September 13, 2005

TO: Directors of Student Financial Aid
FROM: Jane Caldwell

SUBJECT: Program Review 1: Texas College Work-Study Program

Introduction.

Bills passed by the 79th Legislature, Regular Session, impacted many of our state financial aid programs. Although we previewed the changes at our regional workshops in June and July, we now have more information to share with you. We’ve had time to study the statutes, confer with legal counsel and draft new program rules. This memo is the first in a series, the purpose of which is to give you more detailed information about one or more of the programs impacted by recent legislation. We hope you will find them helpful.

Each program has a primary contact which will be listed in the relevant Program Review memo. Please do not hesitate to get in touch if you have questions.

These issues will also be covered in our December 12 workshop in Austin. We’ll let you know via the TASFAA listserv when workshop registration is open.

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Matching Requirements. Good news! Senate Bill 1227 authorizes the use of federal matching requirements for the state work-study program, effective fall 2005. This generates two changes.

1. The state matching requirement for nonprofit employers is now 25 percent, rather than thirty percent as it was in the past. For-profit employers still have to provide 50 percent of the earnings.

2. Institutions eligible for a waiver of federal matching requirements are also eligible for waivers of state matching requirements. In order for you to qualify for a waiver, you must provide our office a copy of your Federal Title III or Title V eligibility letter. Such letters should be sent to Renée Jones, whose contact information is given below.

Transfer of Funds. A rider to the Appropriations Act (Rider 45, page III-53 of Senate Bill 1) authorizes the CB to allow institutions to transfer the lesser of 10 percent or $10,000 of the funds located to them between the Texas College Work-Study Program, TEXAS Grant Program, and the Tuition Equalization Grant Program. If your institution chooses to exercise this option, you need to notify the appropriate member of our staff. If you are moving money to the TCWSP you’ll need to notify Renée Jones in writing (an e-mail is acceptable) so that she can adjust your allocation for work-study and notify the staff member handling the other programs (Ernest Jacquez for TEXAS Grants and Lesa Brooks for TEG).

Example::
Original allocations:

| TEXAS Grants | $300,000 |
| TCWSP       | $ 50,000 |

Option 1: The school chooses to transfer as much as possible from TCWSP to TEXAS Grants. 10% of TCWSP is $5000, so they could transfer up to $5000 from TCWSP to TEXAS Grants by notifying Renée in writing, who would also notify Ernest.

Option 2: The school chooses to transfer as much as possible from TEXAS Grants to TCWSP. 10% of TEXAS Grants is $30,000, so the max they could transfer would be $10,000. The school would need to notify Ernest in writing of the desire to move funds from TEXAS Grants to TCWSP. Ernest would notify Renée.

New Work-Study Mentorship Program

House Bill 1172 authorized the creation of a new state work-study program – the Mentorship Program, effective fall 2005.

To participate:
♦ The institution:
   o has to be a general academic teaching institution (generally, public university, Lamar State College-Orange or Lamar State College-Port Arthur);
must provide 10 percent of the students' earnings (90 percent will be provided by the state); and
must provide the Coordinating Board a progress report at year end, indicating the success of students in the program.

♦ Students employed as mentors through the program,
  o must be juniors or seniors (juniors are students who have at least 60 semester credit hours; seniors are students who have at least 90 semester credit hours); and
  o must be employed to tutor students from the same institution who are on academic probation (as defined by the institution).

A total of $350,000 has been set aside for this program this year. If your institution is interested in participating in the program, complete the following form and send it to Renée Jones. Notice, we are also asking you to give her an estimate of the amount of money you believe you could match and use through the program this year.

If you wish to participate in the program this year, please submit the enclosed form to Renée by October 15.

We have enclosed a draft copy of program rules that will go to our Board for adoption in October. In the draft rules, underlined and shaded text is new text; deleted text is bracketed and struck through.

