



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

## Office of Family Assistance

# Supporting Postsecondary Completion for TANF Recipients through Work-Study Programs

Issue Brief  
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## Introduction

Recipients of Temporary Assistance for Needy Families (TANF) cash assistance often do not have the postsecondary credentials or work experience they need to access jobs with family-sustaining wages. In 2015, only 7.5 percent of adult TANF recipients had achieved more than a high school level of education. When TANF recipients and other low-income parents do pursue postsecondary education, they can often miss out on relevant work experience, which puts them at a competitive disadvantage in the labor market. Further, requirements within the TANF program present some difficulties to states interested in supporting extensive education and training programs that encourage postsecondary completion. Due to limitations on the length of time that a state may count vocational education as a core work activity for meeting work participation requirements in the TANF program, many states are reluctant to allow educational plans for TANF participants that exceed 12 months.

One solution to these challenges is to engage TANF participants in formal work-study programs which enable postsecondary students to simultaneously pursue their studies and work part-time, typically in community service work, or in positions related to their field of study. Through work-study, TANF recipients may gain vital income support while working toward postsecondary credentials and obtain relevant work experience that can improve their chances of finding a job that provides economic stability. Also, work-study programs can help state TANF agencies engage TANF recipients attending college in more activities that count toward required state work participation rates.

## Federal Work-Study through Federal Student Aid

Federal Work-Study (FWS) is a federal postsecondary student aid program that provides part-time employment to students who demonstrate financial need. The Department of Education allocates funds to participating colleges and universities through a statutory formula. Prospective FWS participants must file a Free Application for Federal Student Aid (FAFSA) and meet other eligibility criteria to participate in FWS opportunities at their college. In general, the school must provide a FWS funding match that results in the

school paying 25 percent of the student's wages.<sup>1</sup> FWS jobs are typically on-campus and are designed to accommodate student schedules.

However, every year there are thousands of additional students with demonstrated financial need who are unable to take advantage of the FWS program due to a lack of federal funding. Currently, FWS programs employ only six percent of undergraduates, and these students are primarily "traditional" students who are under the age of twenty-four without dependents. While over 20 percent of students attending private four-year colleges participate in work-study, less than seven percent of students attending public four-year colleges and less than two percent of students attending public two-year colleges participate in work-study.<sup>2</sup>

Some evidence suggests that FWS has larger positive effects on education completion and future employment for under-prepared and low-income students than for other students with less need.<sup>3</sup> Yet, due to the limited resources, FWS programs do not always reach low-income students with the greatest need. This strain on resources can restrict access to vital work-study resources for TANF recipients who attend public community colleges.

## TANF and Work-Study

The TANF program provides assistance to low-income families with children and supports a wide range of benefits and services designed to accomplish the program's broad purposes.<sup>4</sup> Several states have used TANF funds or state maintenance-of-effort (MOE) funds to create or expand work-study programs geared towards meeting the unique circumstances of TANF participants. Although these programs vary from state to state, TANF-funded work-study can increase the overall number of work-study slots for low-income, non-traditional students (and TANF participants in particular) and can connect these students to supportive career pathways.

State TANF programs may use some of the following strategies to create and enhance work-study programs for TANF participants:

- **Combine work-study with education and training to meet federal work participation requirements:** TANF work participation rates measure the degree to which states engage families receiving assistance in work activities specified under federal law. Individuals must participate in certain "core" activities – mostly employment-related activities, as well as vocational educational training – for an average of at least 20 hours a week in a month to count in the rate. In addition, some activities have statutory limitations on how long they can count toward the work participation rates; vocational education is one of these, limited to 12 months lifetime per individual. This means that a maximum of 12 months of a TANF participant's postsecondary education can count on its own as a

1. There are some limited situations where the school contributes more or less than 25% of a student's wages. Most notably, the federal share of a student's wages can be 100% for a school designated as an eligible institution under Title III or Title IV of the Higher Education Act. This designation primarily includes minority-serving institutions. For more information, see the Department of Education's 2015-2016 Federal Student Aid Handbook, at: <http://ifap.ed.gov/fsahandbook/attachments/1516FSAHbkVol6Ch1.pdf>

2. Radwin, D., Wine, J., Siegel, P., and Bryan, M. (2013). 2011–12 National Postsecondary Student Aid Study (NPSAS:12): Student Financial Aid Estimates for 2011–12 (NCES 2013-165). Institute of Education Sciences, U.S. Department of Education. Washington, DC: National Center for Education Statistics. Retrieved from: <http://nces.ed.gov/pubs2013/2013165.pdf>

