



**State
Work
Study
Program**

2016-2017

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I. State Work Study Program

A. Program Objectives

To provide monetary assistance to students with financial need who are pursuing a postsecondary education, to provide students with valuable work experiences and to provide non-profit service agencies, disabled persons and persons over 65 with low cost student assistance.

B. Program Overview

The Minnesota State Work Study program provides students at public and private postsecondary institutions in Minnesota with monetary assistance to meet their educational expenses through employment either on or off campus. In addition to working on campus, students may work off campus for non-profit service agencies, disabled persons or persons over 65 years old. A student may also work as an intern in the for-profit sector in a position directly related to the student's field of study. Program funds are allocated to the Office of Higher Education (the Agency) by the state legislature.

In order to participate in the State Work Study program, the institutional representative (normally the financial aid administrator) must complete the Institutional Request for Participation form sent to the school in February and provide an estimate of the amount of funds necessary to meet the financial need of their students for the next fiscal year (July 1– June 30). Based upon the allocation formula (see 'Calculation and Distribution of Institutional Allocation'), the Agency will calculate each school's allocation. If the school's estimate of need for State Work Study funds is less than the allocation formula amount, the school will receive its requested amount. If the school's estimate exceeds the allocation formula amount which has been adjusted for the prior year's utilization rate, the school receives the amount produced by the allocation formula.

Fifteen percent of the total State Work Study funds appropriated by the state legislature will be disbursed to participating schools in July. If the school satisfactorily completes and submits all required reports, program information and refunds for the previous fiscal year by the first working day after August 9, the Agency will disburse 35 percent of the school's current year

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adjusted allocation amount in September and the remaining 50 percent in December. In November, schools will be able to adjust their scheduled December installment amount. If the scheduled December installment exceeds the school's need for funds, the school can request a reduction in the scheduled December disbursement. If schools reduce the scheduled December disbursements, those funds will be reallocated to schools that need additional funding. Reallocations are also scheduled if funds are available in January, March, May and June.

The student must be a Minnesota resident attending a Minnesota school for at least six credits per term. The student must also meet all of the other program eligibility requirements.

The amount a student earns is determined by the hourly wage and the number of hours worked. The federal and state minimum wage laws apply. Although most students earn less than \$2,500 per year and work about 15 hours per week, financial aid administrators are not limited in the number of hours worked each week by the student as long as the award amount is within the student's financial need.

A school may use up to 30 percent of its initial allocation to fund student internship positions in the for-profit sector if the position is directly related to the student's field of study and will enhance the student's knowledge and skills in that field.

Each school designs its own application materials subject to program laws and agency rules. The school arranges both on and off-campus work assignments. Each school is responsible for selecting eligible students, disbursing funds and administering the program to comply with state law and agency rules and regulations. The percentage of the student's wages paid by the employer and State Work Study funds is determined by the Agency.

Though the State Work Study program is modeled after the Federal Work Study program, the programs are not identical. For a chart showing similarities and differences for both programs, please refer to Appendix 6.

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Accurate and current records for every State Work Study student must be maintained at the school. These records are subject to state audit and review.

The financial aid administrator should contact appropriate financial aid division staff at the Agency for guidance in handling a situation which is not addressed in this manual when State Work Study funds are involved.

C. Eligibility to Participate

1. Postsecondary Institutions

Any postsecondary institution that is eligible to participate in the Minnesota State Grant program may participate in the State Work Study program. (See Minnesota Statutes 136A.101, Subd. 4 and Agency Rules 4830.0300.)

2. Employers

Under the Minnesota State Work Study program, the following are eligible employers:

- eligible postsecondary institution as defined above;
- any non-profit, non-sectarian agency located in Minnesota;
- a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's skills in that field;
- any disabled person who has a physical or mental impairment which substantially limits one or more life activities and who could benefit from student assistance in or about the home residence (this includes providing student employees to disabled people who are themselves students and require assistance on campus); and
- any person over 65 years of age who could benefit from student assistance in or about the home residence (this includes providing student employees to students who are themselves over 65 years of age and require assistance on campus).

3. Students

a. Enrollment Status

The student must be enrolled or accepted for enrollment on at least a half-time basis in a degree, diploma or certificate program at an eligible Minnesota institution of

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postsecondary education. Half-time for undergraduate students is defined in Section 136A.101, Subd. 7.b. as a minimum of six credits per quarter or semester or the equivalent. Half-time for graduate students is defined by the institution. Students cannot drop below half-time enrollment. When awarding Work Study to students, priority must be given to students enrolled for at least 12 credits or the equivalent.

Interim term credits should be allocated to adjoining terms in the same manner described under ‘Use of Interim Credits’ in the ‘State Grant’ chapter of this manual.

Students may be employed in State Work Study positions during one term of non-enrollment or less than half-time enrollment per aid year provided they meet the conditions specified in the ‘Work Performed During Term of Non-Enrollment or Less Than Half-Time Enrollment’ section of this chapter.

There is no requirement that a student be accepted into a program or course of study leading to a degree, diploma or certificate at the eligible Minnesota institution awarding State Work Study funds as long as the school can confirm that the student is accepted into a program or course of study leading to these credentials at an eligible Minnesota postsecondary institution.

Credit equivalencies assigned by the institution that are applicable for the Federal Pell Grant program award calculations shall be counted as part of the student’s credit load.

Credits for remedial course work may be counted towards the student’s enrollment level if the student has been accepted into a degree, diploma or certificate program and takes remedial course work within that program. A school cannot count non-credit remedial hours in a student’s enrollment status if the course is part of a program that leads to a high school diploma or GED. There is no limit on the amount of remedial course work that can be counted towards the student’s enrollment level.

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The school may have a policy allowing repeated classes to be counted towards the student's enrollment level.

Transfer credits earned during a previous enrollment period at another institution or courses the student audited must not be counted for enrollment status.

Each institution must have written definitions of "full-time" and "part-time" to aid in program administration, avoid confusion and satisfy state audit requirements.

Students may be required to produce evidence such as a fee statement or registration form to verify half-time status.

b. Undergraduate/Graduate Status

Schools may award State Work Study funds to students enrolled in undergraduate or graduate programs. A graduate student is a student enrolled in a graduate program of study even if some of the student's courses are at the undergraduate level. The percentage of the school's allocation assigned to graduate students cannot exceed the percentage of graduate students in the total enrollment at the institution.

c. Minnesota Resident

To be eligible for State Work Study funds, a student must be lawfully present prior to meeting "resident student" status as defined in the 'Common Definitions' chapter of this manual and have an authorized work permit.

d. Tuition Reciprocity Restriction

A student cannot receive State Work Study funds if the student is receiving tuition reciprocity benefits from another state to attend a Minnesota postsecondary institution.

e. Satisfactory Academic Progress/Good Standing

The student must be making satisfactory academic progress as defined in the 'Common Definitions' chapter of this manual.

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4. Monitoring Student Eligibility

The financial aid administrator must monitor each State Work Study recipient's continued program eligibility and communicate with appropriate employers regarding changes in status as necessary.

D. Setting Up Employment Positions

1. I-9 and W-4 Forms

Under the Immigration Reform and Control Act of 1986, all new employees must complete and sign the verification form designated by the Department of Homeland Security and provide the employer with the documentation required by this form. This law applies to State Work Study employers and employees. The financial aid administrator must verify that all State Work Study recipients have completed the I-9 and W-4 forms before they are allowed to work.

2. Child Support Reporting Requirement

Minnesota Statute 256.998 requires all employers doing business in Minnesota to report to the Human Services Department the hiring or re-hiring of any employee who resides or works in Minnesota to whom the employer anticipates paying earnings within 20 days of the date of hiring the employee. Employers are not required to report the hiring of any person who will be employed for less than two months' duration or who will have gross earnings less than \$250 per month. Employers are responsible for honoring court orders for child support or spousal maintenance withholding.

3. Locating Employment Positions

Schools must make a reasonable effort to place State Work Study students in eligible off-campus employment. The school must document in writing its efforts to secure eligible off-campus employers. This documentation must be available for a state audit review. Examples of suitable documentation include copies of correspondence or emails with eligible potential off-campus employers and notes of telephone conversations with eligible employers including the name of the person contacted and the date the call took place.

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4. Eligible Employment Positions

Each position offered by the employer should be reviewed by the financial aid administrator. To the extent possible, State Work Study positions should relate to the student’s educational plans and career interests. In determining allowable positions, schools must rely on the state’s definition of eligible employer (refer to previous ‘Employers’ section in this chapter). The financial aid administrator must also rely on Federal Work Study guidelines for determining allowable positions for work on campus, work for proprietary schools, and work off campus for non-profit or government agencies (refer to the Federal Work Study program chapter of the *Federal Student Aid Handbook* for further information).

a. Internship Positions

Internship positions are allowed in both the non-profit and for-profit sectors. There is no requirement that a student earn credit for an internship. However, the student must meet the requirements shown under the ‘Enrollment Status’ section of this chapter unless the student meets the requirements shown under the ‘Work Performed During Periods of Non-Enrollment’ section. A State Work Study position with a private, for-profit employer must be an internship in a position directly related to the student’s field of study that will enhance the student’s knowledge and skills in that field. The direct relationship of the internship position to the student’s field of study must be documented in the employment contract as well as how the position will enhance the student’s skills in that field.

b. Tutoring Positions With Local K-12 Schools

Each campus using the State Work Study program is encouraged to cooperate with its local public elementary and secondary schools to place State Work Study students in activities in the schools such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards. College students shall work under direct supervision of K-12 instructional or administrative personnel; therefore, school hiring authorities are not

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required to request criminal background checks on these students under Section 123B.03.

c. Restriction Against Replacement of Permanent Employee in Public Sector

A public employer other than the institution may not terminate, layoff or reduce the working hours of a permanent employee for the purpose of hiring a State Work Study student or replace a permanent employee who is on layoff from the same or substantially same job by hiring a State Work Study student.