Our contact for the Work-Study Program is Renée Jones (renee.jones@thecb.state.tx.us).
If you wish to participate in the Mentorship Program this year, please submit this form to Renée by October 15.

2005-2006 Mentorship Program Participation Request Form

Institution Name: ______________________________________

[ ] Yes, we would like to participate.

We believe we can match and use $_______ in Mentorship Program funds during 2005-2006.

Renée Jones (renee.jones@thecb.state.tx.us)
Box 12788
Austin, TX 78711-2788
Phone: 512-427-6329
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CHAPTER 21. STUDENT SERVICES

SUBCHAPTER M. TEXAS COLLEGE WORK-STUDY PROGRAM

Section
21.401. Authority and Purpose.
21.404. Eligible Student Employees [Students].
21.405. Students Eligible for Mentoring.
21.407. Award Amounts and Uses
21.408. Allocations and Reallocations.
21.411. Authority to Transfer Funds.

21.401. Authority and Purpose.

(a) Authority. Texas Education Code, Sections 56.071 through 56.079 [56.078] establishes the Texas College Work-Study Program. These rules establish procedures to administer the Program. [Authority for this subchapter is provided in the Texas Education Code, Chapter 56, Subchapter E. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 56.071 through 56.078.]

(b) Purpose. The purpose of the Texas College Work-Study Program is to provide eligible students with jobs, funded in part by the State of Texas, to enable those students to attend eligible institutions of higher education in Texas and, through a mentorship program, provide academic assistance to students on academic probation.


The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Board – The Texas Higher Education Coordinating Board.

(2) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.

(3) Cost of attendance – A Board-approved estimate of the expenses incurred by a typical financial aid student in attending a particular college or university. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses).

(4) Encumbered funds – Program funds that have been offered to a specific student, which offer the student has accepted, and which may or may not have been disbursed to the student.

(5) Expected family contribution – The amount of discretionary income that
should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.

(6) Financial need – The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines.

(7) General academic teaching institution -- The University of Texas at Austin; The University of Texas at El Paso; The University of Texas at the Permian Basin; The University of Texas at Dallas; The University of Texas at San Antonio; Texas A&M University, Main University; The University of Texas at Arlington; Tarleton State University; Prairie View A&M University; Texas Maritime Academy (now Texas A&M University at Galveston); Texas Tech University; University of North Texas; Lamar University; Lamar State College--Orange; Lamar State College--Port Arthur; Texas A&M University--Kingsville; Texas A&M University--Corpus Christi; Texas Woman's University; Texas Southern University; Midwestern State University; University of Houston; University of Texas--Pan American; The University of Texas at Brownsville; Texas A&M University--Commerce; Sam Houston State University; Texas State University--San Marcos; West Texas A&M University; Stephen F. Austin State University; Sul Ross State University; Angelo State University; The University of Texas at Tyler; and any other college, university, or institution so classified as provided in this chapter or created and so classified, expressly or impliedly, by law.

(8) [7] Half-time student – For undergraduates, a person who is enrolled or is expected to be enrolled for the equivalent of six or more semester credit hours. For graduate students, a person who is enrolled or is expected to be enrolled for the equivalent of 4.5 or more semester credit hours.

(9) Institution of Higher Education or Institution – any public technical institute, public junior college, public senior college or university, medical or dental unit or other agency of higher education as defined in Texas Education Code, Section 61.003(8).

(10) Junior – a person who has completed at least 60 semester credit hours of college work, including hours acquired while dual-enrolled or through examination.

(11) Mentor – an individual employed to help students raise their academic performance to meet institutional standards.

(12) Program – the Texas College Work-Study Program.

(13) [9] Program Officer – The individual named by each participating institution’s chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.

(14) [9] Resident of Texas – A resident of the State of Texas as determined in accordance with Sections 21.21 through 21.27 [Chapter 21, Subchapter
B] of this title (relating to Determining Residence Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

(15) Senior – a person who has completed at least 90 semester credit hours of college work, including hours acquired while dual-enrolled or through examination, but who has not yet acquired a bachelor’s degree.