3. Scott-Clayton, J. and Minaya, V. (2014). Should Student Employment be Subsidized? Conditional Counterfactuals and the Outcomes of Work-Study Participation, CAPSEE Working Paper, September 2014, <http://ccrc.tc.columbia.edu/publications/should-student-employment-be-subsidized.html>

4. The four purposes of the TANF program are to: 1) Provide assistance to needy families so that children can be cared for in their own homes; 2) Reduce the dependency of needy parents by promoting job preparation, work and marriage; 3) Prevent and reduce the incidence of out-of-wedlock pregnancies; and 4) Encourage the formation and maintenance of two-parent families.

“core” activity. Beyond that, postsecondary education can count as a “non-core” activity (if reported as “job skills training directly related to employment”), but only if the individual also engages in an average of 20 hours per week during the month of a “core” work activity. Work-study programs can help students meet those 20 hours as they obtain postsecondary credentials. By meeting work requirements through work-study programs, students can fulfill TANF’s requirements in a way that aligns with their education, supporting their degree progress and their path toward economic security.

- **Provide on-campus support staff for work-study participants:** TANF can fund on-campus advisors to counsel low-income students, connect them to work-study positions that support their educational goals and career pathway, and help them find appropriate support services.
- **Ensure work-study income does not affect TANF eligibility:** States can structure their assistance programs to disregard work-study as earned income to ensure that participation in work-study programs does not affect access to TANF assistance.
- **Support work-study positions with fair wages in relevant experience areas:** States can require work-study partners, including employers and educational institutions, to pay fair wages to participants to support work opportunities that help student parents on a path to economic security. For example, Texas statutorily requires that employers pay work-study mentors \$10 per hour, which increases the earning potential of these work-study recipients.
- **Target campuses with the greatest institutional need:** State programs can target schools for TANF-funded work-study that have a track record of serving low-income students.

## TANF Work-Study in Practice

### Kentucky

Kentucky’s state TANF plan notes that enrolling TANF recipients in college is a priority for the program. The state contracts with community colleges to create work-study positions for students who receive TANF. This program, named Kentucky Ready to Work, was created in 1999 and operates at 16 community colleges across the state. The Ready to Work program allows TANF participants to pursue certificate, diploma, and associate-degree programs in any field of study offered by the participating college. Paid work-study opportunities are available at each of the campus sites, but community colleges decide how to structure their own programs.

### Key Components of Kentucky’s Ready to Work Program

**Campus coordinators:** TANF funds campus coordinators at Kentucky community colleges that provide participants academic and career coaching, mentoring, and service referrals. Coordinators assign participants to unpaid work experience and paid work-study jobs that are appropriate for the employability levels of participants.

**Designed to fulfill TANF work participation requirements:** Students take part in unpaid community service while they are added to the work-study payroll. Once in work-study positions, 20 hours of work-study per week allows student parents to fulfill the core hours requirement of the TANF work participation rate, while filling the other 10 hours of their requirement with classes. Two-parent families can participate for 30 hours of work-study to fulfill the core hours requirement for the two-parent work participation rate.

**Work opportunities tailored to TANF participants:** Placements are often specifically tailored to TANF participants, and Kentucky requires private sector employers to place each participant in a job directly connected to the student's field of study and career interests. Some community colleges in Kentucky offer tiered placements—the first tier in an entry-level position that can help improve soft skills, and a second-tier placement is in the TANF participant's field of study.

## California

The California Community College CalWORKs (TANF) Program is a partnership between the California Community College Chancellor's Office and the state's Department of Social Services. The program provides TANF recipients with education and training services as well as support services to help them prepare for a career in fields with strong labor market demand. Each community college decides how to implement the program.

### Key Components of California's Community College CalWORKs Program

**Case management:** The Community College CalWORKs case manager communicates with the student's local county TANF department to report on the student's progress and ensure the student receives the services and subsidies he or she needs to be successful, including child care assistance, transportation vouchers, and advancements or reimbursements for the cost of books. They may also assess and refer participants to any necessary barrier removal services, including mental health counseling.

**More flexibility for placements than FWS:** California's program allows for students to be placed with for-profit employers and for students to continue work-study jobs when school is not in session, providing a more consistent source of income. In Los Angeles, community colleges and the Los Angeles Department of Public Social Services coordinate to offer students three types of work-study placements: (1) on-campus; (2) off-campus, primarily in small businesses or nonprofits; and (3) off-campus in Los Angeles government agencies.

