

# Modernizing Federal Work-Study to Support Work-Based Learning

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#### **HUMAN CAPITAL PROGRAM**

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#### **Executive Summary**

Policymakers and institutions of higher education want to expand access to work-based learning opportunities. These opportunities, including internships, apprenticeships, practicums, co-ops, and project-based learning, can enhance career readiness and facilitate students' career transitions. Most students, however, do not participate in quality work-based learning. Disparities in access mean that low-income and first-generation college students are less likely to obtain meaningful work experiences.

Policymakers, stakeholders, advocates, and experts across the ideological spectrum have looked to the Federal Work-Study (FWS) program as part of the solution to this problem. In recent years, the federal government has invested more than \$1 billion annually in subsidizing employment for students with financial need through FWS, but most of these jobs are on campus and have little relevance to students' areas of study or career interests.

Modernizing Federal Work-Study could transform what is currently a program oriented toward providing subsidized employment to colleges and universities into an outcomes-based program that expands access to quality work-based learning. As the United States faces a growing human capital challenge, using FWS to provide meaningful work experiences would give students more opportunities to prepare for a career and help employers strengthen and expand their talent pipelines.

To inform understanding of how FWS can help scale access to work-based learning opportunities, the Bipartisan Policy Center convened experts, stakeholders, and practitioners for roundtable conversations on strategies for expanding access to work-based learning, on challenges to these efforts, and on the potential for Federal Work-Study to better support meaningful work experiences. This report surveys how states, institutions, and the federal government have deployed FWS dollars to support work-based learning and identifies key barriers to these efforts. It further discusses how changes to FWS could help address these challenges and enable more students to obtain quality work-based learning experiences.

Institutions, states, and the federal government have sought to use FWS for work-based learning. Some institutions and states are working to make on-campus FWS jobs more meaningful and "internship-like." Federal initiatives have experimented with using FWS to expand student access to off-campus jobs and encouraged institutions to deploy Federal Work-Study for service learning. In parallel with these efforts, intermediary platforms and providers have developed innovative strategies for improving access to

work-based learning, including through project-based learning and online work opportunities.

Several factors hinder efforts to use FWS for work-based learning and limit the program's ability to support broader access to meaningful career experiences.

- Barriers to Access. Inadequate compensation, lack of transportation, and challenges balancing career experiences with coursework, jobs, and family responsibilities can prevent students from participating in workbased learning.
- Administrative Challenges to FWS. Administrative barriers make it
  challenging to use Federal Work-Study for off-campus jobs. The program
  provides a smaller subsidy for jobs with for-profit employers than for oncampus work, often making it difficult for small businesses to employ FWS
  students. FWS is also administratively complex and burdensome, especially
  for off-campus opportunities.
- Challenges Building and Maintaining Partnerships. Many colleges
  and universities do not have the institutional capacity for building and
  managing work-based learning partnerships with employers at scale.
- Too Few Work-Based Learning Opportunities. Demand for quality work-based learning experiences outstrips the supply. Expanding the supply of meaningful work experiences will require addressing the value proposition of work-based learning for employers and developing strategies that encourage greater employer participation by providing value for them.

Changes to Federal Work-Study can help address these barriers and transform FWS into a program that expands access to quality work-based learning for low-income students.

BPC identified five key strategies to guide policymakers' consideration of how to update FWS.

- Adopt a Portfolio Approach to Expanding Work-Based Learning.
   Expanding access to quality career experiences requires a continuum of
   opportunities that responds to the needs of different students. Strategies
   for using FWS to support work-based learning can include higher
   quality on-campus roles, off-campus jobs, and service learning. They
   might also include using FWS to support a wider range of opportunities,
   such as project-based learning, and to provide compensation for
   unpaid internships and work experiences that are integrated with
   classroom instruction.
- 2. **Improve the Collection of Outcomes Data.** Deploying FWS dollars for work-based learning requires data on outcomes to determine the most-effective approaches. Federal policymakers could strengthen the data infrastructure around FWS. They could also require enhanced data

- collection and analysis as part of changes that provide more flexibility in the use of FWS funds.
- 3. **Reform FWS Allocations.** The federal government can improve access to work-based learning opportunities by directing FWS funds to the institutions serving the largest share of low-income students. The Federal Work-Study funding formula is outdated and regressive. The program allocates an outsized share of dollars to wealthier institutions: Public two-year schools enroll 43% of undergraduates but receive less than 18% of FWS funds. Basing allocations on Pell enrollment or completion would approximately double the share of FWS dollars going to community colleges.
- 4. **Support Capacity Building for Work-Based Learning.** Policymakers can support capacity building for work-based learning by allowing institutions to use a larger share of their allocations to hire coordinators to place FWS students with off-campus employers. They can also consider changes to Federal Work-Study that would enable work-based learning intermediaries to boost capacity. Giving institutions more flexibility in how they use FWS dollars could allow them to partner with intermediaries to develop and scale meaningful work experiences.
- 5. **Provide Greater Flexibility in the Use of FWS Dollars.** Greater flexibility in the use of FWS dollars could allow institutions and intermediaries to innovate and align these dollars with a wider range of opportunities. Policymakers could increase FWS flexibility by streamlining the program to make it easier to apply to off-campus jobs, giving institutions room to innovate in their use of Federal Work-Study for roles that meet a higher standard, or making work-study awards portable, such that students could apply them toward a wider range of opportunities. Allowing students to take their FWS awards directly to work-based learning providers could enable those intermediaries to leverage FWS dollars toward creating quality, paid work experiences.

There is bipartisan interest in expanding access to work-based learning. Modernizing Federal Work-Study could provide more students with quality work-based learning opportunities and enable the program to support the development of new work-based models. It could also address disparities in access and give more low-income students the opportunity to benefit from meaningful career experiences.

# **Table of Contents**

1	EXECUTIVE SUMMARY
5	INTRODUCTION
7	I. FEDERAL WORK-STUDY BACKGROUND
11	II. INNOVATIVE PRACTICES IN FEDERAL WORK-STUDY AND WORK- BASED LEARNING
12	Federal Work-Study for Off-Campus Jobs
13	Federal Work-Study for Service Learning
13	Improving On-Campus Jobs
15	Project-Based Learning and Other Models
16	III. CHALLENGES AND BARRIERS
16	Barriers to Access
18	Administrative Challenges to Federal Work-Study
19	Challenges Building and Maintaining Partnerships with Employers
20	The Supply of Work-Based Learning Opportunities
22	IV. REFRAMING FEDERAL WORK-STUDY
23	Adopt a Portfolio Approach to Expanding Work- Based Learning
23	Improve the Collection of Outcomes Data
24	Reform FWS Allocations
25	Support Capacity Building for Work-Based Learning
27	Provide Greater Flexibility in the Use of FWS Dollars
28	V. CONCLUSION

#### Introduction

Policymakers and institutions of higher education are increasingly seeking to expand access to work-based learning opportunities, including internships, apprenticeships, practicums, co-ops, and project-based learning. Such work experience can enhance career readiness and facilitate students' career transitions. Participating in a paid internship is associated with a predicted annual earnings bump of over \$3,000 one year after graduation, according to Strada Education Foundation.¹ A recent employer survey found that 70% of employers said they would be more likely to consider a candidate who had completed an internship or apprenticeship.² Other studies indicate that linking "work" and "study" through work-based or experiential learning carries additional benefits, including contributing to positive student outcomes, boosting retention, and increasing student engagement.³

Most students, however, do not have access to high-quality work-based learning opportunities. In 2023, a Gallup Poll found that only 41% of baccalaureate students reported having an internship while pursuing their bachelor's degree. Other studies similarly show that less than half of students participated in work-based learning while enrolled, with lower rates of participation among first-generation college students, low-income students, and students enrolled at community colleges. Demand for quality internships and meaningful work experiences far exceeds supply.

