

Significant Changes Made by HEOA

Pell Grants, FWS, Perkins Loans, and Need Analysis

Pell Grants

Pell Grant Maximum Award

Effective July 1, 2009, the law increases the authorized Pell Grant maximums for eligible students to:

- \$6,000 for academic year 2009-10
- \$6,400 for academic year 2010-11
- \$6,800 for academic year 2011-12
- \$7,200 for academic year 2012-13
- \$7,600 for academic year 2013-14
- \$8,000 for academic year 2014-15

The CCRAA implemented mandatory spending add-ons to increase the Pell Grant maximum award by:

- \$490 for the 2008-09 and 2009-10 award years
- \$690 for the 2010-11 and 2011-12 award years
- \$1,090 for the 2012-13 award year

Consequently, if appropriations met the authorized amount the Pell Grant maximum would be (HEOA + CCRAA = Maximum Grant):

AWARD YEAR	HEOA AUTHORIZED MAXIMUM	CCRAA ADD-ON	MAXIMUM GRANT
2009-10	\$6,000	\$490	\$6,490
2010-11	\$6,400	\$690	\$7,090
2011-12	\$6,800	\$690	\$7,490
2012-13	\$7,200	\$1,090	\$8,290
2013-14	\$7,600	0	\$7,600
2014-15	\$8,000	0	\$8,000

We do not want to get your hopes up only to have them dashed. Only twice since the founding of the Pell Grant Program in 1972 has the appropriated maximum award matched the authorized level.

Let's also look at the far out-years; Award years 2013-14 and 2014-15. The CCRAA only provided for the entitlement spending automatic add-on only thru Award Year 2012-13. This means, unless a future Congress finds the new entitlement spending for the automatic add-on, then it disappears. So, future students may find their awards drastically reduced.

Let's use this example. Suppose in Award Year 2012-13 the Congress did not provide the authorized maximum Pell Grant appropriation of \$7,200. Instead, the Congress appropriated only \$6,000. Using the two step process \$6,000 (appropriated maximum) plus \$1,090 (automatic add-on) results in \$7,090 maximum award. The following year (AY 2013-14) for some reason the Congress only appropriated enough money to fund the maximum award at \$6,100. What's the maximum award now? Answer: \$6,100 since the CCRAA's automatic add-on expired and was not renewed by Congress and the president.

Pell Grant Minimum Award

Parallels the current minimum award, but uses a percentage rather than a precise number (\$400 currently). This provision is effective July 1, 2009.

Now the Pell Grant minimum award will be calculated at 10% of the "appropriated" maximum award. If a student is eligible for an amount that is equal to or greater than 5% but less than 10% the award is increased to 10%. If the amount is less than 5%, then no award is made.

Example: If for AY 2012-13, the appropriated maximum award was \$7,200, and the CCRAA mandatory add-on is \$1,090 this gives a zero EFC student a Pell Grant maximum award of \$8,290. For a student who qualifies only for the minimum Pell Grant award that individual would receive 10% of the appropriated maximum award which is \$7,200 or \$720. It is not \$829. Please understand the minimum award is not 10% of the maximum award, but is 10% of the appropriated maximum award which does not include the CCRAA mandatory add-on.

Pell Grant Civil Confinement

An individual subject to an involuntary civil confinement or civil commitment upon completion of a period of incarceration for a forcible or non-forcible sexual crime is ineligible for a Pell Grant.

NASFAA contacted the National Center for Missing & Exploited Children and that organization stated that 20 states had such programs. While they cannot attest to the new law applying to all these states their list of states with sexual crime civil commitment include the following: Arizona, California, Florida, Illinois, Iowa, Kansas, Massachusetts, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Pennsylvania, South Carolina, Texas, Virginia, Washington, and Wisconsin. This provision is effective July 1, 2009.

Lifetime Limit on Pell Grant Eligibility

Limits the time students can receive Pell Grants to 18 semesters (or equivalent) for students who first receive a Pell Grant on or after July 1, 2008. Only the amount (or percent) of time that a student is enrolled will count against that time limit.