**Work-study wages do not impact TANF grants:** Work-study wages do not impact the student's TANF grant because the state disregards this income in determining TANF benefits.

**Support services:** California community colleges may also provide support services in addition to what is provided by the student's local county TANF department. This may include gas cards to cover transportation and additional child care assistance as needed.

## Minnesota

Minnesota's state legislature approved the use of TANF funds for a two-year work-study pilot project for fiscal years 2014 and 2015. The TANF work-study pilot was designed to meet the unmet needs of low-income Minnesota student parents.

## Key Components of Minnesota's Pilot

**Targeted campuses with track records of serving low-income students:** The Minnesota Department of Human Services and the state Office of Higher Education worked together to set criteria to determine which campuses could apply to be part of the demonstration. Each campus had to meet one of the following criteria that demonstrated the school's commitment to serving low-income student parents:

1. The campus provided on-campus child care;
2. The campus hosted a Student Parent Support Center (funded by the Office of Adolescent Health at the U.S. Department of Health and Human Services);
3. The campus was already working to provide career pathway programs to low-income students; or
4. The campus had expended all of its traditional work-study funds in recent years.

**Work-study wages do not affect TANF grants:** Minnesota's TANF program excludes from the calculation of income all student financial aid, including earnings from state and federal work-study programs. This allows students to participate in work-study programs without jeopardizing their TANF grants.

**Eligibility workers trained on the treatment of work-study income:** In Minnesota, the demonstration project revealed that eligibility workers were confused about how to treat educational financial aid and work-study income, so the Minnesota Department of Human Services took special steps to train staff and create new forms to ensure everyone applied the policy correctly.

**Communications were established between campuses and employment services agencies:** Campus and employment services agencies representatives developed one-page fliers describing the benefits of the program and referral forms to facilitate sharing of information.

## Pennsylvania

The Pennsylvania Keystone Education Yields Success (KEYS) Program provides support services and counseling to TANF students who are pursuing postsecondary education and training at the 14 Pennsylvania community colleges, 14 state-owned universities, and 78 career and technical schools in the state.

## Key Components of Pennsylvania's KEYS Program

**Use of internships and practicums to meet the TANF work participation rate:** As part of the KEYS program, TANF participants may participate in vocation-specific work experience. This subsidized employment pays KEYS students who are engaged in internships and practicums while still counting them toward the federal TANF work participation rate.

**Earned income disregard helps students maintain TANF eligibility:** Students' earnings are considered earned income for TANF eligibility purposes; however, the Department of Human Services has a 50 percent disregard that applies to these funds.

## Conclusion

As the previous examples demonstrate, states can encourage postsecondary completion for TANF-eligible parents by exploring ways to integrate work-study into their TANF programs. These efforts can help TANF participants complete programs leading to credentials that support the long-term economic security of low-income parents and their families. In addition, work-study strategies could prove beneficial to the state TANF program by providing another means for combining work and study in countable work activities that will aid in meeting the work participation requirement.

## Resources

Pennsylvania KEYS: TANF Training and Education, CLASP, 2010. <http://www.clasp.org/resources-and-publications/files/KEYS.pdf>

Providing Paid Employment Opportunities for TANF Participants Engaged in Vocational Education Programs: Examples from Denver, Colorado; Kentucky; and California. Strategies for Increasing TANF Work Participation Rates, by Ann Person, LaDonna Pavetti, and Jeffrey Max. Mathematica Policy Research, Inc, 2008. <https://aspe.hhs.gov/basic-report/providing-paid-employment-opportunities-tanf-participants-engaged-vocational-education-programs-examples-denver-colorado-kentucky-and-california>

Strengthening the “Work” in Federal Work-Study, by Elizabeth Kenefick, CLASP, January 2015. [http://www.clasp.org/resources-and-publications/publication-1/CPES\\_FederalWorkstudyFINAL.pdf](http://www.clasp.org/resources-and-publications/publication-1/CPES_FederalWorkstudyFINAL.pdf)

The Working Poor Families Project Policy Brief Spring 2014 Earn to Learn: How States Can Reimagine and Reinvest in Work-Study to Help Low-Income Adults Pay for College, Enhance their Academic Studies, and Prepare for Post-College Careers. <http://www.workingpoorfamilies.org/wp-content/uploads/2012/03/WPFP-Spring-2014-Brief.pdf>

For more information on Federal Work-Study programs administered by the Department of Education, visit: <http://www2.ed.gov/programs/fws/index.html>