Most students work while taking classes. Nationally, two-thirds of community college students work, with nearly one-third working full time. Most students, however, work jobs that are unrelated to their major or career goals, meaning that their employment often provides minimal opportunity to engage with their field of study or gain experience and skills directly related to their academic and career interests. Often students work low-skill jobs that may offer little flexibility for their academic schedule. For these students, work is frequently a barrier to academic progress, rather than an experience that complements their studies or prepares them for careers.

Policymakers, stakeholders, advocates, and experts across the ideological spectrum have looked to the Federal Work-Study (FWS) program as part of the solution to this problem. In recent years, the federal government has spent more than \$1 billion annually to subsidize student employment through FWS. Yet most FWS jobs are on-campus positions that have little—or no—relevance to students' areas of study or career interests, and the work often consists of fulfilling basic administrative tasks. In recent years, policymakers and stakeholders have called for using the program to help expand access to paid work-based learning opportunities. <sup>10</sup> Federal, state, and institutional

efforts to use FWS for experiential learning provide insight into the program's potential to expand access to these opportunities, as well as into what changes may be needed to enable the program to support quality student work experiences at greater scale.

Modernizing Federal Work-Study could transform a program that currently subsidizes campus jobs into one that increases the supply of work-based learning opportunities and connects students with meaningful work experiences. The United States is facing a growing human capital challenge—employers are seeking more job-ready graduates, and many students are struggling to translate their education into a career. Using FWS to provide meaningful work experiences would give students more opportunities to develop workplace skills and prepare for a career, would enable more low-income students to access work-based learning, and would help employers strengthen and expand their talent pipelines.<sup>11</sup>

To inform understanding of how FWS can help scale access to work-based learning opportunities, BPC convened three virtual roundtable discussions in the second half of 2024. Participants represented institutions of higher education, work-based learning intermediaries, and employer organizations, and the participants shared strategies for increasing access to work-based learning. BPC staff also interviewed administrators, including directors of career services and financial aid officers, at 18 institutions of higher education (community colleges, public four-year universities, and private, nonprofit institutions) and state higher education systems to learn about their experience using FWS to support work-based learning.

This report surveys different ways that states and institutions have used Federal Work-Study to support meaningful work experiences and identifies key barriers to these efforts. Administrative barriers, inadequate institutional capacity, and difficulties with increasing employer participation can all limit the ability of FWS to support greater access to quality employment opportunities. Moreover, current strategies for expanding access to work-based learning usually rely on institutions independently building and maintaining relationships with employers and other host organizations; there is little infrastructure to sustainably connect institutions, employers, and students at greater scale. This report discusses how changes to Federal Work-Study could help address these challenges and enable more students to obtain meaningful work experience. It also considers how FWS could potentially engage with the increasingly rich ecosystem of work-based learning intermediaries, platforms, and providers to foster new models of work-based learning.

a BPC conducted the virtual roundtables under the Chatham House Rule. The report quotes some comments made during the roundtables, with the permission of the speakers.

#### DEFINING WORK-BASED LEARNING AND QUALITY WORK EXPERIENCES

State and federal policy and researchers offer various definitions of work-based learning. Roundtable participants observed that arriving at shared definitions across institutions and organizations often proves challenging. This report uses the terms "work-based learning" and "experiential learning" interchangeably to refer to practices that give students the opportunity to gain academic or workplace skills through real-world experiences as part of their education.<sup>12</sup>

Researchers and practitioners also identify various features that characterize a quality work-based learning experience. Common principles across different definitions are that a quality experience provides compensation, confers academic credit, aligns with the student's field of study or classroom learning, provides in-demand skills, incorporates mentorship and coaching, and builds in assessment/feedback and formative reflection.<sup>13</sup>

Some roundtable participants said that it may be more productive to base definitions of work-based learning and quality on the goal of the experience and the value that students receive, rather than focusing on the presence or absence of specific attributes.

# I. Federal Work-Study Background

Federal Work-Study dates to 1964 and is one of the oldest federal student aid programs. <sup>14</sup> In the 2022–2023 academic year, FWS provided about \$1.2 billion in funding to colleges and universities to support part-time employment opportunities for eligible students with financial need, with the goal of giving students jobs that will help them pay for their education. FWS supported approximately 455,000 students in 2022–2023. <sup>15</sup>

Institutions have considerable flexibility in awarding FWS dollars, including deciding which students receive work-study and the size of awards. The program can subsidize up to 75% of wages for students working on campus and up to 90% of wages for students employed at a private nonprofit organization or federal, state, or local public agency. The program can subsidize up to 50% of wages at off-campus jobs with for-profit employers.

It allows for a 100% subsidy for community service positions, including preschool or elementary school tutoring and civics education. The program requires institutions to use 7% of their FWS funds for community service roles and generally allows institutions to use up to 5% of their awards to defray administrative costs. The vast majority—over 90%—of work-study dollars go to supporting students in on-campus positions. To

Evidence on the effectiveness of the Federal Work-Study program is limited, but some research suggests that FWS benefits students. Studies find that FWS recipients have higher rates of degree completion than their peers. This graduation bump is highest for lower-income recipients and students at public institutions, with research indicating that students who had FWS positions are 3 percentage points more likely to graduate within six years. For lower-income FWS recipients, the graduation bump rises to 5 percentage points; among students at public institutions, it rises to 7 percentage points. Researchers say that these higher rates of completion reflect the benefit of on-campus work opportunities that help students integrate into the college community and to balance work and learning, because FWS requires that supervisors schedule employment around students' schedules.<sup>18</sup>

Although students appear to benefit from Federal Work-Study, experts say that the program as currently structured is outdated and peripheral to the wider system of federal financial aid. Today, FWS accounts for about half a percent of total student aid, or about 3% of funding for Pell Grants. In addition, work-study awards have not kept pace with the rising costs of attendance. In the mid-1970s, the average award was sufficient to cover 90% of average tuition at public universities. Today, the typical award—on average, just over \$2,000—covers less than 20% of tuition at a public four-year institution. Moreover, some students who receive FWS awards as part of their financial aid package never get these resources because they do not take up FWS employment, either because they could earn more money in a non-FWS job, did not know that they had to apply for a FWS job, were not hired for FWS jobs they applied for, or could not find a FWS job they wanted. In the program of the program of

Two additional factors further limit the program's reach and impact.