5. Rate of Compensation

Student earnings are determined by an hourly wage and the number of hours worked. There is no predetermined minimum or maximum number of hours which a student may work. The financial aid administrator must use discretion in determining the number of hours a student can reasonably work and handle his/her academic work load. Students are paid only for hours actually worked. The hourly wage must at least meet federal or state minimum wage laws, whichever is higher. The state minimum wage was increased for large employers effective August 1, 2015 to \$9.00 per hour. For small employers (enterprises with less than \$500,000 of annual volume), it is \$7.25 per hour. Effective August 1, 2016, large employers \$9.50, small employers \$7.75. The federal minimum wage is \$7.25 per hour.

Colleges are considered employers that are subject to both federal and state minimum wage requirements. With respect to both Federal and State Work Study employees, the college must pay the employee the higher of the federal or state minimum wage, just as it would any other employee.

Keep in mind that the minimum wage is just that, the lowest wage you can legally pay an employee. It does not mean that employers cannot pay a higher wage. For example, a college does not have to pay a 17-year old work study student less than an 18-year old work study student after August 1, 2014. In fact, most if not all colleges choose not to make this type of distinction.

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The following definitions apply:

- Large Employer – an enterprise whose annual gross volume of sales made or business done is not less than \$500,000 and covered by the Minnesota Fair Labor Standards Act.
- Small Employer – an enterprise whose annual gross volume of sales made or business done is less than \$500,000 and covered by the Minnesota Fair Labor Standards Act.

Type of Employer	Minimum Wage as of August 1, 2015	Minimum Wage as of August 1, 2016
Large Employer (general employees)	State-\$9.00 per hour Federal-\$7.25 per hour	State-\$9.50 per hour Federal-\$7.25 per hour
Small Employer (general employees)	State-\$7.25 per hour Federal-\$7.25 per hour	State-\$7.75 per hour Federal-\$7.25 per hour
Large Employer (employees under the age of 18)*	State-\$7.25 per hour Federal-\$7.25 per hour	State-\$7.75 per hour Federal-\$7.25 per hour
Large and Small Employers (first 90 consecutive days of employment training wage for those 18 or 19 years of age)*	State-\$7.25 per hour Federal-\$7.25 per hour	State-\$7.75 per hour Federal-\$7.25 per hour
Large and Small Employers (employees working as an Exchange Visitor (J) nonimmigrant visa holder)*	State-\$7.25 per hour Federal-\$7.25 per hour	State-\$7.75 per hour Federal-\$7.25 per hour

*For these special cases, the law states that “no employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages or employment benefits, in order to hire an employee at the wage authorized in this paragraph.”

State Work Study wages are subject to federal and state income tax withholding and, in some cases, FICA withholding if the student is classified as an employee. (See applicable FICA regulations.) Students employed under the State Work Study program are ineligible for unemployment compensation and cannot be paid for sick leave, vacation pay or holiday pay.

6. State Share of Student Compensation

The percent of the state share of compensation paid students employed under the State Work Study program is determined by the Agency. The match is currently 75 percent state share and 25 percent employer share for all State Work Study positions, including internships within the for-profit sector. The state share of the State Work Study award

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cannot exceed the established percentage amount. However, the employer can provide more than its established percent of the student's compensation thus reducing the state share.

7. Employer Share of Student Compensation

The employer must pay at least 25 percent of the student's gross compensation and, in addition, must contribute to FICA (social security), worker's compensation or any other insurance programs when required by the applicable laws in place for those programs.

8. Hours of Employment

The State Work Study program adopts many of the Federal Work Study program guidelines related to hours of employment. There are no limitations on the hours per week a student may be employed. Students may be paid overtime with State Work Study funds. Students are not allowed to volunteer hours without receiving compensation. Students can be paid for a reasonable amount of training hours. Students in community service positions can also be paid for a reasonable amount of travel time to and from community service jobs.

9. Supervision of Employment

The school and the employer must develop a program of supervision consistent with the nature of the assignment and the needs of the individual student. Students employed at local public K-12 schools must work under direct supervision of K-12 instructional or administrative personnel.

10. Off-Campus Employer Contract

When a school determines that an employer is eligible to participate and before a student begins work, a written contract must be entered into between the school and the prospective eligible off-campus employer. In the contract, the employer agrees to abide by the rules and regulations of the State Work Study program and affirms its eligibility as a State Work Study program employer. The work contract documents the nature of the work (description of the position), the hourly wage, the percentage of earnings which the

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employer will pay and the maximum payment to be paid by the employer. Also, the work contract must incorporate provisions for work supervision, time records, payroll and worker's compensation. A work contract for an internship position in the for-profit sector must also document the direct relationship between the position and the student's field of study as well as how the position will enhance the student's skills in that field of study.

Each school is responsible for designing its own State Work Study employer contract. Work contracts must be on file in the financial aid office and are subject to state audit reviews. A sample contract is provided in Appendix 4.

11. On-Campus Employer Contract

The Agency strongly recommends, but does not require, that a contract should be used for on-campus employment. The work contract should be signed by the student and the school before the student begins work. If used, a copy of the work contract must be kept in the student's financial aid file and is subject to state audit reviews. A sample on-campus employment contract is provided in Appendix 5.

E. Amount of State Work Study Award

1. Need-Based Packaging Model

The State Work Study award amount is derived by subtracting the nine-month Federal Methodology Expected Family Contribution (EFC) and other financial aid and resources (excluding federal veterans' benefits) the student is receiving from the cost of attendance as defined in Title IV, Section 472 of the Higher Education Act. When determining the amount of financial aid and resources to subtract from the cost of attendance, only that portion of non-need based loans which exceeds the EFC must be subtracted. The school must also subtract any State Work Study earnings the student earns during a term of non-enrollment. (See 'Work Performed During Term of Non-Enrollment.')

The following is an example of a State Work Study award using the need-based packaging model.

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<p>Cost of Attendance</p> <ul style="list-style-type: none"> - Federal EFC - Grants, Scholarships, Need-Based Loans - Portion of NonNeed-Based Loans Exceeding EFC - Other Resources as Defined in Title IV Guidelines (excludes federal veterans' benefits) - <u>Earnings from Term of Non-Enrollment (minus allowable work-related expenses)</u> <p>= Maximum State Work Study Award for Aid Year</p>
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This is the same need-based packaging model used by the Federal Work Study program. Therefore, the school is expected to follow all applicable federal campus-based packaging guidelines. There is a \$300 annual overaward tolerance for UNINTENTIONAL overawards. The financial aid administrator cannot include the \$300 tolerance when initially packaging the student's State Work Study award. It is extremely important that the financial aid administrator monitor the student's earnings and make any adjustments in order to avoid an overaward situation.

The EFC used in the calculation of the State Work Study award must be the Federal Methodology (FM) EFC and must be documented by a valid SAR or ISIR, or a FM need analysis worksheet used to manually calculate the FM EFC, or the results of financial aid software used by the school to calculate the FM EFC on campus. The school may use professional judgment to adjust the cost of attendance or any of the data elements used to calculate the Federal Methodology EFC. (See 'Professional Judgment' in the 'Common Definitions' chapter.)

2. Work Performed During Term of Non-Enrollment or Less Than Half-Time Enrollment

A student may work during a term of non-enrollment (zero credits) or less than half-time enrollment (one to five credits) once per aid year if the student signs a statement of intent to enroll as at least a half-time student the next academic term or provides proof of registration for the next academic term. However, students are not allowed to earn State Work Study funds during a leave of absence. The financial aid administrator is expected to take earnings during a term of non-enrollment into consideration when determining State Work Study eligibility for subsequent award periods. However, the financial aid

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administrator may subtract allowable work related expenses as outlined for the Federal Work Study program when determining the amount of earnings available during the subsequent enrollment period.

When the school calculates State Work Study eligibility for the current aid year, the school should subtract any earnings from a term of non-enrollment (minus allowable work-related expenses) as a financial aid or resource in the award calculation. For example, if the student worked during the summer term of non-enrollment, the amount the student earned would be subtracted as a resource in the award calculation for the subsequent aid year.