Two Pell Grant Scheduled Awards Available in an Award Year

The new law allows students enrolled in a certificate, associate, or baccalaureate program to receive up to two Pell Grants in one award year to accelerate their progress.

They must:

- Complete more than the equivalent of a full academic year within the award year, and
- Enrollment must be at least half-time; e.g., two full-time semesters plus one half-time summer

This provision is effective July 1, 2009.

Federal Work/Study

Job Location and Development Programs

Increases the amount of Federal Work Study funds institutions of higher education may use for Job Location and Development programs to not more than 10 percent or \$75,000 of their Federal work study allocations, up from not more than ten percent or \$50,000. Effective August 14, 2008

Definition of Community Service

The HEOA adds the words “emergency preparedness and response” to the definition of community service expanding the list of examples of such service activities. Effective August 14, 2008

Civic Education FWS Employment

As part of meeting its 7% community service funding use requirement, the HEOA allows schools to have student workers participate in civic education activities. Schools are encouraged to have such work opportunities available to student workers, but such civic education project/activity is not mandatory unlike the requirement schools have a tutoring/literacy project/activity...

- It allows funds to be used to compensate students employed in projects that: teach civics in schools; raise awareness of government functions or resources; or increase civic participation.
- This includes compensation for training and travel directly related to civic education and participation activities.
- Schools, to extent practicable, must to give priority to the employment of students participating in projects that educate or train the public about evacuation, emergency response, and injury prevention strategies relating to natural disasters, acts of terrorism, and other emergency situations; and ensure that any student compensated receives appropriate training to carry out the educational services required
- Finally, the HEOA allows the Federal share of work-study student compensation to exceed 75 percent for these civic education FWS activities. Effective August 14, 2008

Federal Perkins Loans

Annual and Aggregate Loan Limits

The new law increases Perkins annual loan limits:

- From \$4,000 to \$5,500 for undergraduate students, and
- From \$6,000 to \$8,000 for graduate and professional students

Effective August 14, 2008

The new law increases Perkins aggregate loan limits:

- From \$20,000 to \$27,500 for undergraduate students who have completed two years of study,
- From \$40,000 to \$60,000 for graduate and professional students, and
- From \$8,000 to \$11,000 for all other students

Effective August 14, 2008

Perkins Loan Rehabilitation and Borrower Forbearance

The HEOA affects borrowers by:

- Reducing the number of on-time, consecutive, monthly payments required for rehabilitation of a Perkins Loan from 12 to nine
 - Removing the requirement that borrowers of Perkins Loans request forbearance in writing
- Effective August 14, 2008

Loan Assignment for Perkins Loans

The Congress specifically prohibits the Department from engaging in “mandatory assignment” of Perkins loans unless there is cause for it to require it.

Schools may continue to voluntarily assign loans to the Department. Any funds collected from defaulted Perkins loans, including loans assigned to the Department for additionally collection activities be returned to the institution’s revolving fund for new loans to future students less no more than 30% to be withheld by ED for reimbursement of its collection activities.

Effective August 14, 2008

Part F—Need Analysis

Aid Administrator Professional Judgment

The HEOA adds into the law further examples of types of professional judgment decisions. Those specific examples include the following:

- Nursing home expenses not covered by insurance,
- Unusually high dependent care expenses, and
- A student who is a dislocated worker.

Effective August 14, 2008

Dependent Student Professional Judgment

The Congress modified the law’s professional judgment provisions in cases where a dependent student’s whose parents do not support them and refuse to complete a FAFSA dependent. You may offer such students unsubsidized Stafford loans.

Effective August 14, 2008

Cooperative Education Income Exclusion

The new law excludes any income earned from work under a cooperative education program offered by an institution of higher education when calculating an EFC. Effective July 1, 2010

Prior-Prior Year

- Authorizes the Secretary to issue regulations that allow the use of the second preceding tax year information to simplify the FAFSA and the application process. This may include data sharing between the IRS and the Department of Education with the taxpayer’s permission
- Authorizes the Secretary in cooperation with the Treasury Secretary to obtain from the IRS tax information for the purpose of prepopulating the FAFSA or for verification purposes.

