

DEPARTMENT OF TREASURY  
HIGHER EDUCATION ASSISTANCE AUTHORITY  
MICHIGAN WORK-STUDY UNDERGRADUATE PROGRAM

(By authority conferred on the Michigan higher education assistance authority by section 12 of Act No. 288 of the Public Acts of 1986, being S390.1382 of the Michigan Compiled Laws)

R 390.1701 Definitions.

Rule 1. (1) As used in these rules:

(a) "Act" means Act No. 288 of the Public Acts of 1986, being S390.1371 et seq. of the Michigan Compiled Laws.

(b) "Application" means the period of time covered by the MWS award at a recognized postsecondary school.

(c) "Authority" means the Michigan higher education assistance authority created by Act No. 77 of the Public Acts of 1960, as amended, being S390.951 et seq. of the Michigan Compiled Laws.

(d) "Campus-based aid" means the federal financial aid programs administered by the financial aid officer at a participating postsecondary school. These programs shall include supplemental educational opportunity grants, college work-study, and Perkins loans.

(e) "CWS" means the college work-study program established under the federal higher education act.

(f) "Default" means failure to comply with the terms of a loan guaranteed by the authority so that the authority finds it necessary to reimburse the lending institution for the balance of the loan.

(g) "Educational expenses" means student costs related to attendance as specified by the recognized postsecondary school. These expenses may include tuition and fees charged to the student and a reasonable allowance for room and board, transportation, books and equipment, and incidental expenses.

(h) "Financial need" means the positive difference found by the recognized postsecondary school between the applicant's educational expenses and any reasonable family unit contribution identified consistent with current need analysis review procedures approved for use with campus-based title IV federal student aid programs as provided for under the federal higher education act. Other sources of student aid to be received by the applicant for the award period in question shall be included by the recognized postsecondary school in the computation of financial need.

(i) "Full-time study" means enrollment for 12 or more semester credit hours or its equivalent in trimester or quarter hours or the equivalent of 24 semester hours or 36 quarter hours per academic year for institutions using credit hours to measure progress, but not using semester, trimester, or quarter hours. Full-time study during the summer session following the regular academic year means enrollment for the number of credit hours defined as full-time by the recognized postsecondary school. Enrollment status shall be determined as of a uniform date established each enrollment period by the recognized postsecondary school for all MWS recipients.

(j) "Half-time study" means enrollment for not less than 6, but not more than 11, semester credit hours or term/quarter equivalent per enrollment period or for not less than half of the credit hours defined as full-time in subdivision (i) of this subrule. Enrollment status shall be determined as of a uniform date established each enrollment period by the recognized postsecondary school for all MWS recipients.

(k) "Higher education act" means title IV of the federal higher education act of 1965, as amended, 20 U.S.C. S1070 et seq.

(l) "Incarcerated" means currently interned in a correctional facility on either a full-time or a part-time basis.

(m) "Independent or self-supporting status" means current federal requirements, as defined in 34 C.F.R. S668.1a, as amended, have been met concerning conditions under which parental resources can be disregarded in the computation of a student's eligibility for financial aid.

(n) "MWS" means the Michigan work-study program as established by the act.

(o) "Parental unit" means the natural parents, adoptive parents, legal guardians, stepparents or other individuals required by the recognized postsecondary school to complete the financial application for title IV campus-based federal student aid for a dependent student.

- (p) "Part-time employment" means working less than 40 hours per week.
  - (q) "Pell grants" means the federal pell grant program established under the federal higher education act.
  - (r) "Perkins loans" means the Perkins loan program established under the federal higher education act.
  - (s) "Permanent resident" means an applicant who is classified as a permanent resident by the United States immigration and naturalization service for the MWS program award period in question.
  - (t) "Recognized postsecondary school" means a public or nonpublic degree-granting college or university located within the state of Michigan that meets all of the following criteria:
    - (i) Is approved by the Michigan state board of education and is eligible to be listed in the Michigan department of education's publication entitled "Directory of Michigan Institutions of Higher Education."
    - (ii) Is currently participating in the federal college work-study program as authorized by the federal higher education act.
    - (iii) Offers academic programs that are not comprised solely of sectarian instruction or religious worship.
  - (u) "Resident" means either of the following:
    - (i) For a dependent student who does not meet current federal guidelines for independent or self-supporting status as provided for under the federal higher education act, it means that the student's home address formally recognized by the school as the basis for residency documentation has been in Michigan for a minimum of 12 months immediately preceding the postsecondary school's MWS award period and that the school does not consider the student a resident of any other state.
    - (ii) For an independent student who does meet current federal guidelines for independent or self-supporting status as provided for under the federal higher education act, it means that the student involved has resided in Michigan continuously for a minimum of 12 months immediately preceding the recognized postsecondary school's MWS award period and that the student involved is not considered a resident of any other state.
  - (v) "Satisfactory academic progress" means compliance with standards established by the recognized postsecondary school of enrollment pursuant to the federal higher education act regarding minimal criteria of academic progress needed to maintain eligibility for the federal campus-based student aid programs.
  - (w) "Sectarian instruction or religious worship" means a program of study leading to a degree in theology or divinity.
  - (x) "Student aid" means scholarship, grant, loan, or employment aid that the applicant might receive from any source other than the MWS program.
  - (y) "Undergraduate program of study" means courses that are applicable or transferrable to a baccalaureate or lower degree or certificate. A program shall be not less than 9 months in length.
- (2) Terms defined in the act have the same meanings when used in these rules.