First, FWS does not effectively direct funding to the students most likely to benefit. The FWS formula allocates the largest share of FWS funding to private, nonprofit institutions, even though they enroll fewer students than public institutions. In the 2021–2022 academic year, private nonprofit institutions received 42% of FWS funds while accounting for only 16% of total undergraduate enrollment. Conversely, public two-year institutions accounted for 43.4% of undergraduate enrollment but received only 17.9% of FWS funds. Highly selective nonprofit institutions admitting fewer than 20% of applicants received 8.9% of FWS funds while enrolling less than 2% of undergraduates. As a result, students from the top income quartile at private institutions are

more likely to receive FWS than students from the bottom income quartile at community colleges.<sup>23</sup>

Second, most FWS jobs have little relevance to students' areas of study or career interests. FWS regulations encourage institutions to align work-study placements with students' area of study. Surveys indicate, however, that only about one-third of work-study jobs relate to students' coursework. Although work-study can benefit students by giving them jobs on campus and helping them integrate into the campus community, FWS jobs can be a missed opportunity for students to have more meaningful work experiences.

Modernizing the Federal Work-Study program would help address these issues. In 2019, higher education researcher Sandy Baum summarized the case for fundamental changes to FWS: "[T]he program's scale makes it impossible that this program, as it is now structured and funded, makes a major difference in how students finance their postsecondary education or in how well work during college strengthens postcollege employment opportunities." Reframing FWS as a program to support work-based learning could help more students gain experience that provides them with marketable skills, expands their professional networks, and helps them better understand their career interests and goals. <sup>26</sup>

Table 1: Disparities in FWS Allocations, 2021–2022

Sector Characteristics	4-year public	2-year public	Private nonprofit	For-profit
FWS allocation	36.5%	17.9%	42.0%	3.6%
Undergraduate enrollment	33.5%	43.4%	16.0%	7.1%
Total enrollment	36.0%	36.7%	20.0%	7.3%
Pell recipients	37.3%	34.4%	16.7%	11.6%
Pell graduates	33.4%	38.6%	16.1%	11.9%
Number of colleges	529	1,022	1,314	737

**Source:** Bipartisan Policy Center, Assessing Alternative Allocation Strategies in Campus-Based Financial Aid, December 15, 2024, Tables 1 and 2. Available at: <a href="https://bipartisanpolicy.org/blog/assessing-alternative-allocation-strategies-in-campus-based-financial-aid/">https://bipartisanpolicy.org/blog/assessing-alternative-allocation-strategies-in-campus-based-financial-aid/</a>.

**Note:** Enrollment is based on 12-month headcount. "Pell graduates" includes both degree and certificate completions. It does not include students who transfer from a community college to a four-year institution without receiving an associate degree.

#### UNDERSTANDING FWS ALLOCATIONS

Unlike most federal financial aid, which is distributed to students based on a fixed calculation of financial need and college costs, FWS funds are allocated to institutions, which then determine how much aid is awarded to each eligible student. The availability of FWS funds for students therefore depends on the amount of aid allocated to the institution they attend. Policymakers have modified the methodology for allocating FWS funds on several occasions since the program's creation in the mid-1960s, but the current allocation formula is little changed since 1986.

Two primary factors determine the FWS funding formula:

- 1. Historical Funding Levels: Institutions receive a substantial portion of their funding based on previous years' amounts.<sup>27</sup> This base guarantee ensures that institutions receive at least as much funding as they did in prior years—currently based on allocations from fiscal year 1999—regardless of changes in student enrollment or financial need. Although Congress originally conceived of the base guarantee as a provision that would phase out, it continues to determine the core of institutional allocations.<sup>28</sup>
- 2. Fair Share Calculation: After the base guarantee is determined, remaining FWS funds are allocated through a fair share formula. This formula allocates funding based on each institution's share of total national financial need as determined by the institution's average cost of attendance and the average expected family contribution (EFC) for attending students. The Department of Education uses income bands that were last updated in 1994 to estimate students' EFC, a measure of how much a student and their family can afford to pay for college.<sup>29</sup>

Both elements of the FWS funding formula contribute to disparities in allocations. The base guarantee benefits institutions with a long participation history. The fair share formula benefits institutions with higher tuition prices. Newer institutions (which often serve higher percentages of low-income students), those whose enrollments have increased in recent decades, and lower-cost institutions generally receive smaller awards. The resulting allocation disparities mean that FWS funds often fail to reach students who could benefit from them the most.

# II. Innovative Practices in Federal Work-Study and Work-Based Learning

Policymakers and institutional leaders have long expressed interest in expanding access to work-based learning, as well as in directing FWS dollars toward more-meaningful work experiences. Helping students obtain quality work-based learning opportunities can enhance graduates' career-readiness and strengthen their ability to translate their education into a job that provides upward mobility.

Colleges and universities are working to improve the quality of on-campus jobs, help students find paid internships, incorporate project-based learning into courses, and expand the range of work-based learning opportunities for students, including lower-intensity options like micro-internships (short-term, project-based, professional experiences that typically can be completed in under 40 hours). Leaders at some institutions have set goals that every student should have the opportunity to receive a work-based learning experience.<sup>30</sup>

Several states have invested in expanding internship and work-based learning opportunities for students. Indiana provides funding to employers and students for experiential learning and paid internships through the Employment Aid Readiness Network (EARN) Indiana program. In 2015, New York state called on the State University of New York to provide all undergraduate students systemwide with the opportunity for applied learning and, in 2024, New York committed \$10 million annually to increase students' access to internships. Institutions can use this funding to support the creation of stipends for unpaid internships, address barriers to access (such as child care and transportation), and hire coordinators to develop employer partnerships that expand the availability of paid internships. In 2022, the Virginia Legislature passed legislation (SB1280) that directs the state's public four-year institutions to integrate internships or other work-based learning experiences into degree programs.

Federal efforts are also directing FWS dollars to work-based learning. During the first Trump administration, the Department of Education launched a Federal Work-Study Experimental Sites Initiative that temporarily waived certain program requirements and gave institutions more flexibility to use FWS dollars for placing students in off-campus positions with for-profit employers. During the Biden administration, the Education Department issued a Dear Colleague letter encouraging institutions to use a larger share

of their FWS dollars for community service positions and placing students in elementary and high school tutoring and mentoring roles.

Federal, state, and institutional initiatives have adopted different strategies for using FWS to provide students with meaningful work experiences, including improving the quality of existing, on-campus FWS jobs and increasing access to off-campus job experiences. Alongside these efforts, a growing ecosystem of project-based and experiential learning platforms and other third-party providers supports work-based learning experiences. An open question for policymakers and institutions is what role intermediaries can play in deploying FWS for work-based learning and what program changes would be necessary to take advantage of these organizations' ability to connect institutions, employers, and learners.