F. Disbursement

1. Disbursing Funds to Students

It is preferable that more than one responsible official at the school sign student paychecks. The person who initiates the payment transmittal should not be the party responsible for signing paychecks. Each check or transaction should be identified as originating from the State Work Study program if a separate checking account is not maintained. The check is to be made payable to the student and must reflect the amount indicated on the payroll voucher. The sum of all payroll vouchers must be reconcilable with the general ledger control account.

If the student provides written authorization to do so, the school may apply all or a portion of the student's State Work Study earnings to the student's account via payroll deduction or to the student's bank account via electronic funds transfer (EFT). The school must be able to document the date, amount and funding source of each transaction.

2. Student Account Balances

Unless otherwise authorized by the student, whenever an institution applies state financial aid disbursements to a student's account and determines that the amount of those disbursements exceeds or exceeded the amount of allowable charges the institution assessed the student, the institution must pay that balance directly to the student as soon as possible, but within 14 days of the later of:

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- the date that balance occurs,
- the first day of classes of a payment period/period of enrollment as applicable, or
- the date the student rescinds his or her authorization.

This also applies to cases where the school posts State Work Study disbursements to the student's account prior to receipt of State Work Study funds from the Agency.

If a school receives authorization to hold excess funds, the school must identify the student or parent and the amount of funds the school holds for the student or parent in a subsidiary ledger account designated for that purpose. The school also must maintain, at all times, cash in its bank account at least equal to the amount the school holds for students.

Because state financial aid funds are awarded to students to pay current year charges, notwithstanding any authorization obtained by a school from a student or parent, the school must pay:

- any remaining balance on state loan funds by the end of the loan period, and
- any other remaining balance on state financial aid program funds by the end of the last payment period in the award year for which they were awarded.

If an institution attempts to disburse a State Work Study payroll check or EFT transaction to the student, and the check is returned to the institution or the EFT transaction is rejected, the institution may make additional attempts to disburse the funds to the student. If the payroll check or EFT transaction is not claimed by the student within one year of the date it was issued, it can be presumed to be abandoned and must be reported and turned over as abandoned property in compliance with Minnesota Statutes 345.39 Subd. 3 and 345.41. (The institution should become familiar with abandoned property reporting requirements described in Minnesota Statutes 345.41 which require an additional attempt to locate the owner if the property has a value of \$100 or more.) If the student cannot be located and the student's State Work Study payroll check or EFT transaction is reported and turned over to the Minnesota Department of Commerce as abandoned property, the funds will remain in the state's general fund if they are not claimed by the student.

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If a school cannot locate a student to whom a state financial aid credit balance must be paid, the school must return the credit balance to the appropriate program at the Agency. The Agency does not specify how a school should determine which financial aid funds created the credit balance. However, when possible, the Agency encourages schools to return state financial aid fund balances to the SELF loan program first to reduce the likelihood of default.

The school is permitted to retain any interest earned on the student's credit balance funds.

3. Required Payroll Records

Each payment to a student must be supported by time sheets signed by the student's employment supervisor. An electronic signature is acceptable if it meets the electronic certification requirements in place for the Federal Work Study program. Time sheets should record the actual number of hours worked on a specific date, the starting and ending times, whether the hours took place in the morning (a.m.) or afternoon/evening (p.m.), the department number and the student's ID number. The supervisor should personally sign each time sheet. (A facsimile or signature stamp should not be used on time sheets.) By signing these time sheets, the student's supervisor is attesting that the hours indicated on the time sheet reflect the actual hours worked by the student. The student is not to be compensated for sick leave, vacation pay or holiday pay. The student's individual payment record must agree with the amounts on the W-2 form.

4. Withholding Tax and Student Compensation

Payments made to students under the State Work Study program are subject to both federal and state income taxes. The employer must also contribute to FICA, worker's compensation or any other insurance programs when required by the applicable laws for those programs.

5. Affordable Care Act

The Affordable Care Act (ACA), signed into law by President Obama March 23, 2010, aims to reduce health care costs while decreasing the number of Americans who are

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without coverage. Effective January 1, 2014, the provision stipulates that employers with more than 50 workers, who do not offer health insurance to their full-time employees, will be subject to a penalty of \$2,000 per employee.

According to the ACA guidelines, a full-time employee is defined as someone who works at least 30 hours per week. However, employers have the option “to analyze hours of service in a past ‘measurement’ period of three to 12 months to establish the full-time status of employees for a prospective ‘stability period.’” Schools have flexibility in choosing the period of time they will use in order to calculate their students’ average hours worked.

If a college decides to use a 12-month period, they would only need to provide health insurance to a student who averages 30 or more hours per week over the course of the entire year. For example, if a school uses a 12-month measurement period and hires a student to work 40 hours a week for only 16 weeks, that student would not fall under ACA requirements because 16 weeks multiplied by 40 hours divided by 52 weeks ($16 \times 40 / 52 = 12$) comes out to only 12 hours, on average, over the course of the year.

This provision will not impact the vast majority of State Work Study students—although the implications may be far reaching for students employed as resident assistants, who participate in graduate assistantships, or participate in other types of employment through the university, or a combination of employment that would yield over 30 hours per week.

Graduate research assistants are often “simultaneously performing research under the grants or contracts and fulfilling the requirements of an advanced degree.” This can make it difficult to track how many hours a student has worked, thereby making it hard to tell whether a school should be providing health insurance. Residence assistants are in a similar situation, as typically their presence in the residence hall and availability to students—not their number of hours worked—is used to measure whether or not they are fulfilling their duties.

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6. Garnishment of State Work Study Wages

State Work Study wages are considered income and, therefore, are subject to garnishment. Court ordered child support that is withheld from the student's wages cannot be reduced because of garnishment from other creditors.

7. Work Prohibited During Leave of Absence

Because schools cannot disburse state financial aid during a leave of absence, a student cannot earn State Work Study funds during a leave of absence.

8. Student Refunds

If a student withdraws or reduces enrollment status below half-time enrollment after disbursement of State Work Study earnings, there is no refund due the State Work Study program. However, the school must cancel any future State Work Study earnings for the remainder of the term.

G. Allocation of Funds to Institution

1. Calculation and Distribution of Institutional Allocation

In February preceding the academic year, the University of Minnesota, MnSCU system office and private schools are requested to submit their total Minnesota resident enrollment figures for the prior year. The institution must have signed an Institutional Participation Agreement with the Minnesota Office of Higher Education (the Agency) which specifies the responsibilities of the postsecondary institution and the Agency (see Appendix 5 of 'State Grant' chapter). The institution must complete the Institutional Request for Participation form (see Appendix 1 of this chapter) on an annual basis.

In March, the list of participating schools for the coming academic year will be finalized. Each campus's estimated initial allocation will be calculated based on that campus's share of the total resident full-year equivalent (FYE) students for all participating campuses. Any campus requesting less than the allocated amount will have its initial allocation reduced to the requested amount and excess funds will be available for reallocation to

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other campuses in September. In July, 15 percent of each school's initial allocation will be disbursed to the campus to cover funding for the summer term.

In September, after final reports for the previous aid year have been submitted, the initial allocations calculated in March are reduced for campuses with prior year utilization rates less than 100 percent. For example, if a school utilized only 90 percent of available funds in the previous aid year, its initial allocation for the coming year is reduced by 10 percent. Once initial allocations are adjusted, an additional installment is disbursed to campuses for fall term. The amount of the fall term disbursement is 50 percent of the adjusted initial allocation minus the 15 percent of the initial allocation disbursed in July. The remaining 50 percent installment of the adjusted initial allocation takes place in December. The allocation and utilization formulas are provided below.

Allocation Formula	
<p>a. $\frac{\text{School MN Resident FYE}}{\text{Total MN Resident FYE}}$ = School's % of Total MN Resident FYE for all participating schools (FYE = Full Year Equivalent)</p> <p>b. School's FYE % X Total Work Study FY Appropriation = School's Possible Allocation</p> <p>c. $\frac{\text{Prior Year Total Expenditures}}{\text{Prior Year Total Funds Available}}$ = Utilization Rate %</p> <p>d. School's Possible Allocation (result in item b) X Utilization Rate (result in item c) = Schools Adjusted Allocation/Initial Allocation. (If the school's estimate is less than this amount, the school receives its estimated amount.)</p>	

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Utilization Rate	
	<p style="text-align: center;"><u>Total State Work Study Expenditures for Student Awards Current Fiscal Year</u></p> <p>= Total Expenditures</p> <p style="padding-left: 20px;">Current Year Initial Allocation (funds disbursed in July, September and December)</p> <p>+ Current Year Reallocated Funds</p> <p>+ Funds Carried Forward from Previous Fiscal Year</p> <p>+ Funds Carried Back from Next Fiscal Year*</p> <p>- Funds Carried Forward to Next Fiscal Year</p> <p>- Funds Carried Back to Previous Fiscal Year*</p> <p>- <u>Refunds Returned to the Agency Before March 1</u></p> <p>Total Funds Available</p> <p><u>Total Expenditures</u> = Utilization Rate</p> <p>Total Funds Available</p> <p>*In certain years, carry back is not allowed. See 'Carry Forward, Carry Back' section.</p>

Throughout the academic year, unused funds are requested from campuses and reallocated to other campuses. The first reallocation/refund request is emailed to schools prior to the fall installment of the initial allocation (Appendix 3). Schools are generally given two weeks to respond to the request and return any unused funds to the Agency. In November, schools also have the option of reducing their scheduled December installment amount if it exceeds the school's need for funds. If schools reduce the scheduled December disbursement, those funds will be reallocated to schools requesting additional funding. Schools requesting reallocations are notified via email of the amount of reallocated funds available, with disbursement taking place within two weeks of notification.

