury, Pascarella, & Padgett, 2009; Berkner & Choy, 2008; Furr & Elling, 2000)
- On-campus jobs improve engagement and persistence
(Pike et al, 2008)



Student Survey

- **83%** indicated SWS has been critical to their ability to pursue a degree
- **71%** reported they would not be able to afford to stay in school without SWS
- **86%** noted SWS work experiences helped clarify their educational & career goals
- **94%** said their SWS work experiences have made them more marketable for future employers
- Half of respondents hoped to work for their SWS employer or a similar one after graduation



Employer Perspectives

Survey of employers indicates:

- Many graduates hired full-time with same organization
- Employers value and prioritize past work experience when making hiring decisions
- Organizations who partner with and contribute to SWS:
 - Provide vital community services
 - Achieve growth as a business
 - Employ hundreds of students
 - Provide opportunity to future educators
 - Offer opportunities for students to gain significant skills and experiences



United Way
of Pierce County



Spokane Public Schools
excellence for everyone



green
cupboards



Washington Access Fund
Independence is priceless. We make it affordable.

Tacoma Day

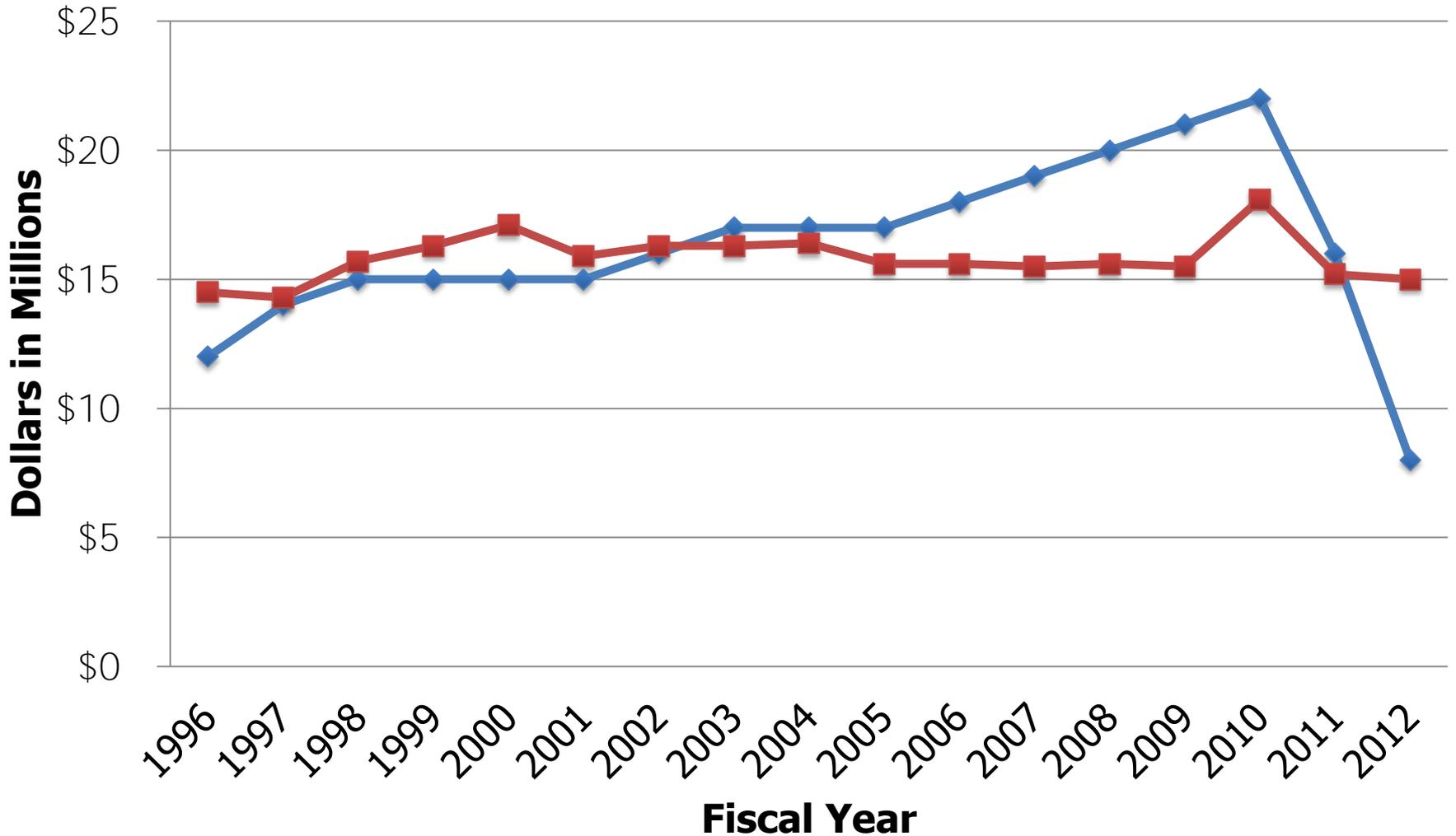


Serving the Community
Since 1911



Work Study Funding Over Time

◆ SWS ■ FWS



Comparison to FWS

- FWS had been roughly equivalent to SWS funding, decreasing steadily except for the one-time federal stimulus, large recent state reductions are the big change
- The majority of FWS dollars are earned on-campus
- FWS requires minimum wage versus comparable wage in SWS = drives higher matching power and greater relative student earnings
- FWS requires 7% in literacy/community service – SWS prioritizes positions that relate to academic and career interests