History: 1988 AACCS.

R 390.1702 Program administration; activities.

Rule 2. The authority shall administer the MWS program in conjunction with recognized postsecondary schools. Participating schools shall be responsible for all of the following activities:

- (a) Signing and maintaining MWS employer agreements.
- (b) Selecting eligible student recipients.
- (c) Awarding MWS funds to eligible students.
- (d) Monitoring employment hours and MWS program matching requirements and payroll distribution.
- (e) Reporting MWS expenditures and related data to the authority on a timely basis.
- (f) Refunding unused MWS funds to the authority promptly at the end of each fiscal year.

History: 1988 AACCS.

R 390.1703 Eligible schools.

Rule 3. (1) Recognized postsecondary schools shall be eligible to receive MWS funds and make student awards under the MWS program.

(2) Eligible postsecondary schools shall notify the authority not later than February 1 preceding the fiscal year of funding if they choose not to participate in the MWS program.

History: 1988 AACCS.

R 390.1704 Eligible students.

Rule 4. Recognized postsecondary schools participating in the MWS program may make awards to students who meet all of the following criteria:

- (a) Are Michigan residents and not considered residents of any other state.
- (b) Are not currently incarcerated in a correctional facility.
- (c) Are enrolled, or accepted for enrollment, in a recognized postsecondary school on at least a half-time basis.
- (d) Are enrolled, or accepted for enrollment, in an undergraduate program of study.
- (e) Are not enrolled in a program of study which leads to a degree in theology or divinity.
- (f) Are determined by the recognized postsecondary school to financially need the MWS awards to help meet educational expenses.
- (g) Are United States citizens or permanent residents.
- (h) Are not in default on a loan guaranteed by the authority. Exceptions may be made if a defaulted borrower has made satisfactory repayment arrangements on the defaulted amount of the loan as determined by the authority.
- (i) Are making satisfactory academic progress as determined by the recognized postsecondary school of enrollment.

History: 1988 AACCS.

R 390.1705 Eligible employers.

Rule 5. (1) Recognized postsecondary schools may enter into written MWS employment agreements with nonprofit employers who meet all of the following criteria:

- (a) Provide not less than 20% of the wages earned by each MWS student placed.
- (b) Do not use MWS recipients to displace employed workers.
- (c) Do not employ MWS recipients to construct, operate, or maintain facilities of sectarian instruction or religious worship.
- (d) Do not employ MWS recipients in activities espousing a particular political or moral position as defined by the recognized postsecondary school.
- (e) Do not pay MWS recipients at a rate less than the prevailing federal minimum wage.
- (f) Enter into a signed written agreement with the recognized postsecondary school to provide such employment for students recommended by the school.
- (g) Recognized postsecondary schools employing MWS students on campus will be considered nonprofit employers for purposes of these rules.

(2) Recognized postsecondary schools may enter into written MWS employment agreements with profit-making employers who meet all of the following criteria:

- (a) Provide not less than 50% of the wages earned by each MWS student placed.
- (b) Do not use MWS recipients to displace employed workers.
- (c) Do not employ MWS recipients to construct, operate, or maintain facilities of sectarian instruction or religious worship.
- (d) Do not employ MWS recipients at a rate less than the prevailing federal minimum wage.
- (e) Provide employment which the school and the employer certify as directly related to the student's academic field of study.
- (f) Enter into a signed written agreement with the recognized postsecondary school to provide such employment for students recommended by the school.