#### FEDERAL WORK-STUDY FOR OFF-CAMPUS JOBS

In 2019, the Department of Education undertook the Federal Work-Study Work and Learn Experimental Sites Initiative (ESI) to examine whether FWS students would see better outcomes if they participated in off-campus jobs with for-profit employers. The initiative increased the wage subsidy for for-profit employers to 75%, the same as for on-campus jobs. It waived the requirement that institutions had to use at least 7% of their FWS allocations to compensate students engaged in community service. It also increased the portion of their FWS allocation that institutions could use to hire staff to assist with coordinating with employers. More than 150 institutions signed agreements to participate in the Federal Work-Study ESI, although actual participation appears to have been lower because of the COVID-19 pandemic. The project ended in 2023.

Evaluation of the Federal Work-Study ESI is continuing, but interviews with FWS and career service administrators at participating colleges and universities indicate that the initiative helped institutions build new employer partnerships and develop off-campus work experiences for students. At some institutions, the Federal Work-Study ESI was an impetus for updating institutional approaches to supporting career experiences and work-based learning. One community college related that the ESI was foundational to subsequent work to increase access to paid internships, establish more employer relationships, and begin tracking outcomes data for students engaged in work-based learning. Administrators at this institution reported eventually managing more than 50 FWS placements with off-campus employers, nearly one-third of the college's FWS awardees.

Administrators further shared that the Federal Work-Study ESI gave them the flexibility they needed to use FWS funds for off-campus jobs. They said that the more generous wage subsidy was often critical for employer participation,

especially for small businesses that were unable to pay a higher share of students' wages. Some institutions maintained a portion of these new off-campus opportunities after the end of the project, thanks to the availability of other funding streams; others reported that they could not sustain the opportunities after the expiration of the ESI waiver.

# FEDERAL WORK-STUDY FOR SERVICE LEARNING

In 2022, the Department of Education partnered with AmeriCorps and the Everyone Graduates Center at Johns Hopkins University to establish the National Partnership for Student Success (NPSS), with the goal of encouraging more adults to serve as tutors and mentors for K-12 public school students. In May 2023, the Education Department issued a Dear Colleague letter urging institutions of higher education and schools to work together to use Federal Work-Study for college students providing tutoring and mentorship to K-12 students. This letter called on colleges and universities to prioritize FWS dollars for career-related experiences and for public service roles supporting school-age students, with the goal that institutions use at least 15% of the FWS dollars for community service roles. In May 2023, 26 colleges and universities voluntarily committed to using at least 15% of their FWS funds for students providing high-impact tutoring and academic support to K-12 learners. The Department of Education Partners and Service Partn

Service learning is an additional way to provide students with experiential learning and career experience. In the case of using FWS for tutoring, students have the opportunity to learn whether they are interested in teaching or education as career paths; for students who expect to become educators, they get experience working with K-12 students. Some participants in the NPSS initiative observed that it could help to foster a "tutor-to-teacher career pipeline."

#### IMPROVING ON-CAMPUS JOBS

Another strategy for making FWS roles more meaningful is to improve the quality of existing FWS campus jobs. A career services director at one community college said that work-study and on-campus jobs are the first professional position for some students. These jobs represent an opportunity to help students develop career-readiness competencies, such as communication skills, customer service, professionalism, and teamwork. A survey from 2019 found, however, that less than 40% of respondent institutions had adopted frameworks to identify the skill sets associated with student jobs and assess learning outcomes from these employment experiences.<sup>38</sup> Moreover, most institutions do not have data on how on-campus employment affects student retention, completion, grades,

engagement, or career outcomes—data that could otherwise help them to improve student employment. Only 35% of respondent institutions reported that they had analyzed data on on-campus student employees for reasons beyond federal and state compliance requirements.<sup>39</sup>

Several institutions and state systems have adopted strategies to make on-campus jobs more meaningful. Clemson University, for example, introduced the University Professional Internship program in 2012, which provides on-campus internships for students, including students with Federal Work-Study positions. 40 Salt Lake Community College offers a Campus Internship Program to provide students with paid, renewable, on-campus positions. 41 Arizona State University has committed to ensuring that all its campus jobs provide students with meaningful career experiences. 42 Arizona State is also leading the Work+ Collective, a consortium of institutions that has committed to making on-campus jobs more impactful. 43 In 2022, the State Council of Higher Education for Virginia (SCHEV) launched the Transforming Federal Work-Study initiative, which provides grant support and a community of practice to Virginia institutions seeking to make on-campus jobs more "internship-like"—that is, providing structured work experiences that include mentorship and feedback, as well as clear learning outcomes. 44

These initiatives aim to make existing on-campus and FWS jobs more meaningful by identifying the skills they provide; updating job descriptions to align with recognized competencies; providing training for supervisors so that they can effectively mentor student workers; and ensuring that jobs provide a structured opportunity for students to understand the career-relevant skills they are learning. <sup>45</sup> These efforts improve cross-campus coordination with respect to student jobs, including compiling FWS positions and posting them in a centralized location, so that students can more easily identify potential opportunities. They also build student awareness that these roles can help them develop career-relevant skills and establish professional networks. At several institutions, these initiatives have improved the collection of outcomes data for students working in on-campus jobs.

Campus administrators highlighted several advantages to boosting the quality of on-campus FWS jobs. Colleges and universities in rural areas are often the largest local employer. For these institutions, improving the quality of on-campus FWS jobs can be the most direct way to scale access to quality career experiences for their students. Working on campus can reduce the time that students spend in transit, help them connect with their campus community, and give them access to jobs scheduled around classes where supervisors will be understanding of their academic commitments. Representatives from several institutions related that preliminary outcomes from their efforts to improve on-campus jobs have been positive, with students showing higher persistence rates and reporting higher degrees of academic and campus engagement.

### PROJECT-BASED LEARNING AND OTHER MODELS

Other strategies to expand access to work-based learning could inform approaches to using Federal Work-Study to support quality work experiences.

Several colleges and universities have worked with educational technology providers to incorporate project-based learning into classes. The U.S. Chamber of Commerce Foundation's Employer Provided Innovation Challenges (EPIC) project is one example. 47 In this initiative, the foundation has partnered with Riipen, an educational technology firm that links learners with employers to address real-world projects, to connect high school and postsecondary students with businesses seeking assistance with real business challenges. The Council of Independent Colleges has similarly partnered with Riipen through the Work-Based Learning Consortium. In this project, 25 colleges are working with Riipen to integrate industry-aligned, project-based learning into the classes of five faculty members on each campus, with faculty using the Riipen platform to collaborate with employers on bringing real-world projects into the curriculum. The goal of this partnership is to bring workbased learning experiences to over 11,000 students over the duration of the three year project. 48 Many colleges and universities are working with other platforms, including Parker-Dewey, which provides project-based microinternships; Podium, which partners with institutions to provide for-credit simulated work experiences; and Education at Work, which connects students with career-aligned employment opportunities.

