

State Work Study Update

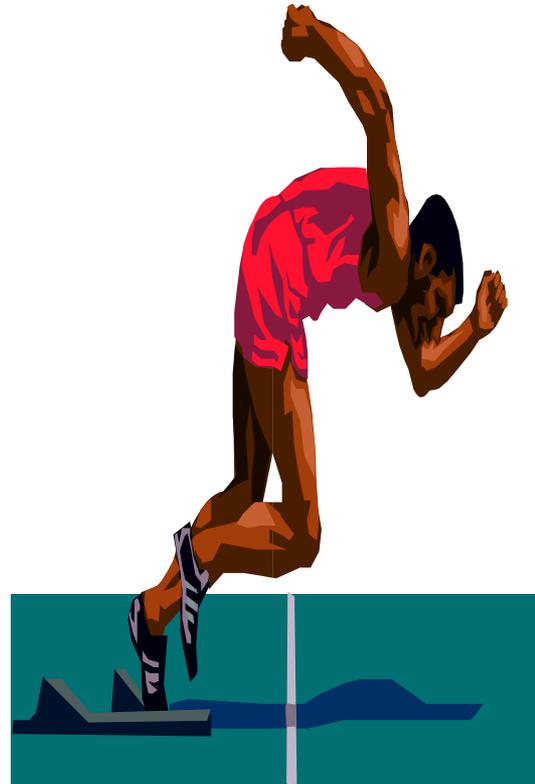
Higher Education Coordinating Board

Annual Workshops

June 7 & 9, 2011

Agenda

- Legislative Update
- 2011-12 allocations
- Non-residents
- Full-time SWS
- Average earnings
- Special Projects
- Employer match rates
- Employer renewals
- Operations



Final 2011-13 Budget



- Reduces overall program funding by 66%, or \$30 million from anticipated 2011-13 levels
- New appropriations are approximately 7.8 million per year, or roughly 50% less annually than in 10-11
- Includes specific directives intended to offset the impact of the funding reductions on needy resident students:
 - 2010 changes made permanent
 - Non-residents ineligible for SWS
 - Increase employer matching contributions
 - Revise distribution methods to institutions by considering factors such as off-campus job development, historical utilization trends, and student need

SWS Allocations

- Initial allocations were emailed to institutions on 5/31
- Initial allocations represent 75% of an estimated final allocation
- Once all 10-11 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



SWS Allocations



Based on the scale of the funding reduction and the sense that there will be few opportunities to redistribute funds throughout the year:

A transitional model was developed to distribute reduced SWS funding based on a weighted combination of:

- Current scale of the institution's SWS program
- Capacity as evidenced by a five year average utilization history

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
- The 2011-13 budget discontinues non-resident eligibility
- Residency determinations for SWS should follow the same process as your institution employs to determine residency for State Need Grant purposes

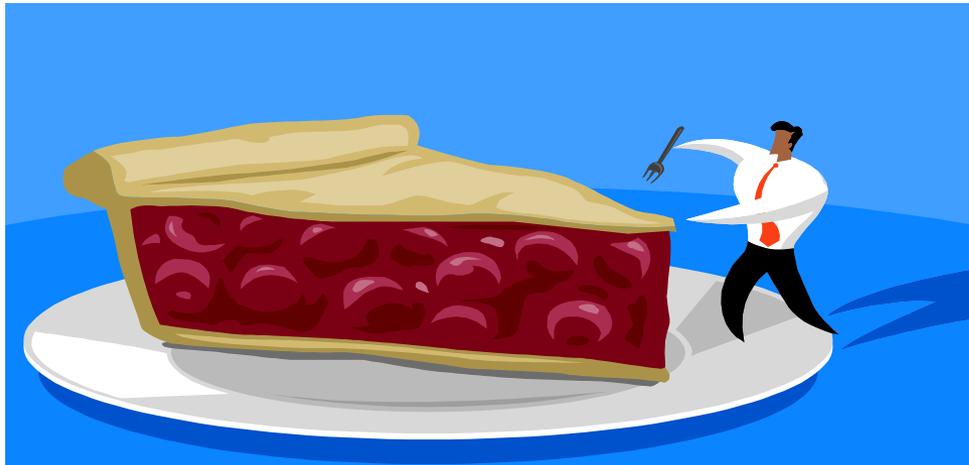
Full-time SWS

- In order to maximize student opportunity with significantly reduced resources, full-time SWS at 40 hours a week during school breaks, including summer term, is suspended in 2011-12
- Students may still work up to 19 hours a week during school breaks
 - For students enrolled in 6 or more credits during a break period and enrolled in following term = 19 hours/week limit and normal SWS rules apply
 - For students enrolled less than 1/2 time or not enrolled, with documented intention to enroll in the following term = 19 hours a week SWS limit plus the 40% savings expectation

