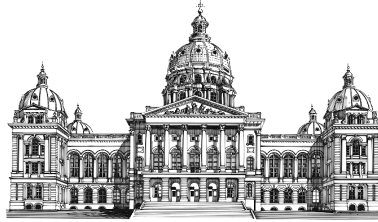

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State Capitol
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December 3, 2004

College Work Study

ISSUE

This *Issue Review* examines funding for the College Work Study Program.

AFFECTED AGENCIES

College Student Aid Commission
Board of Regents Institutions
Community Colleges
Independent (Private) Colleges and Universities

CODE AUTHORITY

Sections 261.81-261.85, Code of Iowa

BACKGROUND

College work study programs are designed to provide employment for students with financial need, allowing them to earn money to pay education expenses. The federal work study program pays undergraduates an hourly wage that must be at least the current federal minimum wage. Jobs are typically on the school campus and wages are paid directly to the student. Many colleges and universities provide their own institutional funds, in addition to federal funds, for work study opportunities.

Iowa's State-funded College Work Study Program has been in place since FY 1985. The Program was first funded in FY 1988, and is independent from federal work study funds. Federal work study funding does not require a State General Fund match. Iowa colleges and universities receive federal work study funds directly from the U.S. Department of Education. Recent federal appropriations to Iowa for Work Study are as follows:

- FFY 2001 - \$12.4 million
- FFY 2002 - \$13.3 million
- FFY 2003 - \$13.4 million

- FFY 2004 - \$13.4 million
- FFY 2005 - \$13.3 million

CURRENT SITUATION

Current Iowa law requires a standing General Fund appropriation of \$2.8 million per year for the Work Study Program. However, because of budget constraints and other factors, the General Assembly has nullified this appropriation since FY 2002. The last year funding was appropriated was FY 2001. During FY 2001, the State Work Study Program provided an average award of \$650 to approximately 4,538 students.

OTHER STATES

Several other states also have state-funded programs as illustrated in the table below.

State-funded Work Study Programs – FY 2003

State	Dollars	Dollars Per Capita
California	\$ 5,165,000	\$ 0.15
Colorado	17,545,000	3.89
Florida	931,000	0.06
Idaho	1,210,000	0.90
Indiana	911,000	0.15
Kansas	512,000	0.19
Kentucky	902,000	0.22
Michigan	7,563,000	0.75
Montana	948,000	1.04
Nevada	803,000	0.37
Pennsylvania	13,294,000	1.08
Texas	3,536,000	0.16
Vermont	147,000	0.24
Washington	23,434,000	3.86
<i>Iowa – if funded</i>	<i>2,750,000</i>	0.94

BUDGET IMPACT AND ALTERNATIVES

Since the Work Study Program is funded with a statutory standing General Fund appropriation, it must be funded or nullified each year. Since the Program has been nullified each year since FY 2001, the General Assembly may wish to consider permanent elimination of the Program. Until the standing appropriation is eliminated from statute, the funding of \$2.8 million will continue to be listed on the built-in funding requirements for General Fund spending each year.

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