A school's utilization rate will not be adversely affected if unused funds are returned to the Agency by March 1. In no case should unused funds be returned to the Agency later than July 31. Each school's final report spreadsheet must be submitted to the Agency no later than the first working day after August 9.

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2. Use of 30 Percent of Allocation for Internships in For-Profit Sector

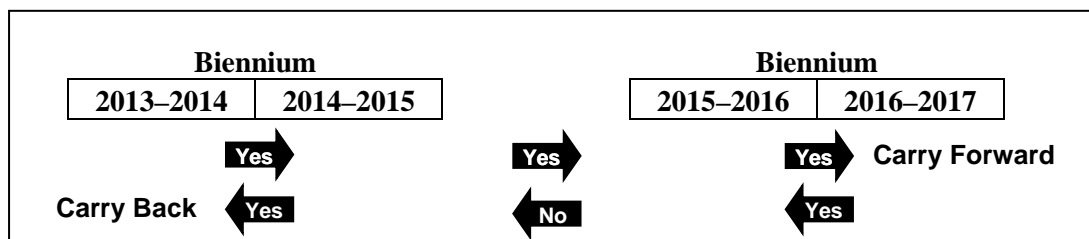
A school may use up to 30 percent of its initial State Work Study allocation for student internships with eligible, for-profit employers as defined under the ‘Employers’ section of this chapter.

3. Use of Allocation for Awards to Graduate Students

The percentage of the institution’s State Work Study allocation awarded to graduate students cannot exceed the percentage of graduate students in the total enrollment at the institution.

4. Carry Forward, Carry Back of Funds

An institution is allowed to carry forward to the next fiscal year or carry back to the previous fiscal year up to 10 percent of the current year’s initial allocation (i.e., July, September and December allocation disbursements). As shown in the chart below, schools may NOT carry back funds from the first year of one biennium to the last year of the previous biennium but may always carry forward funds across bienniums. Schools may always carry forward and back between the two fiscal years within a biennium. Funds carried forward or back to another fiscal year will not adversely impact the current fiscal year’s utilization rate. However, they will be considered funds available in the other fiscal year and impact its utilization rate. (See ‘Calculation and Distribution of Institutional Allocation.’)



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5. Administrative Expense Allowance

There is currently no administrative expense allowance for the State Work Study program that allows institutions to use a portion of their annual allocation to cover administrative costs incurred by the institution.

6. Monitoring Spending Throughout Aid Year

Each school must monitor individual student award amounts and actual earnings so that the total amount of all awards (earnings) does not exceed the amount of the school's State Work Study allocation plus the employer match. After each pay period, the school must monitor the aggregate total of each student's award and must determine the aggregate total of all students' earnings to avoid spending more than the allocated amount. If it is necessary to reclassify one or more student's earnings between federal and state sources, the school must be sure that it properly records the earnings on the state's year-end report and on its FISAP.

The school is strongly encouraged to notify the student when the student is close to earning the approved award amount.

H. Funds Management and Reporting Requirement

1. Accountability for Funds

Each participating school is accountable for all State Work Study funds allocated by the Agency and for implementing acceptable procedures and controls to ensure proper accountability. It is preferable that State Work Study funds be deposited in a separate account. If the State Work Study funds are combined with other institutional funds, a fund source number must be traceable to all activity involving the State Work Study account, thus ensuring that State Work Study funds are used only for State Work Study awards.

2. Refunds of Excess Funds

Excess funds are those funds that will not be expended on State Work Study awards or carried forward/back to a contiguous fiscal year.

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The business office must keep the financial aid office regularly informed (monthly reports are recommended) of the balance in the account so the financial aid administrator can determine whether the State Work Study allocation will be used during the current aid year. The Agency will periodically send refund/reallocation requests to schools regarding the use of funds during the fiscal year. Excess funds should be returned to the Agency by the date shown on the reallocation/refund request.

Refunds received after March 1 will have an adverse impact on the school's utilization rate used to determine the allocation for the next aid year. At the end of the fiscal year, excess funds must be returned to the Agency no later than July 31.

To ensure proper credit to the school's records at the Agency, the State Work Study Manager should be informed in writing that the refund is coming and the dollar amount of the refund. The refund check or funds transfer must indicate that the refund belongs to the State Work Study program and the fiscal year for which the refund should be credited.

Refunds are reallocated normally in November, January, March, May and June to those schools requesting additional program funds for that fiscal year.

3. State Reports/Forms

Schools participating in the State Work Study program must correctly complete and submit the following forms and reports on a timely basis.

- Institutional Request for Participation and FYE Reporting form (Appendix 1) reported online,
- Reallocation/Refund Requests (Appendix 3) reported online,
- Final Report (Appendix 2) reported online,
- Student Data Sheets (Appendix 2a) reported online,
- Monthly Spending (reported on-line), and
- other supporting documentation upon request from the Agency.

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I. State Audits

State auditors will periodically visit each participating school to perform an audit. The school also has the option of hiring an outside auditing firm to conduct its state audits in conjunction with its audits of federal aid programs. (See ‘Audits’ in the ‘Common Definitions’ chapter for further information.)

Each participating school must establish a procedure by which an auditor can conduct an audit by going to no more than three administrative offices within the school. In most cases, these will be the financial aid office, the business office and the registrar’s office, but that choice is made by the school.

The school must make available all pertinent books, documents, papers and records for audit and examination for three years after the last day of a fiscal year or until all audit exceptions for the period are resolved.

1. Student Eligibility

The school must have written documentation to support the student’s eligibility, including the following:

- that at least half-time status was established and noted for a particular student. The actual documentation, such as a fee statement or transcript, need not be kept at the audit location but must be readily available at the Registrar’s Office or other responsible department within the school;
- that the student continued to make satisfactory academic progress as defined under ‘Common Definitions’ during the time in which the student received State Work Study funding;
- that the Federal Methodology needs analysis was used in determining the student’s amount of financial need;
- if professional judgment was used in adjusting the student’s EFC or cost of attendance, the appropriate documentation must be included in the student’s file;
- that the student has a reasonable cost of attendance which is documented;

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- that the student is an eligible resident of Minnesota as defined under the ‘Common Definitions’ chapter of this manual;
- that the student has DACA status prior to meeting resident student definition and has a work permit; and
- that the student was not receiving tuition reciprocity benefits from another state.

2. Award Amount/Time Sheets/Payroll

The school must be able to produce written documentation of the following:

- that a specific amount was awarded to the student based on his/her financial need as determined through Federal Methodology needs analysis;
- that payroll records verify the amount of each student’s wages;
- that time sheets, signed by the student’s supervisor, support the total hours worked; and
- that the total amount of the student’s wages did not exceed his/her allowable award.

3. Employer Contracts

During the audit, the school must be able to produce employer contracts as described under ‘Off-Campus Employer Contract’ and ‘On-Campus Employer Contract’ in the ‘Setting Up Employment Positions’ section of this chapter.

4. Contacts With Off-Campus Employers

The school must provide written documentation of its reasonable efforts to place students in eligible off-campus employment. Documentation of its efforts should include items such as:

- a) copies of correspondence or emails with eligible employers, and
- b) notes of telephone contact with eligible employers, including the name of the person contacted and the date the contact was made.

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5. Matching of State Work Study Funds

The school must be able to show:

- that, if the school/employer agrees to pay more than its required 25 percent share of student wages, State Work Study funds cannot exceed the remaining share of student wages;
- that the compensation shares for students under the State Work Study program were in the proper proportion; and
- that, for students employed on campus, the school or department matched the state share with at least the established employer match amount and that the school's share was provided from other than State Work Study funds allocated to the school.

J. Summary of State Audit Requirements: Institutional Documentation for State Work Study

Each institution must be able to produce the following for auditors:

1. individual student financial aid files for State Work Study participants;
2. copy of a valid FAFSA output document or a needs analysis/hand calculation form for each State Work Study student;
3. documentation if professional judgment was used in determining financial need;
4. documentation of how the student's State Work Study award was calculated;
5. documentation that the correct employer and state share of compensation were used to fund the student's State Work Study award;
6. copies of State Work Study final reports and Student Data Sheets submitted to the Agency;
7. copies of Off-Campus Employer Contracts between the institution and the employer;
8. copies of On-Campus Employer Contracts signed by the student and the school, if used;
9. descriptions of supervision provided for State Work Study students;
10. copies of student's time sheets signed by the supervisor;
11. payroll records, W-2 forms;
12. payroll vouchers, general ledger and student account or EFT transactions;
13. written documentation of attempts by the institution to locate off-campus employers; and
14. copy of Part VI of the FISAP and supporting documentation to create the grid.