(a) Eligibility.

(1) Any public, private, or independent institution of higher education as defined by Texas Education Code, Section 61.003, except a theological or religious seminary, is eligible to participate in the general work-study program. Only general academic teaching institutions may participate in the mentorship program.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise the Board and work-study award recipients of this condition and maintain evidence in each student’s file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student’s school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the Program Officer and financial aid director and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution
shall become primarily responsible for restoring the funds to the Board. No further disbursements of work-study funds shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting.

(A) Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion. Such reporting requirements shall include reports specific to allocation and reallocation of grant funds (including the Financial Aid Database Report) as well as progress and year-end reports of program activities.

(B) Penalties for Late Reports and/or Refunds.

(i) An institution that postmarks or electronically submits a [progress] report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.

(ii) The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10 percent for each [progress] report that is postmarked or submitted electronically more than a week late. The penalty may also be invoked if the report is timely, but refunds owed to the Program by the institution are not made to the Board or the State Comptroller's Office within one week after due.

(iii) The Commissioner may assess more severe penalties against an institution if any report or refund is received by the Board more than one month after its due date. [The maximum penalty for a single year is 30 percent of the school’s allocation. If penalties are invoked in two consecutive years the institution may be penalized an additional 20 percent.]

(iv) The maximum penalty for a single year is 30 percent of the school’s allocation. If penalties are invoked in two consecutive years, the institution may be penalized an additional 20 percent.

(C) Appeal of Penalty. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the Program Officer and copied to the financial aid director. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Board’s decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title (relating to Agency Administration).

(4) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the Texas College Work-Study Program.

21.404. Eligible Student Employees [Students].
(a) To be eligible for employment in the **general** work-study program a person **shall**[

must]

(1) be a Texas resident as defined by Board rules;

(2) be enrolled for at least the number of hours required of a half-time student, and be seeking a degree or certification in an eligible institution; and

(3) establish financial need in accordance with Board procedures.

(b) To be eligible for employment in the mentorship program, a person **shall**:

(1) meet all the requirements of Section 21.404(a) of this subsection (relating to Eligible Student Employees),

(2) be enrolled as a junior or senior, and

(3) meet his or her institution’s standards for employment as a tutor.

(c) A person is not eligible to participate in the work-study program if the person:

(1) concurrently receives an athletic scholarship;

(2) is enrolled in a seminary or other program leading to ordination or licensure to preach for a religious sect or to be a member of a religious order.

21.405. Students Eligible for Mentoring:

To be eligible to receive mentoring through this Program, a person shall be on academic probation and be selected by his or her institution for participation.


(a) An eligible institution may enter into agreements with outside employers to participate in the general work-study program. To be eligible to participate, an employer **must**:

(1) provide part-time employment to an eligible student in nonpartisan and nonsectarian activities;

(2) provide, insofar as is practicable, employment to an eligible student that is related to the student’s academic interests;

(3) use Texas college work-study program positions only to supplement and not to supplant positions normally filled by persons not eligible to participate in the work-study program; and

(4) unless eligible for a waiver of matching funds under Section 21.406(c) of this title (relating to Eligible Employers), provide not less than 25 [30] percent of an employed student’s wages and 100 percent of other employee benefits for the employed
student from sources other than federal college work-study program funds, if the employer is a nonprofit entity; or

(5) provide not less than 50 percent of an employed student's wages and 100 percent of other employee benefits for the employed student, if the employer is a profit-making entity.

(b) To be eligible to participate in the mentorship program, an employer shall:

(1) be a general academic teaching institution.

(2) provide part-time employment as a mentor to an eligible student, and

(3) provide not less than 10 percent of an employed student's wages and 100 percent of other employee benefits for the employed student from sources other than federal college work-study program funds.