Consent of the taxpayer to accomplish these purposes is required

Effective July 1, 2010

Appendix A
Use of FWS Community Service Funds
(Excerpts from NASFAA Encyclopedia)

Every job includes some type of training, whether formal or informal. In some cases, like reading and math tutors of children or family literacy tutors, training is strongly recommended to facilitate successful job performance. Training of tutors should be appropriate for the specific age groups and the needs of those individuals with whom the tutor will be working. It is also important for FWS reading tutors to be trained in a way that builds on the child's in-class reading program.

A work-study student may be paid during a training period conducted for a reasonable length of time. However, a student may not be paid for receiving instruction in a classroom, laboratory, or other academic setting.

For example, an institution could not pay a student FWS wages for taking an academic course it developed to provide classroom training on tutoring children to read. Further, a training period of an academic term would not be considered a reasonable length of time for FWS job training. For reading and math tutors of children and family literacy tutors, a training period of up to 20 hours before a student begins tutoring would be considered reasonable, although the amount and type of training would likely vary based on such factors as the grade level of the children to be tutored or the presence of a disability.

Although the Department recognizes that math and reading tutors may need a longer period of training, payment for a reasonable amount of training is not limited to any particular type of FWS job. Training is permissible whether a job is community service or not.

Students may also be compensated for a reasonable amount of time to perform ongoing training activities (i.e., preparation and evaluation time) necessary to accomplish their jobs.

An institution may use a portion of its administrative cost allowance to train FWS tutors.

Appendix B FWS Federal Share Requirements (Excerpts from NASFAA Encyclopedia)

In addition to the restrictions and requirements governing the use of Federal Work-Study funds discussed in Section 4.8, the following limitations apply to the use of FWS funds:

- An institution may not use FWS funds to pay a student after he or she has earned a specified amount over his or her financial need (see Section 4.4.3.1).
- While a student must be paid for all hours worked, FWS funds may not be used to pay a student for work performed after the student withdrew (see Section 4.7).
- The federal share of FWS compensation paid to students may not exceed specified percentages (detailed in Sections 4.6.5.1 through 4.6.5.3), unless the Secretary approves a higher share for one of the reasons outlined in Sections 4.6.5.4 through 4.6.5.6.
- When determining the federal share, the institution may not include fringe benefits (e.g., paid sick days, paid vacations, or paid holidays) or the employer's share of Social Security, Worker's Compensation, retirement, or any other welfare or insurance program that the employer must pay on account of the student employee. Federal FWS funds cannot be used to pay an injured student's hospital expenses. These restrictions apply even if the institution's matching share has been waived by the Department of Education.

The institution may set a federal share lower than that required if it chooses (i.e., it may overmatch). For example, if an institution has a large demand for FWS jobs from its various departments but does not have enough funds to award to students, it may stretch federal dollars by requiring a larger contribution from the employing departments or from off-campus employers, thereby reducing the federal share.

4.6.5.1 (7/02) Federal Share of Wages for Work for the Institution or for Work in the Public Interest

For students employed in work for the institution itself (including proprietary institutions) or in work in the public interest for federal, state, or local public agencies or private nonprofit organizations (i.e., for any employment other than in the private sector), the federal share of compensation generally may not exceed 75%. This maximum federal share became effective beginning with the 1993-94 award year.

4.6.5.2 (7/02) Federal Share of Wages for Work in the Private Sector

The federal share of FWS compensation paid to students employed in work for private, for-profit organizations may not exceed 50%. This federal share limitation became effective beginning with the 1990-91 award year.

4.6.5.3 (7/02) Federal Share of Wages for Work in Community Service

As explained in Section 4.8.2.1, an institution must use a certain amount of its federal allocation to pay compensation to students employed in community service jobs. The maximum federal share of FWS wages for students employed in community service jobs is normally the standard 75%. However, certain jobs as reading tutors of children, students performing family literacy

activities, or math tutors may qualify for payment of wages at a 100% federal share. See Section 4.6.5.4.