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**Minnesota
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136A.231 EDUCATION; POSTSECONDARY STUDENTS; WORK-STUDY PROGRAMS.

The legislature has found and hereby declares that a state work-study program is in the best interests of the state in that such a program can

- (1) assist in meeting the financial needs of students
- (2) provide the opportunity for students to obtain valuable learning service experiences and
- (3) assist governmental and nonprofit service agencies by providing student assistance at low cost.

History: 1973 c 682 s 1; 1975 c 430 s 1

136A.232 ADMINISTRATION; AGREEMENTS WITH EDUCATIONAL FACILITIES.

The office shall develop and administer a work-study program. The office shall enter into agreements with institutions of postsecondary education.

History: 1973 c 682 s 2; 1975 c 271 s 6; 1975 c 430 s 2; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 60

136A.233 WORK-STUDY GRANTS.

Subdivision 1. **Allocation to institutions.** The office shall allocate work-study money to eligible postsecondary institutions according to the resident full-time equivalent enrollment of all eligible postsecondary institutions that apply to participate in the program, and the amount of the allocation that an institution spent during the previous academic year. Each institution wishing to participate in the work-study program must submit, in accordance with policies and procedures established by the office, an estimate of the amount of funds needed by the institution. Any funds allocated to an institution that exceed the actual need of the institution shall be reallocated by the office to other institutions. An institution may carry forward or backward the same percentage of its initial allocation that is authorized under federal work-study provisions.

Subd. 2. **Definitions.** For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

- (a) “Eligible student” means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program in a Minnesota postsecondary institution.
- (b) “Minnesota resident” means a student who meets the conditions in section 136A.101, subdivision 8.

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- (c) “Financial need” means the need for financial assistance in order to attend a postsecondary institution as determined by a postsecondary institution according to guidelines established by the office.
- (d) “Eligible employer” means any eligible postsecondary institution, any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, a disabled person or a person over 65 who employs a student to provide personal services in or about the person's residence, or a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field.
- (e) “Eligible postsecondary institution” means any postsecondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.
- (f) “Independent student” has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.
- (g) “Half-time” for undergraduates has the meaning given in section 136A.101, subdivision 7b , and for graduate students is defined by the institution.

Subd. 3. **Payments.** Work-study payments shall be made to eligible students by postsecondary institutions as provided in this subdivision.

- (a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.
- (b) In selecting students for participation, priority must be given to students enrolled for at least 12 credits.
- (c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.
- (d) Minimum pay rates will be determined by an applicable federal or state law.
- (e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.
- (f) Each postsecondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.

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- (g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.
- (h) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Subd. 4. **Cooperation with local schools.** Each campus using the state work study program is encouraged to cooperate with its local public elementary and secondary schools to place college work study students in activities in the schools, such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards. College students shall work under direct supervision; therefore, school hiring authorities are not required to request criminal background checks on these students under section 123B.03.

History: 1973 c 682 s 3; 1975 c 271 s 6; 1975 c 430 s 3; 1976 c 239 s 50; 1977 c 384 s 16; 1981 c 65 s 1; 1Sp1985 c 11 s 49; 1986 c 444; 1987 c 384 art 2 s 1; 1987 c 401 s 22,23; 1989 c 293 s 55; 1991 c 356 art 8 s 21; 1Sp1993 c 2 art 2 s 17; 1994 c 532 art 2 s 11,12; 1995 c 212 art 3 s 35,59; 1997 c 183 art 2 s 9-11; 1998 c 397 art 11 s 3; 2005 c 56 s 1; 2005 c 107 art 2 s 60; 2007 c 144 art 2 s 30



**Office of
Higher
Education
Rules
Governing
State
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Study
Program**

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4830.2000 SCOPE.

Parts 4830.2000 to 4830.2600 govern state work-study grants.

Stat Auth: MS s 136A.111; 136A.121; 136A.132; 136A.141; 136A.233; 136A.70

Hist: 8 SR 196

4830.2100 ELIGIBLE SCHOOLS.

Schools eligible for work-study grants are the same schools eligible for state grants under part 4830.0300.

Stat Auth: MS s 136A.04; 136A.111; 136A.121; 136A.132; 136A.141; 136A.16; 136A.233; 136A.234; 136A.70

Hist: 8 SR 196; 15 SR 1780

4830.2200 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. **Application by schools.** A school desiring funds for work-study grants must request funds by June 30 each year. The school must submit its estimate of the amount needed to meet eligible student needs for the following school year.

Subp. 2. **Allocation formula.** Funds shall be allocated to each school according to the following formula:

- A. resident full-time equivalent enrollment of each school, divided by the total resident full-time equivalent enrollment of all participating eligible schools;
- B. multiplied by the current fiscal year's appropriation for work-study grants; and
- C. multiplied by the percent of funds for work-study grants actually used by that school during the prior school year.

“Resident full-time equivalent enrollment” means the Minnesota resident full-year enrollment for the year prior to the academic year for which work-study funds are allocated.

Subp. 3. **Modification of allocations.** The director shall allocate funds equal to a school's estimated need if the estimated need is less than the amount determined by the allocation formula.

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Subp. 4. **Accountability.** Each participating school shall be accountable for any funds disbursed to students for work-study grants. Funds may be used only during the fiscal year of disbursement. The school must document its efforts to place students with off-campus employers. The percent of the school's allocation provided to graduate students shall not exceed the percent of graduate students in the total enrollment at the participating school.

Subp. 5. **Unused funds.** The school must return funds which the school determines will not be used within 30 days from the date of a request by the director. The director shall reallocate the funds to other participating schools requesting additional funds.

Subp. 6. **Reallocation.** The director shall reallocate funds using the formula specified in subpart 2, items A and B.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 10 SR 2319; 15 SR 1780; 18 SR 1849; 20 SR 2572

4830.2300 WORK-STUDY GRANTS.

A school shall determine if a student is eligible for a work-study grant. To be eligible a student must meet the requirements of part 4830.0100, subpart 5, items B, C, D (as defined in Minnesota Statutes, section 136A.101, subdivision 7b), E, and F. Priority must be given to students enrolled for at least 12 credits. A student employed during periods of nonenrollment must sign a statement of intent to enroll at least half-time for the next term or provide proof of registration for the next term.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 10 SR 2319; 15 SR 1780; 16 SR 1822; 18 SR 1849; 20 SR 2572

4830.2400 EMPLOYMENT TERMS; AMOUNT OF GRANTS.

Subpart 1. **Eligible employers.** A work-study grant recipient may be employed on-campus by the school or off-campus by any of the following:

- A. a nonprofit, nonsectarian agency located in Minnesota;
- B. a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field;

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- C. a person who has a physical or mental impairment which substantially limits at least one life activity and who could benefit from student assistance in or about the home; or
- D. a person over 65 years old who could benefit from student assistance in or about the home.

Subp. 2. **Amount.** The maximum a student may earn through a work-study grant is the amount of the student's financial need.

Subp. 3. **Hourly wages.** Beginning July 1, 1993, not less than 25 percent of the amount earned by a student shall be paid by the employer, with the actual percentage determined by the school in consultation with the employer. A student shall be paid for hours actually worked at an hourly rate agreed to by the employer and the student, with the approval of the school. However, the student must be paid at least the state minimum wage, if the federal minimum wage is not applicable. Student earnings must be paid according to federal regulations governing payment of student earnings under the federal work-study program.

Subp. 4. **Replacement of permanent employee.** A public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee to hire a work-study student, or replace a permanent employee who is laid off from the same or substantially the same job by hiring a work-study student.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.121; 136A.132; 136A.141; 136A.233; 136A.70

Hist: 8 SR 196; 16 SR 1822; 18 SR 1849; 23 SR 594

4830.2500 CONTRACTS WITH EMPLOYERS.

Subpart 1. **Off-campus employer contract.** Before a student begins work, the school and off-campus employer shall sign a contract affirming the eligibility of the employer and agreeing to abide by applicable law and rules.

Subp. 2. **Contents of work contract.** The student, school, and employer shall sign a contract setting forth the nature of the work, number of hours of employment, hourly rate of pay, percentage of earnings to be

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paid by the employer, maximum payment by the employer, pay and time records, payroll, and workers' compensation. Time records must be signed by the student and the employment supervisor.

Subp. 3. **Review and comment.** All contracts signed by the school and employers are subject to review and comment by the director.

Subp. 4. **Supervision.** The school, with the employer, must develop for each work-study assignment a program of supervision consistent with the nature of the assignment and the needs of the individual student. Upon request, the school must submit the program of supervision to the director for review and comment.

Subp. 5. **Reasonable effort.** An institution must make a reasonable effort to place a student in eligible off-campus employment. The institution must document its efforts with documents such as:

- A. copies of correspondence with eligible employers; and
- B. notes of telephone contact with eligible employers. This shall include name of person contacted and date.

Stat Auth: MS s 136A.01; 136A.04; 136A.111 subd 2; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 10 SR 2319; 15 SR 1780; 20 SR 2572

4830.2600 REPORTS BY SCHOOL.

The school must collect demographic and program activity data as specified by the director. The school shall provide the director with individual student data upon request.