These models focus on developing work-based learning opportunities by meeting employers' needs for project assistance. Representatives from Riipen related that small organizations and employers may question whether they have the capacity or managerial bandwidth to take on interns. When, however, Riipen approaches those employers by asking, "What projects do you have?" they respond with ideas about where student workers could assist with discrete tasks. This project-based approach can help employers see how students can add value for them. <sup>49</sup> Through the government-sponsored Level UP program in Canada, Riipen provided more than 30,000 students with 60- to 80-hour project-based learning opportunities that included a C\$1,400 stipend. Surveys found that 39% of participants were hired by the company they worked for, demonstrating that the employers saw the projects as a first step in assessing talent and preparing students to be career-ready. In addition, 64% of students received job offers they could confidently attribute to completing their project. <sup>50</sup>

These innovative approaches run in parallel with efforts to make FWS jobs more meaningful. Giving institutions greater flexibility in how they use FWS funding could allow them to deploy these resources for partnering with workbased learning platforms and other intermediaries that connect students with quality work experiences. FWS could, for example, potentially provide wages to or stipends for students engaged in project-based learning opportunities.

#### III. Challenges and Barriers

Recent state and institutional initiatives reveal interest on the part of policymakers and institutions in using Federal Work-Study to expand access to work-based learning. Some institutions are working to improve the quality of on-campus FWS jobs; others have experimented with ways to expand student access to off-campus jobs and service learning. Meanwhile, in the broader work-based learning ecosystem, intermediary platforms and providers are developing innovative strategies for improving access to meaningful work experiences. These various initiatives and related efforts, however, also illustrate the barriers to using FWS for more-meaningful work experiences. Some of these barriers relate specifically to issues with using Federal Work-Study for off-campus roles. Others stem from broader challenges to accessing work-based learning opportunities.

In roundtable conversations and stakeholder interviews, four issues emerged as significant barriers for using FWS for work-based learning or expanding the availability of work-based learning opportunities that students might access with FWS dollars. First, barriers to access can prevent students from using their FWS award or participating in any kind of work-based learning. Second, using FWS funds for off-campus jobs carries significant administrative burdens. Third, many institutions struggle with capacity for building and maintaining work-based learning partnerships with off-campus employers. Finally, the supply of quality work-based learning opportunities is inadequate.

#### BARRIERS TO ACCESS

There are significant disparities in access to work-based learning opportunities. Studies show that low-income and first-generation college students are less likely to participate in work-based learning. In an analysis of work-based learning experiences among college graduates, Strada Education Foundation found that 24% of Pell students have had a paid internship, compared with 31% of non-Pell students; 22% of first-generation students have had a paid internship, compared with 32% of continuing generation students. Controlling for field of study, Black graduates were 13 percentage points less likely to have had a paid internship than white graduates, according to Strada, and Latino graduates were 8 percentage points less likely to have had a paid internship.<sup>51</sup> Researchers also reported that community college students were less likely to participate in work-based learning than their counterparts at four-year institutions.<sup>52</sup> Roundtable participants noted that employers are more likely to seek interns from four-year schools, partly because recruitment-focused employers may be more interested in bringing

on interns in their junior or senior year, and from institutions that they perceive to be prestigious. These universities also tend to have more resources for helping students identify and secure internships and other work-based learning opportunities.<sup>53</sup>

A range of barriers can prevent students from participating in work-based learning, including inadequate or absent compensation, lack of transportation, and challenges balancing work-based learning opportunities with coursework, jobs, and family responsibilities. <sup>54</sup> For students with unmet financial need, it may not be possible to give up a job or reduce hours to participate in an internship or other work-based learning opportunity, especially if unpaid. <sup>55</sup> Roundtable participants also observed that low-income and first-generation students generally have less social capital and weaker professional networks than students from more affluent backgrounds, which can make it more challenging to get internships. One community college leader noted, "Underrepresented students in particular may not have that same level of contact or social network where they can pick up the phone and call someone, or where their parent, or uncle, or aunt can pick up the phone and call someone and get them an internship. They don't have that network."

Compensating students for internships and work-based learning can help make these opportunities more accessible for low-income students who cannot afford to participate in unpaid internships. Institutional representatives and directors of career services observed that expanding access to work-based learning, especially for working students at community college and other broad-access institutions, also requires providing an expanded range of options, including lower intensity work-based learning opportunities. One director of career services at a community college explained that the value and accessibility of work-based learning may look different to a student parent or working student than it will to the student who has more time for a full internship. Several roundtable participants reported that micro-internships, providing students with online work experiences, and embedding work-based learning within classes can help expand access for students who are balancing education with work and family responsibilities or face transportation barriers.

Roundtable participants said that integrating work-based and experiential learning into what students are already doing, as opposed to asking students to take on yet more work and tasks, can be critical for expanding access. Bringing work-based learning into classes as a core part of classroom instruction is one approach, as with the Council of Independent College's efforts to integrate real-world projects and project-based learning into courses. <sup>56</sup> In addition, institutions can take steps to recognize the learning and competencies students gain from existing jobs. <sup>57</sup> Leaders at one community college reported that they were seeking to identify students who held jobs aligned with their program of study, so that school administrators could work with their employers to include additional mentorship

and feedback, effectively turning the student's job into a high quality, paid internship.

With respect to Federal Work-Study, researchers and administrators noted specific factors that can deter student participation. Some students never take up their FWS awards because they are unable to find work-study jobs on campus or do not understand that they must actively seek out and apply for positions. In other cases, the size of their FWS awards may be insufficient for students to give up other work.<sup>58</sup> A recent report suggests that some community college students have a poor opinion of campus jobs generally. They view FWS offices as akin to temp agencies, and they do not believe that internships, even if paid, provide value.<sup>59</sup>

## ADMINISTRATIVE CHALLENGES TO FEDERAL WORK-STUDY

Colleges can face several challenges administering Federal Work-Study. Campus FWS programs often have limited staffing. The program can require coordination across multiple offices on campus, including financial aid, human resources, payroll, and the office employing the student. The small size of awards further means that some students deplete their FWS dollars by midyear. Regulatory uncertainty regarding the authorized uses of FWS dollars can be another problem. As part of its efforts to encourage institutions to use FWS for tutoring, the Department of Education had to address ambiguous language in the Federal Student Aid Handbook about whether tutoring would count toward the program's community service requirement. The department released a notice clarifying that K-12 tutoring counted as community service.

Institutions that participated in the Federal Work-Study ESI further reported that using FWS dollars to support off-campus jobs can be administratively complex and burdensome.

Campus administrators highlighted two significant challenges. First, using FWS for off-campus jobs requires significant institutional capacity to build and maintain relationships with employers. Directors of work-study and career services reported that identifying employer partners open to taking on student workers can be difficult, especially because outreach to smaller employers can be "hit or miss." They further explained that developing off-campus FWS jobs requires considerable time and effort to create positions for student workers and ensure that both students and employers have a positive experience. The small size of some FWS awards is an additional challenge, because the limited number of hours these students can work restricts the scope of projects they can complete during their work experiences.