- In 2011-12, FWS anticipated to serve 8,500 vs 3,500 in SWS
- Over 1/3 of FWS recipients are non-resident students



2012-13 Allocations



- Initial allocations will be emailed to institutions no later than 6/15
- Initial allocations represent 75% of an estimated final allocation
- Once all 11-12 expenditure activity is complete – by early August – the model will be revised and allocations will be supplemented to reflect the final allocation amount
- Current allocations will updated in the portal and ready for use after 7/1

2012-13 Allocations

The transitional model developed in 2011-12 distributes available funding based on a weighted combination of:

- Pre-cut scale of institutional SWS programs
- Capacity as evidenced by a six year utilization history
- Balance between utilization success and size of allocation

Model aspects:

- Avoids drastic change, but not simply flat reductions
- Performance does matter and is rewarded, especially over time
- No specific factors for the level of off-campus opportunities, matching power of each dollar allocated, changes in student demographics
- Model should become more comprehensive once community is fully engaged and when the program has had more opportunity to stabilize

2012-13 Allocations

Bottom line:

- 12-13 initial allocation percentage variance for most institutions will be minimal
- However, institutions should not look at their 11-12 initial allocation and assume the same funding level for 12-13
- 11-12 initial allocations were larger because 10-11 carry forward funds were included in 2nd round distribution – this may or may not happen in 12-13

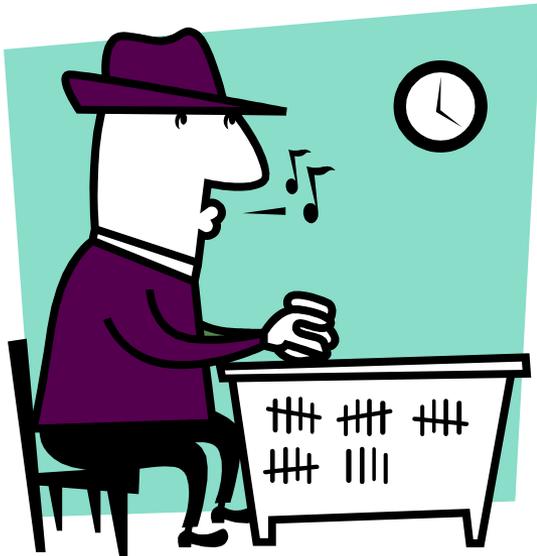


The suspension of full-time SWS opportunities will be lifted in 12-13:

- Beginning 7/1/12, eligible students may again work up to an average of 40 hours per week during official school breaks
- All former rules associated with full-time SWS also return in 12-13, including the 40% savings expectation
- The 11-12 restriction was implemented to ensure maximum access to significantly reduced program funding by the greatest number of needy students at all campuses and to avoid concentrated earnings
- SWS functions best with maximum flexibility and this well-intentioned policy change was unfortunately another reminder of this key point



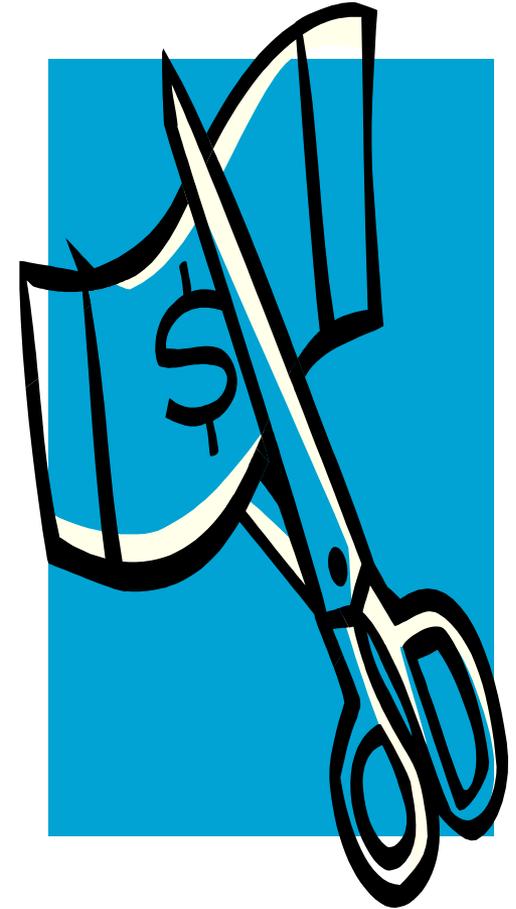
Full-Time SWS



- Some institutions have requested that the full-time SWS restriction be lifted in 11-12 at the outset of summer term/quarter
- We recognize the administrative attractiveness for institutions, but current fund management concerns prohibit this determination
- SWS has never been more over-committed and institutions by and large are confirming that they will fully utilize available fund balances
- Danger of over-expenditure is trumping all other variables, including some equity concerns around a mid-year policy change

S/LEAP Impact

- Federal LEAP and SLEAP programs were eliminated in 11-12 due to budget challenges
- Formerly, the comingling of federal Title IV funds from LEAP and SLEAP with SWS funding exempted student earnings from welfare benefit income control and unemployment benefits calculations
- With the elimination of LEAP and SLEAP, SWS earnings are now be counted as income for all SWS students in these categories



Special Projects

SWS Special Projects in Community Service, Math & Science Teaching, and High Employer Demand remain discontinued until further notice

Discontinuation was the result of:

- Large decreases in SWS funding
- Loss of S/LEAP funds that allowed for 100% reimbursement
- Challenges of funding separate wage and administrative support allocations in the current context



Please note that STEM employers working in high demand fields continue to receive the lowest employer match rate available

Non-residents

- Non-resident eligibility for SWS was targeted for elimination in both the 2009 and 2010 Legislative sessions
- Of 14 state-based work study programs, only Washington permitted non-resident service
- Limited flexibility was provided to serve/teach out non-residents and their employers in 2010-11, with anticipated service at no more than 5% of program resources
- Non-resident eligibility was discontinued as of 11-12
- Residency determinations for SWS should follow the same process as your institution employs to determine residency for State Need Grant purposes