4.6.5.4 (7/02) 100% Federal Share: Tutoring and Family Literacy Activities

Under certain conditions, an institution may pay 100% of an FWS student's wages with federal funds (i.e., the institutional match is waived). The institutional matching share may be waived only for students who work for the institution itself, for a federal, state, or local public agency, or for a private nonprofit organization. The institution may pay 100% of compensation earned with federal funds under any of the circumstances listed below:

- Effective July 1, 1997: The student is employed as a reading tutor for children who are in preschool through elementary school. See Section 4.6.5.4.1.
- Effective October 28, 1999: The student is performing family literacy activities while employed in a family literacy project that provides services to families with pre-school age or elementary school children. See Sections 4.5.4.6 and 4.6.5.4.2. 675.26(d)(2)(iii) NOTE: Prior to 2000-01, this provision was limited to students working as tutors in a family literacy program. The waiver of the institutional share for these tutors became effective July 1, 1998.
- Effective July 1, 1999: The student is employed as a mathematics tutor of children in

The institution need not request permission to pay a 100% federal share of compensation for tutors. It does, however, show on its FISAP that it paid this compensation with a 100% federal share. There is no limit as to the amount of its allocation that the institution may expend at the 100% federal share for tutors or family literacy activities.

An institution that has been granted a waiver of the institutional share or that has students employed as tutors may nevertheless provide some institutional match at its option, in an amount it determines.

Waivers of the institutional share apply only to wages, not to fringe benefits or required employer contributions (such as social security or worker's compensation).

Waivers of the institutional share do not extend to a waiver of the nonfederal share in the case of FWS jobs in the private for-profit sector. Waivers do not extend to the institution's share of the costs of a Job Location and Development program. See Section 4.6.6.

Tutoring and family literacy activities may, but do not automatically, count towards an institution's community service requirement. See Section 4.8.2.1.

4.6.5.4.1 (7/02) Reading Tutors of Children

To qualify for the institutional share waiver, the student must tutor children that are of pre-school age or that are in elementary school.

The definition of "pre-school" encompasses children from infancy through the time at which the state provides elementary education. The definition of "elementary school" is left up to the state, and may vary from state to state; the U.S. Department of Education does not specify a maximum grade level after which a child is no longer considered to be in elementary school.

"Reading tutor" is not defined in regulation; it is up to the institution to determine the job description and duties of a reading tutor. However, students should be compensated for a reasonable amount of time to perform various activities necessary to accomplish their reading tutoring jobs. Thus, an institution may pay an FWS reading tutor for time spent evaluating and preparing to do the reading tutoring, as long as the time spent for this purpose is reasonable. The Department would consider approximately one hour per week to be reasonable. Evaluation and preparation might include weekly meetings held with other tutors or with the child's classroom teacher. While the Department wants to give some flexibility because of the value of evaluation and preparation time, the goal is to spend the funds for FWS students to interact with the children, not for other activities.

There are no federal guidelines regarding educational standards or qualifications that an FWS student must have in order to tutor. Nevertheless, a certain amount of job training is reasonable. Within the limitations discussed in Section 4.5.1.9, reading tutors may be paid for training.

NOTE: The Department has not issued guidance on what constitutes acceptable job-related activity for jobs other than reading tutors. For reading tutors, evaluation and preparation may be considered part of the reading tutor's job, as may training, and therefore the student may be paid for those activities. The institutional match waiver for reading tutor wages applies to all aspects of the reading tutor job, including the evaluation and preparation time and the allowable training time. It is NASFAA's understanding that evaluation and preparation activities or training activities beyond the amounts considered reasonable would not be allowable FWS employment at any matching share.

Students who perform other duties besides tutoring may be paid using a 100% federal share only for hours worked as a reading tutor of children, and for a reasonable amount of allowable activities associated with tutoring, such as preparation, evaluation, or training. Hours worked performing other allowable FWS activities that do not qualify for the waiver must be paid at the regular federal/institutional ratio (i.e., no more than 75% federal share).