End of year program activity and student data reports are required by the director. The school must correctly complete and submit these reports and any applicable refunds to the director by the first working day after August 9. The director shall withhold the school's subsequent year's allocation if the above deadline date is not met.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 10 SR 2319; 13 SR 128; 15 SR 1780; 20 SR 2572



**Appendices:
State
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2016-2017 Minnesota State Work Study Program Institutional Request for Participation

Select your Institution

- We would like to participate** in the Minnesota State Work Study program during the 2016-2017 academic year.

This Institution agrees to abide by the applicable laws, rules and policies governing this program.

- We do not wish to participate** in the Minnesota State Work Study Program during the 2016-2017 academic year.

Optional: Please indicate why you *do not* wish to participate:

\$ **Estimate** of 2016-2017 Minnesota State Work Study funds needed. If your institution has consolidated with another institution, be sure to include funds needed for all campuses.

Name of Institutional Representative:

Institution Address:

Telephone Number:

Email Address:

Other staff who should receive correspondence from the Office of Higher Education pertaining to the Minnesota State Work Study Program:

Names:

Telephone Numbers:

Email Addresses:

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2015-2016 MN State Work Study Program End of Year Report

<i>Institution Name</i>	<i>Fice Code</i>
2015-2016 Initial Allocation	
15% July 2015	\$0.00
35% September 2015	\$0.00
50% December 2015	\$0.00
SUBTOTAL - INITIAL ALLOCATION	\$0.00
2015-2016 Reallocations	
November 2015 Reallocation (no funds available)	\$0.00
January 2016 Reallocation (no funds available)	\$0.00
March 2016 Reallocation	\$0.00
May 2016 Reallocation (no funds available)	\$0.00
June 2016 Reallocation	\$0.00
SUBTOTAL - REALLOCATIONS	\$0.00
2015-2016 Refunds	
July 2015 thru December 2015	\$0.00
January 2016 thru February 2016	\$0.00
March 2016 thru June 2016 (late refunds)	\$0.00
SUBTOTAL - REFUNDS	\$0.00
NET TOTAL OF CURRENT 2015-2016 FUNDS	\$0.00
Minus 2015-2016 funds carried back to 2014-2015	N/A
Plus 2014-2015 funds carried forward to 2015-2016	\$0.00
TOTAL FUNDS AVAILABLE	\$0.00
ON-CAMPUS EMPLOYMENT - GENERAL (position type 1)	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
OFF-CAMPUS EMPLOYMENT - GENERAL (position type 2)	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
ON-CAMPUS EMPLOYMENT - HANDICAPPED OR SENIOR CITIZEN (position type 3)	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
OFF-CAMPUS EMPLOYMENT - HANDICAPPED OR SENIOR CITIZEN (position type 4)	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00

You are allowed to carry forward 10% of your initial allocation.

Any refunds received by OHE after March 1st will have an adverse effect on next year's allocation amount.

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FOR-PROFIT INTERNSHIP (position type 5)	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
NON-PROFIT INTERNSHIP (position type 6)	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
K-12 TUTORING (position type 7)	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
TOTAL # OF STUDENTS	0
TOTAL EARNINGS	\$0.00
TOTAL STATE FUNDS EXPENDED	\$0.00
Shortage of Funds. Apply carry-back from 2016-2017 to 2015-2016 (limited to 10% of initial allocation)	
Maximum funds that could be carried back	\$0.00
Shortage of Funds for 2015-2016	\$0.00
CARRY-BACK FUNDS USED TO COVER SHORTAGE	\$0.00
Excess funds available for carry-forward to 2016-2017 (limited to 10% of initial allocation)	
Maximum funds that could be carried forward	\$0.00
Excess funds that could be carried forward	\$0.00
FUNDS CARRIED FORWARD TO 2016-2017	\$0.00
FINAL REFUND TO OHE	\$0.00
Final Refund Received Date	

You are allowed to carry back 10% of your FY16 initial allocation (B8) from FY17 funds to FY16.

Carry forward amount is limited to 10% of your FY16 initial allocation.

Please return this amount to OHE no later than July 31, 2016. Mail to:
OHE
PO Box 64449
St Paul, MN 55164-0449
YOU ARE NOT CLOSED OUT UNTIL THIS REFUND IS RECEIVED BY OHE.

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1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227

Tel: 651-642-0567
800-657-3866
Fax: 651-642-0675

E-mail: info@ohe.state.mn.us
Web: www.ohe.state.mn.us
www.getreadyforcollege.org



Date: June 17, 2016

To: MN State Work Study Program Representative

From: Brenda Larter, Program Assistant
Financial Aid Programs

Subject: MN State Work Study Program – June Refund/Reallocation

We are now requesting refund/reallocation information for the **MN State Work Study Program**. OHE has created a web-based reporting mechanism for this purpose. You can access the reporting screen at: www.ohe.state.mn.us/surveys/refRealloc/ws.cfm. Please make sure you select your institution.

In order to be considered in the 2015-2016 (FY16) MN State Work Study Program reallocation process, you must report at the above web-site no later than **June 24, 2016**. Please report if you will be sending a refund or need additional MN State Work Study funds. You are allowed to carry forward up to 10 percent of your 2015-2016 initial allocation to the 2016-2017 academic year.

Please return refunds promptly, no later than June 24, 2016. Reallocations cannot be processed until refunds are received by OHE. All refunds/checks should be accompanied by the OHE refund return form to ensure the funds are credited appropriately. The refund return form can be found at www.ohe.state.mn.us/mPg.cfm?pageID=1538. Please check with your business office to ensure the refunds are being processed to meet this deadline. Refunds should be returned to:

**MN Office of Higher Education
PO Box 64449
St. Paul, MN 55164-0449**

Any program funds returned to OHE after March 1, 2016, will have an adverse affect on next year's allocation.

We don't anticipate receiving a large amount of refunds available for reallocation. However, another way to deal with a shortage of funds for this year is the ability to carry back funds from 2016-2017 (FY17) allocation to the 2015-2016 academic year. Schools are allowed to carry back up to 10 percent of the school's 2015-2016 initial allocation. Because the carry back funds are from the coming fiscal year, funds will not be sent to schools until July. Therefore, schools will need to pay students from institutional dollars and get reimbursed later.

The attached spreadsheet shows:

Institution name
July Allocation
September Allocation
December Allocation

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Initial Allocation
 November Reallocation (no funds available)
 January Reallocation (no funds available)
 March Reallocation
 May Reallocation (no funds available)
 October Refunds
 February Refunds
 Late May Refunds
 Late June Refunds
 Net Disbursements
 Plus Funds Carried Forward from FY15 to FY16
 Total Funds Available
 Maximum Allowable Carry Forward (to FY17) / Back (to FY16)

If you have any questions, please contact me.

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Minnesota State Work Study Program Off-Campus Employment Agreement

This agreement is entered into between _____ (hereafter called Institution) and _____ (hereafter called Employer) for the purpose of providing work to students eligible to participate in the Minnesota State Work-Study Program (hereafter called Program).

- I. All terms used in this Agreement shall be interpreted in accordance with any definitions contained in Minnesota Statutes 136A.231–136A.233, and Agency Rules 4830.2000–4830.2600 governing the State Work-Study Program.
- II. The Institution maintains the exclusive right to control and direct this Program. The Institution shall:
 1. Establish appropriate policies with respect to project and Employer eligibility and set forth these policies in writing.
 2. Determine the total number of students to be employed by the Employer at any given time.
 3. Approve the rate of pay each student will receive and supply the total number of hours per week each student may work for the Employer.
 4. Establish specific starting and ending dates for a student's term of employment and set forth any standard under which that term of employment may be terminated.
 5. Determine the amount of the work award for each student and set forth this amount as the maximum gross earnings limit for a student's term of employment.
- III. The Employer certifies that it is a public/or private (circle one) organization eligible to participate in this Program and that the work performed by the students under this Program shall:
 1. Not result in the displacement of the Employer's employed workers or impair the existing contracts for services; and
 2. Be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical location, and educational level and proficiency of the student and any applicable federal, state or local legislation; and
 3. Not involve the construction, operation, or maintenance of so much of any facility as it is to be used or is used for sectarian instruction or as a place of religious worship; and
 4. Not involve any partisan or nonpartisan political activity associated with a candidate, or contending faction or group, in an election for public party office; and
 5. Not involve any lobbying on the federal, state, or local level; and
 6. Not be primarily for the benefit of the membership of a limited membership organization (such as a credit union or fraternal order) other than public; and
 7. Not represent a conflict of interest for any of the parties to this agreement or the federal or state government or any of their political sub-divisions; and

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8. Not be work for which the political support, affiliation, or affinity of the student is a prerequisite or consideration for employment; and
9. Not be work to be performed for an elected official other than as a part of the regular administration of federal, state, or local government.