Match Rates : Context

- Seeing the potential to offset funding cuts by increasing the leveraging power of each program dollar, the Legislature directed the HECB to increase match rates
- Match rates for all employer types have increased by 50-100%
- 10-11 SWS program dollars were leveraged by approximately 31% versus a 25% historical average
- 11-12 leverage should increase by an even larger factor
- While theoretically sound, these increases come amidst a challenging economic environment and may not deliver the offsets envisioned
- Impact on employer participation levels will be more fully realized when employers actively renew contracts in 12-13 versus auto-renewal in 11-12

Match Rates : 2012-13

Minimum 2012-13 employer match rates per employer type:

For-profit employers	60%
Public and private institution on-campus Governmental agencies - town/city/county/state/federal	40%
Non-profits providing community service School districts Off-campus STEM employers (science, technology, engineering, and math)	30%

Employer Renewals

12-13 employer renewals will follow the previous process:



- Employers will be sent renewal instructions by mail in early May
- Employers log into the HECB portal with a user name and password supplied with renewal instructions
- Employers acknowledge that they will continue to abide by all program rules and the conditions of their existing SWS contract
- Employers have the ability to make some adjustments to their information including contact information and pay rates

Employer Renewals

- Job descriptions from private institutions can be renewed through the portal but only pay rate increases are allowed, decreases require a new JD
- Job descriptions from public institutions must be renewed directly with those entities
- Employers who hire from private institutions must register with OFM for a State Wide Vendor # (SWV #), we cannot approve contract/JD without SWV#:

Website: <http://www.ofm.wa.gov/isd/vendors.asp>

- Change from the HECB to WSAC will impact any new contract established after 7/1



2012-13 Operations



- As of 7/2/12, new SWS Contract and Job Description forms reflecting the “Washington Student Achievement Council” will be posted to the public website, portal, and emailed directly to institutions
- After 6/30, All new employers must complete a new WSAC SWS Contract
- After 6/30, new Job Descriptions should also utilize the new WSAC form
- Plan for 12-13 is to have four Survey Rounds – September, November, February, and April
- Significant opportunities for redistribution of SWS funds are not anticipated

2012-13 Goals

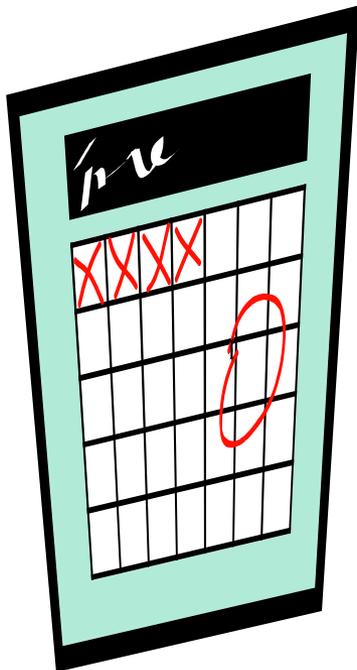
- Determining revised initial 12-13 SWS allocations as soon as possible
- Continuing work toward a revised distribution model for possible 13-14 implementation in collaboration with SFA workgroup (if time allows with focus on State Need Grant evaluations)
- Improved funds management and continued efforts to successfully balance critical inter-related goals of:
 - Maximizing opportunity for SWS eligible students
 - Ensuring program effectiveness through functional, dynamic, and reasonable award levels
 - Active management of SWS allocations and stakeholder interest in order to achieve 100% utilization

2011-12 Overview

- Another year of major reductions to funding levels and significant policy changes continued to make efficient utilization extremely difficult
- Fund management at institutional and program level has been a challenge
- Still seeking proper balance between equal opportunity and program efficiency
- With fewer resources and added complication, institutions have done well to maintain high levels of SWS functionality, but if the program is to rebound, better utilization/demand creation is key



2011-12 Key Dates



5/7/12 – Final SWS Survey Round Due –
Institutions must provide detail/rationale for
asserting anticipated 100% utilization

7/16/12 – Deadline for final cash requests and
Year End Reports from public institutions,
private institution timesheets

*** Timesheets submitted after 7/16/12 will be
paid on a funds available basis

THANK YOU!!!

....for all your work on behalf of the program and its students!



Questions or comments?