(3) The written employment agreement shall specify whether the employing organization or the recognized postsecondary school is considered the student's employer and which entity is responsible for any fringe benefit payments and the employer's share of any welfare or insurance programs associated with MWS employment. State MWS funds shall not be used to pay for any of the following:

- (a) The employer's share of social security, workman's compensation, unemployment insurance, retirement, or any other welfare or insurance that the employer pays on behalf of the student employee.

- (b) Fringe benefits, such as paid sick days, paid vacations, or paid holidays.
- (c) Job-related injuries or illnesses.
- (4) The employment agreement shall further specify whether the recognized postsecondary school or the employer shall be responsible for actually paying the student and the frequency of payment.
- (5) In other areas not specified in the act or these rules or by the authority, the employment agreement format and content shall follow prevailing federal college work-study practices.
- (6) All such written employment agreements shall be maintained by the recognized postsecondary school for audit purposes.

History: 1988 AACCS.

R 390.1706 MWS award computation.

Rule 6. (1) Recognized postsecondary schools participating in the MWS program shall make awards to eligible students consistent with all of the following provisions:

(a) The MWS funds awarded, in combination with other student aid received, shall not exceed the amount of financial need as determined by the school. The MWS award itself shall not exceed any ceiling stipulated by the authority.

(b) MWS award priority shall be given to eligible students with the greatest financial need as determined by the school.

(c) MWS funds shall not be paid to any eligible student for more than a total of 10 semesters or 15 terms of full-time study at any particular recognized postsecondary school participating in the program. To monitor the amount of cumulative MWS assistance provided, participating schools shall charge recipients with a semester or term count for each enrollment period in which MWS funds are paid according to the following schedule:

- (i) Full-time enrollment at a semester school equals a 1.5 count per enrollment period.
- (ii) Full-time enrollment at a term school equals a 1.0 count per enrollment period.
- (iii) Half-time enrollment or more than half-time enrollment but less than full-time enrollment at a semester or term school equals a 0.5 count

per enrollment period. A cumulative semester or term payment count of 15 or higher at any school shall eliminate the student from the MWS program at that institution. Each recognized postsecondary school participating in the MWS program shall maintain and monitor cumulative institutional records regarding individual student participation.

(d) Unearned MWS funds may be reawarded within the fiscal year by the school to other eligible students.

(e) Continued MWS program eligibility shall be a function of the financial need demonstrated and the MWS funds available at each participating postsecondary school if a recipient transfers from one institution to another.

(f) All MWS funds provided by the authority shall be used for student wages within the state fiscal year for which the funds were appropriated. This language shall not prevent a school from making awards and initiating employment consistent with an academic year cycle which would begin on or after August 1.

(g) All funds awarded to students shall carry the MWS title in communications made to student recipients by the schools involved.

(2) Nothing in these rules shall preclude the campus financial aid administrator from exercising professional judgment and disregarding all or a portion of assets when deemed appropriate by the financial aid administrator in determining eligibility.

History: 1988 AACCS.

R 390.1707 MWS campus allocations.

Rule 7. (1) The authority shall distribute MWS funds to recognized postsecondary schools participating in the program according to the provisions of the act.

(2) Postsecondary schools participating in the MWS program shall provide to the authority, by the stated deadline, the data necessary to implement the campus allocation formula.

(3) Postsecondary schools participating in the MWS program shall maintain a separate restricted account for funds and transactions pertaining to the program.

(4) A minimal MWS annual payment of \$5,000.00 shall be made to all eligible postsecondary schools participating in the MWS program.

History: 1988 AACCS.

R 390.1708 Annual report.

Rule 8. Each recognized postsecondary school participating in the MWS program shall provide an annual report in the format specified by the authority. It shall include all of the following information:

- (a) The number of students served.
- (b) The number of employers utilized.
- (c) MWS payment by employer category.
- (d) MWS dollar match by employer category.
- (e) Year-end refund of unutilized funds.
- (f) Other related data needed by the authority for accounting or audit purposes.

History: 1988 AACCS.

R 390.1709 Records; retention.

Rule 9. (1) Recognized postsecondary schools participating in the MWS program shall make all MWS records part of their permanent student financial aid office files.

(2) Records which provide any of the following information shall be maintained:

- (a) Student eligibility.
- (b) Employer contracts.
- (c) Wages and matching funds paid.
- (d) Any award adjustments and refund calculations made.
- (e) Cumulative awards made to each participant.

(3) All MWS program records shall be made available for audit purposes upon request.

(4) All MWS program records shall be maintained for a minimum of 5 years by each participating institution.

History: 1988 AACCS.