Wages of FWS students who are training reading tutors or who perform administrative tasks (such as coordination) related to supporting reading tutors do not qualify for the waiver of the institutional share under the reading tutor provision. However, such jobs may qualify for a waiver if they involve tutors operating under the auspices of a family literacy project; see Section 4.5.4.6.

Tutoring may be accomplished in groups or on a one-to-one basis. The tutoring may take place in any setting (not just a school) and at any time (not just during school hours). An institution may construct its own reading tutor program or may join existing community programs.

An example of a reading tutor whose wages qualify for the institutional share waiver would be an FWS student reading to a group of preschoolers in a public library.

See also Section 4.5.1.3 for information about tutoring in parochial schools.

4.6.5.4.2 (7/02) Family Literacy Activities

Effective October 28, 1999, an institution may use a 100% federal share to pay students who are performing family literacy activities in a family literacy project that provides services to families with pre-school age children or children who are in elementary school.

NOTE: From July 1, 1998, until October 28, 1999, this provision was limited to tutoring for a family literacy program. A school was allowed to pay wages using a 100% federal share for students tutoring children from infancy through elementary school and/or tutoring the parents or caregivers of those children, under the auspices of a family literacy program.

The family literacy tutor waiver represented an expansion of the earlier institutional share waiver allowed for reading tutors of children. However, the two waivers remained distinct, as do the current family literacy activities waiver and the reading tutor waiver. Reading tutors of children (described in Section 4.6.5.4.1) do not have to work within a family literacy project in order to be paid using a 100% federal share. Tutors of the parents or caregivers of those children must be employed through a family literacy program to be paid at a 100% federal share. Another difference is that other tasks besides tutoring may be eligible for the 100% federal share under the family literacy activities waiver.

See Section 4.5.4.6 for more information about permissible jobs beyond tutoring in a family literacy project. Note, however, that to qualify for the waiver, the job does not have to meet the definition of community service. For example, the family literacy activities could be open only to institutional staff and their families. Such a restriction would not prevent the institution from using the waiver of the nonfederal share, but the school could not count the job towards its community service requirement.

In a family literacy program, tutoring is not restricted to reading skills; FWS students may be paid at a 100% federal share regardless of the subject in which they are tutoring.

A definition and characteristics of a family literacy project were given in a Dear Colleague Letter designed to explain the family literacy tutor waiver. However, the information given in that letter applies as well to the expanded family literacy activities waiver. A "family literacy project" integrates the following four services:

- literacy or pre-literacy education for children;
- literacy training for parents or caregivers of children in the program;
- equipping parents or caregivers with skills needed to partner with their children in learning; and
- literacy activities between parents or caregivers and their children.

To qualify for the waiver, the family literacy program must include all four of the components listed above. Provision of all four services may be accomplished by a single entity or by two or more entities working together. For example, a children's school or center may collaborate with an adult literacy program to provide the full range of family literacy services.

The component involving literacy activities between parents or caregivers and their children can be met in a variety of ways. Examples include:

- interactive literacy activities between parents or caregivers and their children at the family literacy center;
- assignments and materials that parents or caregivers and their children can work with together at home; or
- reading activity nights with parents and children at a local library.

All federally-funded Even Start programs meet the definition of a family literacy program for purposes of this waiver. For other programs, a signed letter from an official of the program stating that it provides all four of the required components of a family literacy program would

substantiate eligibility for the waiver. In addition to Even Start, institutions may wish to seek family literacy programs within Head Start and Title I programs. The National Center for Family Literacy (502-584-1133) maintains a database of family literacy programs. Dear Colleague Letter CB-98-6 also provides a resource list.