Second, administrators reported that using FWS dollars for off-campus jobs was administratively complex. Colleges must enter into an employment agreement with each employer bringing on a student worker, a process that sometimes requires input from the institution's general counsel. Moreover, colleges generally remain the employer of record for off-campus FWS jobs. As a result, financial aid or FWS administrators must coordinate with employers to track the number of hours students work and then, because employers are not on college HR systems, manually input hours into campus payroll systems. Campus administrators must also track the number of hours each student works to ensure they do not exceed the compensation authorized in their FWS award. For institutions with FWS students working across many different employers, the required record-keeping can be considerable. Some institutions participating in the Federal Work-Study ESI had to hire additional staff to manage the administrative work required for supporting off-campus jobs.

# CHALLENGES BUILDING AND MAINTAINING PARTNERSHIPS WITH EMPLOYERS

Partnerships between employers and institutions of higher education are critical to expanding work-based learning opportunities, but building and scaling these partnerships require institutional capacity and leadership. Institutions need experienced staff to build relationships with employers and identify those open to hosting interns or student workers. The Business-Higher Education Forum (BHEF) reports that 62% of higher education leaders identify lack of personnel or financial resources, or both, as a major barrier to partnering with businesses. The infrastructure for building and growing sustainable work-based learning partnerships is limited, as it is for bringing institutions and employers together at greater scale to create more opportunities for students.

Although institutions of higher education often struggle with limited resources for building partnerships with employers, responsibility for organizing work-based learning usually falls on colleges and universities or on students. As Jason Tyszko, senior vice president at the U.S. Chamber of Commerce Foundation, observed, "The burden is on the learner to go find the opportunity or the institution to manage the relationships." Tyszko added that relying on institutions to reach out to employers and build work-based learning partnerships one by one is not an approach that will get to scale: "[Building employer engagement] ad hoc, where the institution is going to try to cold call a company and sell them on [participating in work-based learning] and is going to do that every year, means you are going to have very few work-based learning opportunities available." Some institutions have built strong partnerships with employers and robust pipelines to quality work experiences

for their students. Not all institutions, however, have the leadership or institutional capacity to replicate these successes.

Several factors on the employer side can also create challenges for institutions looking to build work-based learning partnerships. During roundtables, representatives from intermediary organizations observed that smaller employers often do not have the human resources staffing or supervisorial capacity to support internships and manage student workers. <sup>63</sup> With larger employers, it can be difficult to identify the right person or office to engage for developing new internship or work-based learning opportunities, especially since the staff responsible for early career and talent pipeline programs often experience rapid turnover. For employers of all sizes, awareness-building and technical assistance can be necessary to build understanding about how to create and deliver quality internships and work-based learning opportunities.

Intermediaries can help connect institutions of higher education with employers and establish an infrastructure that links employers, colleges, and students. These intermediaries, including local chambers of commerce, industry associations, and specialized work-based learning platforms and providers, can help build capacity for smaller, less well-resourced institutions and employers to forge partnerships and develop quality work-based learning opportunities. Brandee Popaden-Smith, director of Work+ at Arizona State University, related, however, that work-based learning is an ecosystem of multiple stakeholders that are almost never brought together. Many colleges and universities have limited experience trying to scale access to work-based learning. These institutions are still learning how best to engage the facilitators, providers, and technology platforms that can help them design and deliver work experiences in partnership with employers. Institutions also vary in how well they have identified the specific barriers or problems they need to solve to expand access to work-based learning for their students.

# THE SUPPLY OF WORK-BASED LEARNING OPPORTUNITIES

Demand for quality work-based learning experiences far exceeds supply. BHEF estimated recently that only 3.6 million learners had an internship in 2023, out of 8.2 million who wanted to intern. Only 2.5 million learners obtained a quality internship providing clear learning outcomes, structured oversight, and skills-development. The shortage of quality internships is one important motivation for improving on-campus jobs: In the absence of more off-campus paid internships, making existing FWS jobs more internshiplike is a straightforward way to boost the supply of work-based learning opportunities. Expanding the supply of work-based learning opportunities to meet student demand will, however, require significantly greater participation from employers, both for-profit and nonprofit.

In BPC's roundtables, representatives from business organizations and other experts advised that policymakers must consider the value proposition of work-based learning for employers. Employers face costs associated with managing student workers, including wages, liability, and the time required for supervision and task development. These costs can deter them from providing or expanding internships and other work opportunities. Receiving support for sourcing student workers and managing programs can reduce the burden of participation. Financial subsidies help offset costs, especially for small employers. On its own, however, money may not be enough to sustainably increase employers' participation. Representatives from one institution that participated in the Federal Work-Study ESI related that even the promise of wage subsidies was not enough to induce substantial employer participation, due to the limited supply of employers in the area and capacity constraints that restricted the ability of local small businesses to supervise interns or develop quality work experiences.

Work-based learning can provide employers with a variety of benefits.<sup>67</sup> Larger employers tend to approach internships and work-based learning from the perspective of their talent pipeline; many already manage paid internship programs as part of their talent development efforts. Smaller employers, including small businesses and nonprofits, may be more interested in the support and assistance they can receive from student workers.

Participants in BPC's roundtables noted that smaller employers represent a promising avenue to increase work-based learning. Dana Stephenson, cofounder and CEO of Riipen, observed, "Small businesses—especially those with fewer than 20 employees, including nonprofits—are an overlooked but powerful force for expanding work-based learning. On their own, they may not take on many students, but together, they unlock millions of opportunities." He added, "The challenge is reducing barriers—funding constraints, administrative hurdles, and employer support—so these organizations can participate at scale. If we do that, we're not just expanding access to work-based learning for students; we're driving economic growth and creating new work-based learning opportunities for more students who wouldn't have had them otherwise." Aligning work-based learning with the needs and motivations of small employers, as well as building intermediary structures that can connect employers with students and help them develop and manage work experiences, could expand the supply of work-based learning opportunities.

Allowing colleges and universities to deploy FWS dollars toward a wider range of work-based learning models could enable institutions to work with intermediaries tackling barriers to employer participation and foster the development of more experiences that respond to the needs of both learners and employers.<sup>68</sup>

# IV. Reframing Federal Work-Study

Several factors pose challenges to using Federal Work-Study for work-based learning and limit the ability of FWS to support broader efforts to expand access to meaningful career experiences. Because Federal Work-Study is primarily a financial aid program, institutions often pigeonhole FWS in financial aid offices, rather than approaching it more strategically as a lever for expanding work-based learning. Rules and regulations relating to the use of FWS dollars further limit how institutions deploy these resources. Administering FWS, especially for off-campus roles, is challenging, forcing institutions to use their own resources for tracking hours worked rather than building opportunities or analyzing outcomes. <sup>69</sup>

Modernizing Federal Work-Study would allow policymakers to transform what is currently a compliance-based program oriented around providing subsidized employment to colleges and universities into an outcomes-based program that expands access to quality work-based learning, especially for low-income students. An updated Federal Work-Study program could provide more quality work opportunities for students, support the development of new work-based learning models, and potentially help institutions and intermediaries build a stronger work-based learning infrastructure. It could also help reduce disparities in access to work-based learning. Colleges and their partners have a critical role to play in connecting students without significant social capital or familial networks to internships and other work-based learning experiences. Federal Work-Study could more directly support efforts to expand access for students who otherwise are least likely to obtain these opportunities.