Average Earnings

In order to provide SWS opportunities to the largest number of eligible students amongst all participating SWS institutions:

- The HECB strongly encourages careful review and oversight of student earnings to limit “outliers” with earnings far above average levels
- Instituting award caps as a program policy may be evaluated for 12-13



Special Projects

Due to the dramatic decrease in program funding and the resulting constraints on the HECB's ability to fund both separate wage and administrative support allocations for this purpose:

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

Please note that STEM employers working in high demand fields continue to be incented to participate in the program by receiving the lowest employer match rate available



Match Rates : Context

- Seeing the potential to offset funding cuts by increasing the leveraging power of each program dollar, the Legislature again directed the HECB to increase match rates for SWS employers
- Senate budget proposal included 60% increases to match rates, increasing non-profits to 48% and for-profits to 80%
- Conference budget provided less specificity but still directed increases
- While theoretically sound, increases to employer match rates come amidst a challenging economic environment and may not deliver the offsets envisioned, especially considering the complications and limitations resulting from overall reductions to program funding

Match Rates : Goals

- Increased leverage: more match dollars from employers mean more students can work and earn more gross dollars over and above taxpayer contributions
- Functionality: match rates at levels that minimize loss of employer participation and allow students to earn SWS dollars for college expenses
- Simplicity: reduce administrative burden by limiting the number of reimbursement rate possibilities
- Efficiency: reduce administrative burden by handling the 11-12 employer renewal process internally, directly linking all contracts to employer type and associated match rate
- Consistency: by actively aligning reimbursement rates with employer types at the contract level, employers should see more consistency across the program

Match Rates : 2011-12

Minimum 2011-12 employer match rates per employer type:

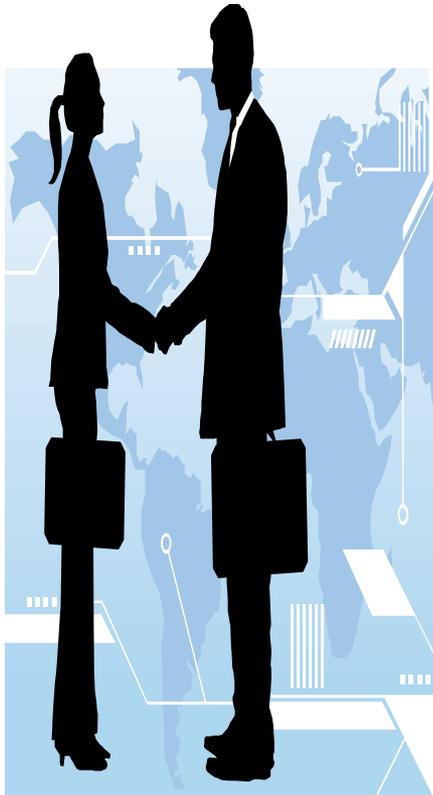
For-profit employers	60%
Public and private institution on-campus Governmental agencies - town/city/county/state/federal	40%
Non-profits providing community service School districts Off-campus STEM employers (science, technology, engineering, and math)	30%

Match Rates : Implementation

- Seeking to avoid a repeat of administrative burden on schools and employers caused by requiring all new job descriptions
- Seeking to implement an internal renewal process where employer types and match rates will be applied to existing contracts and job descriptions
- Employers will be notified via email of their renewed status for 2011-12, along with scans of current portal information for review
- Employer changes would require follow-up and updates in the portal
- In the meantime, HECB encourages schools to work directly with employers to explain process and to manage concerns
- Employers must have approved and active SWS contracts, job descriptions, and appropriate minimum matching rates per employer type prior to students earning 2011-12 SWS dollars