(c) Institutions eligible to receive Title III funds from the U. S. Department of Education are exempted from the general work-study program requirement to provide 25 percent of an employed student’s wages, if they provide the Board with a copy of a current Title III eligibility letter from the U. S. Department of Education. There is no corresponding exemption from the 10 percent matching requirement for the mentorship program.


(a) Funding. Funds awarded through this program may not exceed the amount appropriated by the Legislature for that purpose, plus matching funds provided by the students’ employers.

(b) Award Amount. No award amount shall exceed a student’s financial need.

(c) Uses.

(1) No general work-study funds earned through this program may be used for any purpose other than for meeting the cost of attending an approved institution.

(2) Mentorship program funds awarded to a person may not exceed his or her financial need.

(3) The Board may approve the use of a limited share of the funds to provide training to mentors. The balance of the funds awarded to a person are to be used to pay his or her salary for mentoring other students.

(d) Over awards. If, at a time after an award has been offered by the institution and accepted by the student, the student receives assistance that was not taken into account in the student’s estimate of financial need, so that the resulting sum of assistance exceeds the student’s financial need, the institution is not required to adjust the award under this program unless the sum of the excess resources is greater than $300.

(a) Allocations. The Board shall allocate work-study funds to participating institutions in proportion to the financial need of the students at each school. At the beginning of each year or upon request by the institution, the year’s full allocation or funds needed for immediate disbursement to students will be provided to each participating institution for use in reimbursing students for their work.

(b) Reallocations. Institutions will have until a date specified by the Board via a policy memo addressed to the Program Officer at the institution to encumber all funds allocated to them. On that date, institutions lose claim to their unencumbered funds and the unencumbered funds are available to the Board for reallocation to other institutions. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.

(c) Unless given specific permission by the Board to use funds for summer awards, schools will be required to utilize their state work-study funds for employment during the nine-month academic year (fall and spring terms).


The Board is responsible for publishing and disseminating general information and program rules for the program described in this subchapter.


Not later than November 1 of each year, each institution participating in the mentorship program shall report to the board on the progress made by students being assisted through the program. The report shall include:

(1) the number of students employed as mentors,

(2) the number of students receiving mentoring, and

(3) the academic progress made by students receiving assistance through the program.

21.411. Authority to Transfer Funds.

Institutions participating in a combination of the Toward EXcellence, Access and Success Grant, Tuition Equalization Grant, and Texas College Work-Study Programs, in accordance with instructions from the Board, may transfer in a given fiscal year up to the lesser of 10 percent or $10,000 between these programs.
Frequently Asked Questions

How does an institution determine the total amount of matching money that it must provide for the program?

The state provides 75% of the students’ earnings. The institution must provide the other 25 percent, plus benefits.

The formula for total earnings is:

\[
\frac{\text{State allocation}}{.75} = \text{total earnings}
\]

\[
\text{institution’s matching obligation} = \text{total earnings} - \text{state allocation}
\]

Example 1
State allocation = $75,000

\[
\frac{$75,000}{.75} = \text{total earnings} = \$75,000/.75 = \$100,000
\]

institution’s matching obligation = [$100,000 - $75,000] = $25,000

Example 2
State allocation = $100,000

\[
\frac{$100,000}{.75} = \text{total earnings} = \$100,000/.75 = \$133,333
\]

institution’s matching obligation = [$133,333 - $100,000] = $33,333

Example 3
State allocation = $43,274

\[
\frac{$43,274}{.75} = \text{total earnings} = \$43,274/.75 = \$57,698
\]

institution’s matching obligation = [$57,698 - $43,274] = $14,424

How to check your calculations:
Multiply the total earnings figure by 25% to see if you derive your matching obligation figure:

Example 1 (from above) .25 * $100,000 = $25,000
Example 2 .25 * 133,333 = $33,333
Example 3 .25 * 57,698 = $14,424