Five major themes emerged in BPC's stakeholder roundtables to help guide policymakers in any updating of Federal Work-Study. Changes to FWS should: 1) enable institutions to provide a portfolio of work-based learning options; 2) encourage improvements in outcomes data collection; 3) address disparities in FWS allocations and better target FWS funding toward broad-access institutions and low-income students; 4) support capacity-building for work-based learning; and 5) allow greater flexibility in how institutions deploy FWS dollars. Participants varied in their specific recommendations for advancing these principles. Some focused on the changes and investments needed to build institutional capacity. Others focused on how FWS can better leverage and support the wider work-based learning ecosystem.

## 1. ADOPT A PORTFOLIO APPROACH TO EXPANDING WORK-BASED LEARNING

Federal and state initiatives to use FWS for work-based learning have tended to focus on singular approaches, such as expanding work-study for jobs with for-profit employers or encouraging institutions to use these dollars for service learning. The institutions that appear most successful in providing students with access to work-based learning and meaningful career experiences, however, are those that adopt a portfolio approach.

This was a point of consensus among participants in BPC's roundtables: Expanding access to high-quality career experiences will require cultivating a work-based learning ecosystem that provides a continuum of opportunities able to meet the needs of different students. Popaden-Smith from Arizona State University observed that with respect to scaling access to work-based learning and career experiences, "There is no silver bullet." Instead, expanding access requires "multiple solutions, with an eye to engaging with students who need it the most." Her remarks suggest that the best way to use FWS resources to expand access to work-based learning may vary by institution and by student. In addition, the value of different work opportunities may vary based on how far the student is in their postsecondary education, with some work experiences likely to help learners gain exposure and baseline professional skills and others providing more-advanced skills development and recruitment opportunities. Strategies could include higher quality oncampus roles, off-campus jobs with for-profit employers, and service learning. This also could entail making a wider range of experiences eligible for FWS funding, including project-based learning and clinical experiences, and using Federal Work-Study to provide compensation for quality unpaid internships and work opportunities that are integrated with classroom instruction.

## 2. IMPROVE THE COLLECTION OF OUTCOMES DATA

Policy organizations and experts have called for better data collection and analysis on work-based learning. Research on FWS and its impact on students' academic or employment outcomes is limited. More data is needed to understand the disparities in access to work-based learning and quality work experiences, and which approaches have the greatest potential to increase access and improve outcomes for low-income and first-generation students. Improving data collection and analysis around work-based learning would allow institutions to refine and improve their approaches over time, identify those opportunities that provide value to learners, and help to demonstrate the value of work-based learning to campus stakeholders, employers, and policymakers.

There are different ways policymakers could improve data collection for Federal Work-Study. To better track participation, several policy organizations have called for federal agencies to develop common definitions and data elements for different forms of work-based learning. The National Association of Student Financial Aid Administrators has recommended developing a data infrastructure around FWS and creating a central database to measure work-study's effectiveness, including retention, graduation, and labor market outcomes. An alternative approach that emerged during roundtable discussions—and which is discussed below—would be for federal policymakers to require enhanced data collection and analysis as part of changes to FWS that would allow institutions to use these funds more flexibly. Giving institutions the ability to experiment with different work-based learning strategies that promise to reach quality benchmarks could encourage more rigorous evaluation of pilot initiatives and innovative models. This could also provide more disaggregated data and generate evidence on best practices.

#### 3. REFORM FWS ALLOCATIONS

Students do not have equal access to quality work-based learning opportunities. The federal government can boost access at institutions serving the largest portion of low-income students by reforming FWS allocations. A disproportionate share of FWS dollars goes to institutions with the most resources—institutions already best positioned to help students access prestigious paid internships, assist with their professional development, and guide them to alumni networks. Better targeting FWS dollars to community colleges and other broad-access institutions could enable them to increase the number of their students receiving FWS dollars and the size of FWS awards.

Adopting an allocation formula based on either the number of Pell recipients enrolled or the number of Pell recipients who complete a degree or certificate would increase the share of funding going to public two-year institutions. Basing allocations on Pell enrollments would increase the share of FWS funds going to public two-year institutions from 17.9% to 34.4%, while basing allocations on Pell completions would lead to them receiving 38.6% of funds. Private nonprofit institutions would see their share of FWS fall from 42% to 16.7% under a Pell enrollment formula and to 16.1% under a Pell completion formula.

Basing allocations on Pell enrollment or completion would have modest effects on overall allocations to the public four-year sector. But the most selective private nonprofit institutions would see the most significant changes under these alternative allocation strategies. Under Pell enrollment/completion

b Conferral of certificates helps explain why community colleges would receive a higher share of funds based on Pell completions than Pell enrollment.

formulas, the share of FWS going to nonprofits admitting fewer than 20% of applicants would fall from 8.9% to about 1%; their combined allocations would decrease from over \$100 million to about \$10 million. In dollar terms, adopting an allocation formula based on Pell enrollment would nearly double the amount of FWS funding flowing to public two-year institutions from approximately \$200 million to about \$390 million. Their FWS allocations would be about \$440 million if awards were based on Pell completions. <sup>76</sup>

Wealthy, highly selective institutions can probably make up for reductions in FWS by providing students with additional financial aid from their own resources. On the other hand, some less selective nonprofits serving low-income student populations have limited resources to compensate for fewer FWS dollars. Complexities like this are one of the reasons it has been challenging to forge agreement on how best to reform FWS allocations. Additional analysis could assist by providing more detailed insight into the impact of alternative allocations on nonselective private nonprofits that serve low-income students well.<sup>77</sup>

**Table 2:** FWS Awards under Alternative Allocations (Pell Recipients/Completions) by Institutional Selectivity

	4-yed	4-year public institutions			4-year nonprofit institutions			
Allocation Method	0%-50%	50%-80%	80%-100%	0%-20%	20%-50%	50%-80%	80%-100%	
Current allocation	5.3%	13.2%	18.0%	8.9%	3.4%	14.8%	14.7%	
Undergraduate enrollment	4.1%	11.6%	17.8%	1.8%	1.1%	5.5%	7.2%	
Total enrollment	4.7%	12.5%	18.8%	3.2%	1.2%	6.5%	8.7%	
Pell recipients	4.5%	12.8%	20.0%	1.1%	0.9%	5.5%	8.2%	
Pell completions	4.6%	11.2%	17.5%	1.0%	1.1%	5.8%	7.0%	
Number of colleges	40	174	315	58	102	482	548	

**Source:** Bipartisan Policy Center, Assessing Alternative Allocation Strategies in Campus-Based Financial Aid, December 15, 2024, Table 3. Available at: <a href="https://bipartisanpolicy.org/blog/assessing-alternative-allocation-strategies-in-campus-based-financial-aid/">https://bipartisanpolicy.org/blog/assessing-alternative-allocation-strategies-in-campus-based-financial-aid/</a>.