IV. It is agreed that the Employer shall:

1. Provide orientation to the student with respect to hours of duty, place of duties, working conditions, briefing on safety, standards of conduct and a familiarization with the Employer's procedures. Such orientation shall be designed to aid the student in adjusting to the job situation.
2. Provide the student with an explanation of his or her duties, performance requirements in terms of quality, quantity, methods and priorities, and the necessary basic corrective and progressive training.
3. Provide on-site supervision of the employment activities of the students. Students employed by public K-12 schools performing meaningful activities that directly assist students in K-12 in meeting graduation requirements shall work under direct supervision at all times.
4. Maintain time records for each student and complete the student's payroll time sheets. The time sheets are to be sent to the Institution by payroll due dates established by the Institution. No compensation can be paid to a student without properly authenticated payroll time sheets.
5. Not permit any student to perform work or any project under this Program for more than 40 hours in any week. The Employer shall assume responsibility for payment of compensation to students for hours worked in excess of such maximum limitations. Student eligibility for State Work-Study funds will be reduced by such excess earnings.
6. Not permit any student to work beyond the date specified by the Institution as the ending date of the student's term of employment or exceed his or her gross earnings limit. The Employer shall assume responsibility for payment of compensation to students for hours worked beyond these limits.

- V. Students will be made available to the Employer by the Institution for performance of specific work assignments. Students may be removed from work on a particular assignment or from the Employer by the Institution, either on its own initiative or at the request of the Employer.

The Employer agrees that no student shall be denied work or subjected to different treatment under this Agreement on the basis of race, national origin, religion, sex, age or handicap, and that it will comply with the provisions of the Civil Rights Act of 1964 and Amendments, the Regulations of the Department of Health, Education and Welfare which implement that act, and the Minnesota Human Rights Act.

- VI. The Employer shall be deemed the employer for all purposes of this Agreement, except for the purposes of employer compliance with federal social security laws and worker's compensation laws for which purposes the Institution shall be deemed the employer. The Employer has the right to control and direct the services of the student, not only as to the results to be accomplished, but also as to the means by which the result is to be accomplished. The Institution shall be limited to determining that the students meet the eligibility requirements for employment under the State Work-Study Program, and to determine that the students do perform their work in fact.
- VII. The Employer agrees to pay the Institution an amount calculated to cover the Employer share which is 25% of the student's gross earnings for students employed under this agreement. Failure by the Employer to pay its share of the compensation to the Institution within 60 days of billing may result in the cancellation of this Agreement.

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- VIII. All payments due as an employer's contribution under any applicable laws (except payments under the Federal Social Security Laws) shall be made directly by the Employer, and the Employer shall furnish to the institution evidence of such payments as requested to do so.
- IX. The Employer shall furnish to the Institution for each payroll period, for review and retention, time reports indicating period of work, name of student, rate per hour, total hours worked during the pay period, the actual number of hours worked on a specific date, the starting and ending times, including an indication of AM or PM, and the supervisor's certification as to the accuracy of the hours reported and of satisfactory performance on the part of the student.
- X. Compensation of students for work performed under this Agreement will be disbursed by the Institution.
- XI. Since State resources are the primary source of funding for this program, the Institution reserves the right to terminate a student's position in the event that available funds have been depleted. The Institution will give the Employer an option of retaining the student worker in the event that either (a) the Employer is willing to pay the student worker's full wages or (b) the student is willing to volunteer his or her time for the Employer. Verbal notification to the Employer by the Institution, with a follow-up written confirmation that the funds have been depleted, shall serve as termination of the student's position, as of the date of the verbal notice.
- XII. The Work-Study Referral/Salary Authorization presented to the Employer shall contain specifics of the provisions set forth in Paragraph II of this Agreement.
- XIII. This Agreement may be canceled at any time by mutual consent of both parties or by written notice of thirty (30) days by either party.
- XIV. The Employer agrees that Students employed in internship positions in the for-profit sector shall perform duties directly related to their field of study. The direct relationship shall be documented within the job description.

Institution

Signature, Supervisor, Work Study Program

Name and Address of Institution:

Date

Employer

Signature, Employer Supervisor

Title of Supervisor

Name of Employer

Street

City State Zip

()
Phone

Date

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State Work-Study Referral/ Salary Authorization

Student Name _____

Student I.D. No. _____

The above named student is certified as eligible for employment under the terms of the State Work Study Program.

I hereby certify that said institution will provide 75% of the applicant's compensation as provided by agreement, and that the applicant has been informed of her/his obligations and limitations under the State Work-Study Program.

The rate of compensation the above student may receive will be determined by the employer and must comply with federal and state minimum wage laws. The student's period of employment shall be from _____ to _____. Students may be removed from work on a particular assignment or from the Employer by the Institution, either on its own initiative or at the request of the Employer.

Gross amount of funds which the above-named student is approved to earn within the specified time period: \$ _____

Suggested maximum number of hours per week: _____

Signature of Authorized Financial Aid Officer

Date

If you decide to hire this student, please complete the boxed in section below. Send the completed form to:

(Keep a copy for your records.) If the student qualifies and if we have remaining funds through this program we will provide an employment contract for the student and your agency. If you do not hire the student return the form to the student without completing the section below.

Employer's Name

Immediate Supervisor

Phone

Supervisor's Work Address

Student's Exact Start Date

Proposed Hourly Rate of Pay

Supervisor's Signature

Student's Job Title

Date

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Job Description Form State Work Study Program

Instructions: Complete both sides of this form. Return it to the Financial Aid Office at:

Section 1.

Employer _____

Address/Building _____

City/State/Zip Code _____

Employer Telephone No. _____

Supervisor(s): Name _____
Last First

Telephone No. _____

Name _____
Last First

Telephone No. _____

Section 2. Job Description

Job Title _____

List Duties and Qualifications. (If the student is employed in an internship position in the for-profit sector, the employer must also describe the direct relationship between the internship position and the student's field of study.)

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Section 3. Skill Level Determination

You must check one box in each of the following sections which best describes the position.

Accountability (Decision Making)

- Assigned tasks done as specified.
- Assigned tasks done with minimal decisions.
- Judgments made.
- Interpretations made.
- Must be responsible for work performed by others.

Confidentiality

- Does not work with any confidential information.
- Some work confidential.
- Handles confidential information much of the time.

Consequence of Error

- Limited to department, easily correctable.
- Correctable, impact reaches beyond work unit or department.
- Severe, correction difficult and/or impossible.

Knowledge/Experience

- No previous experience required.
- Easily acquired skills, minimal training.
- Previous skills required and training necessary.
- Complex, must have specialized skills, minimum training necessary.
- Complex, highly technical, must have specialized skills, no training necessary.

Nature of Work

- Being there, time to study on the job.
- Routine tasks or duties.
- Beyond routine, but must follow set, defined procedures.
- None of the above, work is more complex.

Supervision of Others

- Never.
- Sharing knowledge with fellow workers (helping).
- Teaches tasks, procedures.
- Supervises others.
- Assigns tasks to others.

Supervision Required

- All (most) work reviewed.
- Works independently less than 50% of the time.
- Works independently more than 50% of the time.
- Little or no supervision.

Scope of Work (Contact with Others)

- Limited to co-workers.
- Reaches to other departments.
- Campus (or Agency) wide.
- Beyond the campus (or Agency).

Does this position require

- Research.
 - Computer Programming.
 - Teaching of others (Instructor).
 - Graduate Student.
 - None of the above.
-

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Minnesota State Work Study On-Campus Employment Contract

Student Name:	Student ID:
Total Minnesota State Work Study: Award Amount: \$ _____	Period of Employment: from: ___/___/_____ to ___/___/_____
Name of Position: (attach position description)	Department Where Position Located:
Name of Supervisor:	Hourly Rate: \$ _____ Hours Per Week: _____
I-9 Form on File: <input type="checkbox"/> Yes <input type="checkbox"/> No	% Paid by Employer: _____% by SWS: _____%

Student Responsibilities:

1. I will give my supervisor two weeks notice if I wish to resign.
2. I will report to work on time.
3. I will ask my supervisor to be excused in advance if I am unable to work my assigned hours.
4. I will be placed on work probation or be dropped from the program if my GPA falls below 2.0.
5. I will be dismissed if I violate work regulations.
6. I will not work beyond my assigned hours without permission from my supervisor.
7. I will complete I-9 and W-4 forms before beginning work.
8. I will inform the school if I am subject to court-ordered child support obligations which are required to be withheld from your income.
9. (For position during term of non-enrollment) I certify I was enrolled during the previous term and plan to enroll for _____ credits during the term following the current term.

Supervisor Responsibilities:

1. The supervisor will be responsible for verifying the accuracy of student time sheets and signing time sheets in a timely manner.
2. The supervisor will be responsible for submitting time sheets to payroll on a timely basis.
3. The supervisor and financial aid office will be responsible for monitoring student hours and earnings so that earnings do not exceed the student's total State Work Study award.
4. The supervisor will ensure adequate supervision commensurate with job duties and will be responsible for providing the training necessary for successful performance of the job.

Signatures:

The information on this contract form is accurate. I have read and agree to the employment conditions of this contract.