NOTE: Although the description of a family literacy program used for purposes of the institutional share waiver is consistent with the definition used in Head Start and Even Start, only Even Start always includes a family literacy service. If a Head Start program offers family literacy services, it may do so directly or only through referrals to other local agencies. To determine whether placement of a tutor in a Head Start or Title I program qualifies for the institutional share waiver, the institution must obtain a letter from a program official substantiating that the program meets all four of the required components of a family literacy program.

Family literacy tutoring may occur in a variety of settings. In addition to schools, tutoring could take place in a public library, community center, day care center, or other settings. See Sections 4.4.2.1 and 4.8.2.3 for treatment of travel expenses and travel time.

As is true for the waiver involving reading tutors of children, the definition of "tutor" is left up to the institution. Like the reading tutoring of children, a reasonable amount of preparation and evaluation time (up to one hour per week) may be considered part of the family literacy tutoring job and may therefore be compensated at the 100% federal share (see Section 4.6.5.4.1). A reasonable amount of training may also be considered part of the job (see Section 4.5.1.9).

"Pre-school age children" and "elementary school" carry the same meanings as they do for the reading tutor of children waiver; see Section 4.6.5.4.1.

A "caregiver" may be anyone fulfilling the responsibilities usually associated with the parent of a child over a sustained period of time. For example, the caregiver may be a grandparent, older sibling, adopted parent, or primary caretaker.

Although the emphasis of family literacy activities is on children and/or the parents or caregivers of those children, an FWS student engaged in tutoring may also tutor some adults who do not have children if the tutoring occurs in a group session that is primarily attended by parents or caregivers of qualifying children (i.e., pre-school age children or children who are in elementary school).

4.6.5.4.3 (7/02) Mathematics Tutors of Children

Effective July 1, 1999, an institution may pay wages using a 100% federal share for FWS students tutoring children in mathematics. To be paid at the 100% federal share, the FWS student must tutor children who are in elementary school through the ninth grade. This waiver of the institutional match applies only to students employed as tutors; administrative tasks, such as coordination of tutors, may not be paid using a 100% federal share under the auspices of the math tutor waiver. However, these types of tasks performed in a family literacy project may be eligible for the 100% federal share under the family literacy activities waiver; see Section 4.5.4.6.

State laws vary as to the minimum grade level for elementary school. The institution should therefore check with the state to ensure that a placement is, in fact, in an elementary school grade level.

A mathematics tutor must have strong math skills, and the Department of Education strongly recommends that FWS students be well trained before they begin tutoring. Reasonable periods of training and on-going support also qualify for payment at the 100% federal share. See Section 4.5.1.9.

See Section 4.8.2.3 for information regarding payment of travel time if the mathematics tutor position qualifies as community service.

As is true for the other types of tutors that may be paid at a 100% federal share, programs providing mathematics tutoring may take place during the children's school hours, after school, on weekends, or in the summer, in a broader context than just the classroom setting. However, the interaction between the FWS tutor and the children being tutored may not include subjects other than mathematics if the institutional share of wages is waived, unless the student is also tutoring reading and qualifies under that waiver.

4.6.5.4.4 (7/02) Documentation for Nonfederal Share Waiver

The institution will report FWS expenditures involving institutional share waivers for a given award year on the FISAP that collects expenditure information for that concluded award year.

The institution must maintain documentation that identifies the FWS students whose wages were paid at the increased federal share. Job descriptions for these students must be maintained to support the applicability of the waiver. The institution must also maintain records that support the hours worked and amount paid for wages consisting of a higher federal share under the institutional match waiver.

4.6.5.4.5 (7/02) Use of ACA in Tutoring Programs

An institution may use its administrative cost allowance (ACA) to offset the cost of training tutors and other expenses related to tutoring programs. See Section 4.8.8.2 for specific information about using the ACA for tutoring programs. See Section 1.15.2 for more general information about the ACA.

4.6.5.4.6 (7/02) Relationship Between Tutoring Programs and Community Service

Some tutor jobs may meet the definition of community service and therefore help meet the institution's obligation to use a designated percentage of its FWS allocation for community service jobs (see Sections 4.5.4 and 4.8.2.1).