Match Rates : Implementation

Advantages of an internal renewal process in 2011-12:



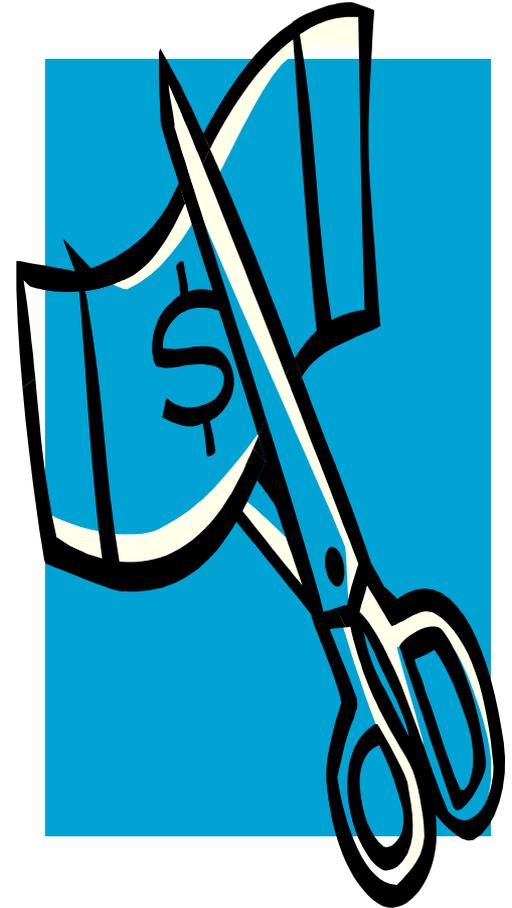
- All existing employers should be renewed by 7/1, avoiding the potential for disruption for existing SWS employment arrangements
- All contracted employers will be categorized by an employer type directly linked to a consistent minimum match rate
- Future match rate changes will be more easily accommodated
- Employer data by type and match level can be more effectively utilized going forward
- Reduced administrative burden on schools and employers

2011-12 Operations

- Handling 11-12 employer renewals and match rate conversions prior to work performed on or after 7/1/11
- Ensuring resident-only service and not allowing full-time SWS as of 7/1/11
- Determining “final” initial 11-12 SWS allocations and working toward a revised distribution model for 12-13 implementation in collaboration with SFA workgroup
- Successfully balancing 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

S/LEAP Changes

- Amidst the fierce budgetary battles in Washington DC, Federal LEAP and SLEAP programs have been eliminated for 11-12
- Formerly, the comingling of federal Title IV funds from LEAP and SLEAP with SWS funding exempted student earnings from welfare benefit income control calculations
- With the elimination of LEAP and SLEAP, SWS earnings will now be counted as income for all SWS students in this category

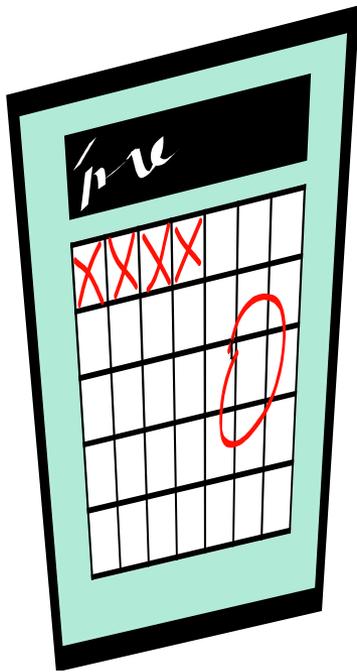


2010-11 Overview

- Large changes in funding levels, policy components made efficient utilization extremely difficult
- Threats of mid-year funding reductions disrupted SWS activity
- Necessary SWS “aggressiveness” was potentially constrained too much
- Higher match rates did reduce employer participation, but lower state reimbursements also translated into reduced utilization of SWS funds
- With fewer resources and added complication, institutions have done well to maintain high levels of SWS functionality



2010-11 Key Dates



6/24/11 – Final reports and Administrative billings due for SWS Special Projects

7/15/11 – Deadline for final cash requests and Year End Reports from public institutions, private institution timesheets

*** Timesheets submitted after 7/15/11 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?