

Congress of the United States
Washington, DC 20515

July 2, 2019

The Honorable Betsy DeVos
Secretary of Education
US Department of Education
400 Maryland Avenue SW
Washington, DC 20202

Dear Secretary DeVos,

We write to express several significant concerns about the Department of Education's (Department's) recently announced Federal Work-Study experimental site. We agree that the Federal Work-Study program is in need of significant reform, but the Department's proposal will remove statutory guardrails from the program and will allow federal financial aid to flow to private employers without needed transparency.

Federal Work-Study is a critical program that gives thousands of students an opportunity to work to help defray the costs of college while also providing valuable exposure to professional work environments. Although less than one percent of program funds is currently used to support jobs with private employers, the Department's plan will waive the existing 25 percent cap so Federal Work-Study dollars could be used to support student wages at private, for-profit employers. With little justification or evidence, another part of the Department's plan includes increasing the share of federal student aid that subsidizes wages at small companies.

Research demonstrates that on-campus Federal Work-Study jobs contribute to student success and persistence. Not only do on-campus jobs provide flexible hours to accommodate for class schedules and exams, staying on campus helps students feel like they're a part of their college community. There is certainly a benefit for students to work at private companies, however, those opportunities must include robust oversight so that students are not exploited by employers.

Because the Department's proposal appears to be backed by little information or data, it is imperative that we closely scrutinize potential changes to the program to make sure that they are in the best interest of students. Although we certainly share the goal of providing students with greater flexibility and the opportunity for more work-based learning opportunities to better prepare them for their post college careers, this should be done through updating the Federal Work-Study formula to direct funds to institutions like community colleges, which are in the best position to provide work-connected learning on campuses and through partnerships with outside employers.

Accordingly, we request your response to the following questions by July 16, 2019:

1. **Decision Making Process:** Who was involved in the decision to implement this experimental site? Please list the staff involved.

2. **Evaluation of Experimental Site:** How will the experimental site be evaluated? What safeguards and procedures have the Department put in place to make sure data is collected and publicly reported about the results of the experiment?
3. **Waiving the 25 Percent Cap on Private Employers:** Because only 0.07 percent of Federal Work-Study dollars are currently used to pay student wages at private for-profit employers, what effect will this significant change have on the Federal Work Study program? Did the Department consider other approaches for incentivizing increased private employer participation in the Federal Work-Study program? On what basis did the Department determine that removing the cap would expand participation or increase demand?
4. **Increasing the Federal Share for Small Businesses:** What evidence or data did the Department use to support the decision to lower the share of compensation from private for-profit employers to 75 percent for small businesses (as defined in 13 CFR 121)?
5. **Waiving Part-time Restrictions:** What was the rationale to waive the requirement that students participating in the Federal Work-Study program work part-time? What steps is the Department taking to make sure that the increased hours will not negatively affect students' studies? Will this apply to all jobs or only clinical rotations, student teaching, and relevant apprenticeships? Please list what type of employment would be allowed.
6. **Waiving Community Service Requirements:** Under the guise of providing more flexibility to institutions, the Department proposes waiving the seven percent community service requirement. What evidence or data did the Department use to support removing this requirement?
7. **Waiving Limitation on Additional Funding:** Under current law, the Secretary can allocate up to 10 percent of the appropriated amount for Federal Work-Study that is in excess of \$700 million and direct those additional funds to institutions meeting certain graduation and transfer rates for Pell Grant recipients. The Department instead intends to direct this funding to institutions participating in the experiment. How much additional funding will be allocated to participating institutions? How many institutions received additional funding based on the transfer and graduation rates of Pell Grant recipients over the last three years (calculated separately by year)? How many institutions will lose funding due to the proposed change? What evidence or data did the Department use to justify this use?
8. **Increasing amount for Job Location and Development Program:** Less than one percent of Job Location and Development funds were used during award year 2016-2017. Despite the data, the Department proposes increasing these funds by an undisclosed amount. How much will the Department increase these funds to institutions and how will this be tracked and reported?

9. **Private Sector Employer Subsidization:** The Federal Work-Study program should be structured to be in the best interest of students. What steps is the Department taking to make sure that this experiment does not lead to private employer wage subsidization?

10. **Displacement of Workers:** The Department has stated that “employers must avoid the displacement of employed workers or the impairment of existing contracts for services and may not use funds made available under this experiment to pay any employee who would otherwise be employed by the organization.”¹ How is the Department going to make sure that no workers are displaced as a result of this experiment?

11. **Defining Career Relevant Employment:** How will the Department define career relevant employment and make sure that this will create better career alignment for participating students?

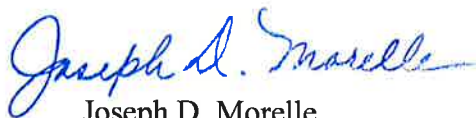
We request that you respond to these questions by July 16, 2019. We also request a briefing from the Department on this matter by the same date.

Thank you for your prompt consideration of this matter. If you have any questions or would like to further discuss this request, please contact Jessica Bowen at Jessica.Bowen@mail.house.gov and Jo Stiles at Joanne.Stiles@mail.house.gov. We look forward to receiving your response.

Sincerely,



Suzanne Bonamici
Member of Congress



Joseph D. Morelle
Member of Congress

¹ <https://www.federalregister.gov/documents/2019/05/23/2019-10811/notice-inviting-postsecondary-educational-institutions-to-participate-in-experiments-under-the>