However, there is not a direct correlation between the institutional share waiver for certain tutors and the designation of a tutoring job as community service.

To meet the definition of community service, the tutoring must be available to the community and need not be restricted to a certain age group (such as children), to a certain setting (such as a family literacy program), or to a certain subject (such as reading). To qualify for an institutional share waiver, the job must conform to the requirements of a reading tutor of children described in Section 4.6.5.4.1, or to a math tutor as described in Section 4.6.5.4.3, or to the requirements of family literacy activities described in Section 4.6.5.4.2; these requirements do address specific groups of individuals, and either a specific subject (e.g., reading) or a specific setting (family literacy project). However, for the purpose of an institutional share waiver, the tutoring or literacy activities need not be available to the community.

For example, an institution could pay wages at a 100% federal share to FWS students who tutor young children in that institution's day care center if the only children in the day care center are those of the school's students, staff, and faculty, but this job would not qualify as community service. Another example of a job that qualifies for the waiver but not as community service would be a family literacy program run by an institution and open only to that institution's students, staff, and their families.

4.6.5.5 (7/02) 100% Federal Share: Title III Institutions

Certain institutions may qualify to pay 100% of an FWS student's wages with federal funds (i.e., the institutional match is waived). The institutional matching share may be waived only for students who work for the institution itself, for a federal, state, or local public agency, or for a private nonprofit organization.

Designated eligible institutions under one of the following programs (also referred to as Title III institutions) may request a waiver of the institutional matching share:

- Developing Hispanic-Serving Institutions Program (34 CFR part 606),
- Strengthening Institutions, American Indian Tribally Controlled Colleges and Universities, or Alaska Native and Native Hawaiian-Serving Institutions (34 CFR Part 607),
- Strengthening Historically Black Colleges and Universities (34 CFR Part 608), or
- Strengthening Historically Black Graduate Institutions (34 CFR Part 609).

A school is considered to have applied for a waiver if it is designated as an eligible school and it submits a complete FISAP by the established deadline. Such schools will receive a letter from the Department indicating that they have been granted a waiver of the FWS nonfederal share requirement.

An institution that has been granted a waiver of the institutional share may nevertheless provide some institutional match at its option, in an amount it determines.

Waivers of the institutional share apply only to wages, not to fringe benefits or required employer contributions (such as Social Security or Worker's Compensation).

Waivers of the institutional share do not extend to a waiver of the nonfederal share in the case of FWS jobs in the private for-profit sector. Waivers do not extend to the institution's share of the costs of a Job Location and Development program. See Section 4.6.6.

4.6.5.6 (7/02) 90% Federal Share: Nonprofit Organizations and Government Agencies

Up to 90% of a student's FWS wages may be paid from the federal share if the student is employed in a private nonprofit organization or a federal, state, or local public agency that would otherwise be unable to afford the costs of the FWS employment.

NOTE: A signed letter in the institution's file from an official of the organization stating that the organization cannot afford to pay the regular nonfederal share would be sufficient evidence of the organization's inability to pay.

To qualify, the organization or agency must be selected by the institution on an individual case-by-case basis.

NOTE: An institution would satisfy this requirement by selecting the nonprofit or public organization that meets the requirements of this provision through its normal process of selecting potential employers.

The organization or agency at which the student is employed may not be:

- part of the institution;
- owned, operated, or controlled by the institution; or
- under common ownership, operation, or control with the institution.

NOTE: A statement in the institution's file, signed by both the organization and the institution, stating that they have no relationship would satisfy this requirement.

The number of students compensated at the 90% federal share may be not more than 10% of the total number of students paid under the FWS Program at the institution for the current award year. However, the 10% does not include students for whom the institutional share is waived altogether (i.e., reading and math tutors and family literacy placements as described in Section 4.6.5.4 and qualified students at Title III schools).

4.6.6.1 (7/02) Community Service Wages

Currently, if a student works in a community service job for a private nonprofit organization, the nonfederal share may be paid by that organization or by the institution, or the organization and the institution may both contribute towards the nonfederal share.