## 4. SUPPORT CAPACITY BUILDING FOR WORK-BASED LEARNING

In roundtables and interviews, campus representatives emphasized that capacity building is essential for enhancing FWS—and for expanding access to work-based learning more generally. As one director of career education at a community college noted, "It is increasingly a capacity issue. This limits what employers and institutions can do to make the linkages around career experiences." Building and maintaining relationships with employers and developing high-quality work-based learning opportunities require considerable effort and staff-time for colleges and universities.

Some institutions have made building this capacity a priority, with leadership investing in dedicated staff and improving the coordination of resources.

Nevertheless, many institutions, especially community colleges and less well-resourced schools, do not have the administrative capacity to substantially expand their partnerships with local employers. Any changes in FWS allocations would probably need to go together with capacity-building measures. Community college representatives related that their institutions have had to invest in capacity to manage and fully utilize new state funding streams for work-based learning. To use additional FWS funds, some institutions would probably need to bring on coordinators to assist with finding or developing off-campus opportunities for students, or to collaborate with work-based learning intermediaries to expand and manage work experiences.

Some policy organizations and experts have recommended allowing institutions to use a larger share of their FWS allocation to invest in capacity building. FWS regulations permit institutions to employ the lesser of 10% or \$75,000 of their allocation to create a Job Location Development (JLD) program, which can help connect students with off-campus part-time employment. In 2014, Young Invincibles recommended allowing institutions to use up to 20% of their annual FWS allocation or \$150,000 to support a JLD program. The Federal Work-Study ESI allowed institutions to request permission to use a larger share of their allocation for supporting a JLD and hiring coordinators to help place students with off-campus employers.

Intermediary organizations, including industry associations and work-based learning platforms, that have experience working at the intersection of higher education and the private sector can increase institutional capacity to build, manage, and scale work-based learning opportunities. In some cases, intermediaries might be better able to build relationships with employers and manage work-based learning opportunities than institutions themselves. Results from ongoing projects like the U.S. Chamber of Commerce Foundation's EPIC program and the Council of Independent College's Consortium for Work-Based Learning will provide greater insight into the potential for educational technology platforms and other intermediaries to expand access to quality work-based learning experiences. The cost of work-based learning platforms, however, can limit less well-resourced institutions' ability to utilize them.

Changes to FWS could help enable institutions to partner with work-based learning intermediaries and providers to boost capacity. Giving institutions more flexibility in how they use FWS dollars could allow them to team with intermediary providers to develop and scale quality work experiences or compensate students for meaningful work experiences that they receive through an intermediary organization.

## 5. PROVIDE GREATER FLEXIBILITY IN THE USE OF FWS DOLLARS

Expanding access to meaningful career experiences for students—and boosting the supply of these opportunities—will require new and more flexible approaches to delivering work-based learning.

Some calls for improving flexibility in FWS focus on streamlining the program and making it easier to use work-study for off-campus work experiences. Requiring small businesses to pay 50% of wages for work-study jobs, for example, can make it difficult for these organizations to employ FWS students and for institutions to expand off-campus FWS opportunities. Financial aid and work-study administrators at institutions that participated in the Federal Work-Study ESI reported that providing for-profit employers with the same wage subsidy as on-campus jobs was often critical for enabling local businesses to hire FWS students.

Similarly, it can be administratively burdensome to use FWS dollars for off-campus roles, because this requires tracking students' hourly work at off-campus employers. Some commentators have suggested addressing this issue by providing students with stipends after they complete their work experience. For low-income students, however, waiting for compensation could pose a barrier to participating. One administrator further warned that institutions must be careful that students receiving stipends for internships do not end up in a position where they are not covered by either the employer's or the institution's liability insurance or Workers' Compensation policy. A review of state and institutional programs that provide students holding unpaid internships with stipends or scholarships could help illustrate the potential of alternative ways to compensate FWS students.

Other stakeholders called for more significant changes to FWS to encourage innovative uses of funding. Jason Tyszko from the U.S. Chamber of Commerce Foundation suggested that policymakers consider creating a "Federal Work-Study Plus" option. His proposal would give institutions room to innovate in their use of FWS funds for student jobs and work experiences that meet a higher standard, such as leading to a digital badge or micro-credential. This idea builds on earlier calls for FWS to provide higher quality employment opportunities but further seeks to build the evidence base for determining effective work-based learning.81 The Work-Study Plus approach would allow for experimentation and innovation while requiring institutions to measure and analyze outcomes, thereby providing research opportunities and helping to disseminate demonstrated models and best practices. Project-based learning approaches, for example, are already integrating work-based learning into classes and into for-credit opportunities. With greater flexibility in the use of FWS funding, institutions could develop strategies to better integrate compensation, academic credit, and career experiences.82

Policymakers could also give students more flexibility in how they use FWS dollars. In a more sweeping proposal for remaking the program, Jane Swift, former governor of Massachusetts and president of Education at Work, calls for making FWS awards portable—this would give students the ability to use their FWS dollars at a wider range of providers and would essentially transform FWS awards into vouchers. Under this proposal, students might use their awards for a quality on-campus work opportunity, as compensation for an otherwise unpaid internship, or as a supplement to a paid internship. Alternatively, they could apply their Federal Work-Study awards at an intermediary organization, which would then connect them with paid workbased learning opportunities while providing wraparound supports and additional skills development. Such an approach could help build capacity at intermediaries, allowing them to leverage FWS dollars by creating more and higher-quality paid work-based learning opportunities. Strong outcomes data reporting would be required to ensure that this approach is leading to quality work experiences for students.

#### V. Conclusion

Bipartisan interest exists for expanding access to work-based learning and to meaningful employment experiences for college students. The supply of work-based learning opportunities, however, has not kept up with learner demand. Significant disparities in access mean that low-income and first-generation students are less likely to obtain quality work experiences that can help them build skills, strengthen their professional networks, and gain clarity on their goals and career interests.

Reforms could enable the Federal Work-Study program to be a part of the solution to these problems. Some potential changes are straightforward. Improving existing FWS on-campus jobs, especially by integrating career competencies and mentorship into these positions, would build on the advantages these roles already provide. Streamlining the program could make it easier for institutions to use FWS dollars to support students in off-campus jobs. Some stakeholders recommend more significant changes, including giving institutions the flexibility to use FWS dollars more innovatively or allowing students to apply their awards at the employer or platform of their choice. If combined with outcomes data collection and evaluation, such flexibility could potentially enable institutions and intermediaries to better leverage FWS dollars, foster new strategies for delivering work-based learning, and build understanding about how to maximize the value of work-based learning experiences.

Although experts and stakeholders called for different changes to Federal Work-Study during roundtables and interviews, there was consensus that the program can and should support higher quality experiences. Modernizing FWS would support and advance state and institutional efforts to provide more students with quality work-based learning opportunities. Reforms could allow the program to help catalyze new work-based learning models that can better meet the needs of both learners and employers. Most importantly, an updated Federal Work-Study program would help address disparities in access and provide more low-income and first-generation students with quality work-based learning opportunities and the benefits they convey.

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