

Opportunities for Success Act of 2019

Congresswoman Suzanne Bonamici and Congressman Derek Kilmer

The rising cost of higher education means fewer students and families can gain the education and skills they need to succeed and reach for a better future. This is especially true for low-income students. The Federal Work-Study (FWS) Program was created in 1964 to help low-income students afford and work their way through college. Today, FWS provides part-time employment for 700,000 students with financial need at more than 3,000 colleges and universities. Although the program continues to help students cover college costs and gain work experience, it reaches too few low-income students and provides too few jobs that are aligned with students' career goals and academic programs.

The Need to Help Low-Income Students Succeed in the 21st Century Economy

Despite some progress over the years, low-income students still face countless financial barriers to entering and completing college. For example, the lowest-income community college students experience unmet need as high as \$7,000 to 10,000 per year. As a result, many students often work while going to school to help meet their financial needs. FWS can be a valuable tool to help low-income students progress to graduation and secure meaningful employment, but the current structure of the program fails to distribute federal dollars to the neediest students and program requirements do not focus on connecting students with jobs that align with their career goals. In the 2011-2012 academic year, 8 percent of dependent students with family incomes over \$100,000 received FWS funds, compared to 16 percent of dependent students with family incomes of less than \$20,000. In addition, the last national study on FWS in 2000 revealed that of the 27 percent of institutions that reported data, an average of 51 percent of FWS students worked in academically related jobs.

The Solution: Modernizing the Federal Work-Study Program

Research shows FWS students are 3.2 percentage points more likely to earn a bachelor's degree and 2.4 percentage points more likely to find employment than students not enrolled in the program. The Federal Government must update the Federal Work-Study Program to provide low-income students with an affordable higher education and valuable work experience.

The Opportunities for Success Act

- *Investing in Low-Income Students.* Increases funding for FWS to \$2.5 billion over five years.
- *Reforming the Work-Study Formula.* Revises the distribution formula to allocate FWS funds based on the total Pell dollars an institution receives relative to other participating institutions as well as their share of total undergraduate and graduate student need across all institutions.
- *Targeting Work-Study to Low-Income Students.* Rewards institutions that enroll and graduate high numbers of Pell Grant students.
- *Promoting Career Readiness* Provides additional funding for Job Location and Development programs and requires institutions to prioritize placing low-income students and FWS students in work-based learning positions.
- *Improving Access to Career-Related Work Experience.* Allows students to earn FWS wages during periods of nonenrollment and requires institutions to use 7 percent of FWS funds for work-based learning opportunities.
- *Creating Pathways from Education to Work.* Creates a \$30 million dollar work-based pilot program to help connect low-income students to high-quality internships.
- *Enhancing Student Success.* Directs the Department of Education to survey FWS and report to Congress to inform further program improvements.