Student's Signature: _____ Date: ___/___/_____

Supervisor's Signature: _____ Date: ___/___/_____

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Comparison of Federal and Minnesota State Work Study Programs

Program Component	Federal Work Study	Minnesota State Work Study
Student Eligibility Requirements	<ul style="list-style-type: none"> • U.S. citizen or eligible non-citizen. • Making satisfactory academic progress. • No state residency requirement. • No required enrollment level. • Undergraduate or graduate students. • Enrolled in program leading to credential. • Any eligible Title IV college. • Eligible during period of non-enrollment. • No reciprocity restriction. • HS diploma or GED • Ineligible if loan default. • Drug conviction restriction. • Overpayment restriction. • Selective Service requirement. 	<ul style="list-style-type: none"> • Students must have an authorized work permit. • Adopts Title IV SAP policy and a separate SAP policy for students with intellectual disabilities in an approved comprehensive transition and postsecondary program approved by the Agency. • Minnesota resident (as defined for State Grant). Student must be lawfully present prior to meeting MN resident status. • Enrolled half-time (6 credits for undergraduates, school defines for graduate students); priority to full-time students (12 credits). • Undergraduate or graduate students. The percentage of the school's allocation assigned to graduate students cannot exceed the percentage of graduate students in the total enrollment at the institution. • Enrolled in program leading to credential. • Enrolled at MN college. • Eligible during one term of non-enrollment or less than half-time enrollment per aid year. • Reciprocity students not eligible. • No HS diploma or GED. • No loan default restriction. • No drug conviction restriction. • No overpayment restriction. • No Selective Service requirement.

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Program Component	Federal Work Study	Minnesota State Work Study
Eligible Employer	<ul style="list-style-type: none"> • Title IV eligible institution. • Non-profit, non-sectarian agency or school. • For-profit organization (if academically relevant). • Services for students with disabilities. • Not specifically mentioned. • Off-campus employment contract required. 	<ul style="list-style-type: none"> • MN postsecondary institution. • Non-profit, non-sectarian agency or school. • For-profit organization (if internship related to student's area of study). • Individual with substantial disability. • Individual over 65 requiring assistance. • Off-campus employment contract required (on-campus encouraged).
Types of Employment	<ul style="list-style-type: none"> • To extent possible, positions should be related to student's educational goals. <p>On-Campus (including with contractors)</p> <ul style="list-style-type: none"> • Cannot displace employees or contractor employees. • No constructing, operating or maintaining area used for religious worship or instruction. • If for-profit school, on-campus positions must provide student services, not involve recruiting, compliment student's educational goals. <p>Off-Campus, Non-Profit</p> <ul style="list-style-type: none"> • Must be in public interest (not limited to membership, organization, non-political). • Prohibits displacement of employees. <p>For-Profit Organizations</p> <ul style="list-style-type: none"> • Academically relevant to student's area of study. • Prohibits displacement of employees. <p>Earning credit for position okay if:</p> <ul style="list-style-type: none"> • Not paid less because credit awarded. • Not paid for receiving instruction. • Not normally paid for position. 	<ul style="list-style-type: none"> • To extent possible, positions should be related to student's educational goals. <p>On-Campus (including with contractors)</p> <ul style="list-style-type: none"> • No displacement restriction. • Adopts FWS policies. • Adopts FWS policies. <p>Off-Campus, Non-Profit</p> <ul style="list-style-type: none"> • Adopts FWS policies. • Prohibits displacement of employees. <p>For-Profit Organizations</p> <ul style="list-style-type: none"> • Must be internship in student's area of study. • No similar displacement restriction. <p>Adopts FWS policies.</p>

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Program Component	Federal Work Study	Minnesota State Work Study
Employment Conditions	<ul style="list-style-type: none"> • Must pay at least federal minimum wage. • Subject to federal and state tax withholding. • Allowed to start working prior to verification taking place, at the school's discretion. Such students may not work beyond the first 60 consecutive days after the student enrolls for the aid year. If verification results in the student not being eligible, the school must repay all earnings to the program and convert the position to another source of funding. • Cannot volunteer hours. • Can be paid for required training up to 20 hours. • Can be paid for travel to community service jobs. • No limits on hours per week (but may be FICA withholding considerations). • No garnishment of wages except to pay COA components. • Must complete required forms for Department of Homeland Security. • No compensation for sick leave, vacation or holidays. • In the event of a major disaster, an eligible school located in any area affected by such major disaster, as determined by the Secretary, may make payments to disaster-affected students, for the period of time (not to exceed one academic year) in which the disaster-affected students were prevented from fulfilling their work-study obligations. • Schools can use funds to compensate students employed in projects that teach civics in schools, raise awareness of government functions or resources, or increase civic participation. 	<ul style="list-style-type: none"> • Must pay at least federal or state minimum wage (whichever higher). • Adopts FWS policies. • Adopts FWS policies. • Adopts FWS policies. • Adopts FWS policies. • Adopts FWS policies if job meets FWS definition of community service. • Adopts FWS policies. • Garnishment allowed. Cannot reduce garnishment for court-ordered child support due to garnishment from other creditors. • Adopts FWS policies. • Adopts FWS policies. • No similar provision. • No similar provision.

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Program Component	Federal Work Study	Minnesota State Work Study
Award Calculation	<p>COA–EFC–Resources/Financial Aid</p> <ul style="list-style-type: none"> • Certain non-need based loans can replace EFC. • Optional exclusion of subsidized Stafford Loan up to amount of Chapter 30 veterans’ educational benefits and/or AmeriCorps funds. • Work Study earnings (minus job-related expenses) during period of non-enrollment are considered resource. 	<p>COA–EFC–Resources/Financial Aid</p> <ul style="list-style-type: none"> • Same • Same • Same
Disbursement	<ul style="list-style-type: none"> • Must pay student at least monthly. • May issue check to student or, with student’s authorization, credit student’s account or transfer to student’s bank account via EFT. • May pay school share of student’s wages with non-cash contribution (tuition, room and board, books, etc.) • Must pay student out of fiscal year hours were performed (e.g., FY10 for hours before June 30, 2010, and FY11 for hours on and after July 1, 2010). • FWS not included in refund calculations, since student earned funds. 	<ul style="list-style-type: none"> • Adopts FWS policies. • Adopts FWS policies. • No similar provision. • Adopts FWS policies. • Adopts FWS policies.

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Program Component	Federal Work Study	Minnesota State Work Study
Use of Allocation	<ul style="list-style-type: none"> • FWS provides administrative cost allowance to administer program (portion may be used to set up community service program or training tutors). • Must use 7% of allocation on community service jobs and one or more students must be employed in reading tutor or family literacy project. Options for waivers. • School can only use 25% of allocation for positions in for-profit sector. • School can only fund 10% of total FWS students employed at non-profit or government agency with 90% FWS/10% employer share. • Lesser of 10% of allocation and reallocation or \$75k can be used to create or expand JLD program. • 25% of funds can be transferred to FSEOG program. • Similar to SWS except no restriction against carry back across biennium. • Reallocation at end of year only to schools using 5% of allocation for students employed as tutors/literacy projects. School must request, have fair-share shortfall, and use for community service jobs. • Excess funds returned at end of year. School penalized dollar for dollar if amount returned exceeds 10% of allocation. 	<ul style="list-style-type: none"> • No administrative cost allowance provided. • No similar provision, but community service and tutoring positions strongly encouraged. • School can only use 30% of allocation for positions in for-profit sector if directly related to the student's field of study and will enhance student's knowledge and skills in that field. • No similar provision. • No similar provision. • No similar provision. • School can always carry forward/back up to 10% of initial allocation to/from next fiscal year, except CANNOT carry back across biennium. • Refunds requested and reallocations performed throughout aid year by Office of Higher Education. • Excess funds returned after March 1. Reduce allocation for next year by % allocation returned.

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July 2016

Program Component	Federal Work Study	Minnesota State Work Study
Work Study/ Employer Share	<ul style="list-style-type: none"> • Standard shares are 75% FWS/ 25% employer. • FWS can fund 100% of student's wages if employed in certain tutoring or literacy positions. • FWS can fund 100% of student's wages at colleges serving high need populations (eligible school under CFR 606,607,608,609). • FWS can fund up to 90% of student's wages if employed at non-profit or government agency and employer cannot afford 25% share (limited to no more than 10% of FWS recipients). • FWS covers only 50% of student's wages if employed in for-profit sector. • FWS covers up to 80% of wages for JLD program development positions. 	<ul style="list-style-type: none"> • Standard shares are 75% SWS/ 25% employer. • No similar provision. Standard 75/25 SWS/employer share. • No similar provision. Standard 75/25 SWS/employer share. • No similar provision. Standard 75/25 SWS/employer share. • No similar provision. Standard 75/25 SWS/employer share. • No similar provision. Standard 75/25 SWS/employer share.
Payroll Records/ Supervision	<ul style="list-style-type: none"> • School/employer must develop program of supervision consistent with nature of job and needs of student. • Not specifically addressed in FWS law, but local school districts may require this. • Timesheet must be signed by supervisor. Electronic signature okay if meets guidelines for electronic certification. 	<ul style="list-style-type: none"> • Adopts FWS policies. • Students employed in K-12 schools must work under direct supervision of school district personnel. • Adopts FWS policies.