



INDIANA COMMISSION
for
HIGHER EDUCATION

TO: EARN Indiana Employers
FROM: Amanda J. Stanley, Director of Program Relationships *ATS*
RE: EARN Indiana and Financial Aid Impact
DATE: April 22, 2014

Several institutions have asked whether EARN Indiana wages received by a student are considered financial aid and should be counted towards a student's cost of attendance. Specifically, it was asked whether a financial aid office would have to consider the amount of EARN Indiana funding a student received when determining the other financial aid a student may receive. The following information was provided by the Indiana Attorney General's office in response to this inquiry.

If you have additional questions regarding the EARN Indiana program, please contact earnindiana@che.in.gov.

BRIEF ANSWER

A financial aid office would not consider the amount of EARN Indiana funding a student received when determining the other financial aid a student may receive.

ANALYSIS

EARN Indiana essentially revamps the existing state work-study program. The EARN Indiana fund was established to provide reimbursement to eligible employers who enter into agreements with the commission for higher education.^[1] The fund consists of appropriations from the state general fund and contributions from private sources.^[2] An agreement entered into by the commission for higher education and employers must provide eligible students with employment for minimum average of twelve (12) hours per week and a maximum average of twenty (20) hour per week if the student is enrolled in courses or forty (40) hours per week if the employment occurs during the summer term and the student is not enrolled in courses.^[3] Additionally, the agreement must provide for the reimbursement, to the extent possible, by the state to the employer of at least fifty percent (50%) of the federal minimum hourly wage for each hour worked by the student.^[4]

According to Ind. Code § 21-16-2-8, the funds received by students under the chapter regarding the EARN Indiana program "must not be considered as financial aid and must not be used in determining awards under the provisions of Ind. Code § 21-12-3, Ind. Code § 21-12-4, and Ind. Code § 21-12-5." Based on this statute a financial aid office would not consider the amount of EARN Indiana funding a student received when determining the other financial aid a student may receive.

CONCLUSION

In light of Ind. Code § 21-16-2-8, a financial aid office would not consider the amount of EARN Indiana funding a student received when determining the other financial aid a student may receive.

^[1] Ind. Code § 21-16-2-2.

² *Id.*

³ Ind. Code § 21-16-2-4.

⁴ *Id.*