

HOUSE BILL REPORT

HB 2560

As Reported By House Committee On:
Higher Education

Title: An act relating to financial aid.

Brief Description: Changing college work-study program provisions.

Sponsors: Representatives Kessler, Brumsickle, Jones, Flemming, Quall, Jacobsen, Orr, Mastin, Rayburn, Ogden, Wood, Sheahan, Basich, Carlson, Shin, Bray, Mielke, Dunshee, Brough, Pruitt, J. Kohl, Karahalios, Schoesler, Talcott, Forner and Tate.

Brief History:

Reported by House Committee on:
Higher Education, February 1, 1994, DPS.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Jacobsen, Chair; Quall, Vice Chair; Brumsickle, Ranking Minority Member; Sheahan, Assistant Ranking Minority Member; Basich; Bray; Carlson; Casada; Finkbeiner; Flemming; Kessler; Mastin; Mielke; Ogden; Rayburn; Shin and Wood.

Staff: Susan Hosch (786-7120).

Background: The state work-study program was created in 1974. It is the state's second largest aid program, with an appropriation of \$24.2 million per biennium. Washington's state work-study program is the largest program in the country. During the 1993-94 academic year, the program is serving about 7,700 students. Because funding for the program has not increased from the 1991-93 biennium but wages and educational costs have, the program is serving fewer students this year than last year.

Through the program, needy students may work up to 19 hours per week, on average, in jobs related to their academic study. Their rate of pay must be comparable to the entry rate of similar jobs. Work-study students cannot displace employed workers, nor may their employment impair existing contracts for services.

Students at public institutions may work either on- or off-campus. With very limited exceptions, students at private institutions must work off-campus. Ninety-nine percent of students at private institutions work off-campus. That percentage falls to 37 percent at public four-year institutions and 20 percent at community and technical colleges.

If a student works at a public institution or public school, the program pays 80 percent of the student's wages. The institution must pay the other 20 percent. Some community colleges are using tuition money contributed by students to the institution's financial aid fund to pay that 20 percent. If a student works for a for-profit employer, the program will pay 65 percent of the student's wages. The employer must contribute the other 35 percent. If a student works for a community service employer, the program may pay the entire amount of the student's wages.

During the 1991-92 academic year, students attending public institutions comprised 63 percent of the participants in the state work-study program. Within the public sector, community and technical college students comprised 34 percent of the participants, and students attending baccalaureate institutions comprised the remaining 29 percent. Students at private institutions comprised 37 percent of the participants, but received 43 percent of the funding, due to the higher educational costs associated with tuition in those institutions. Sixty-two percent of the participants were women and 87 percent were resident students.

Summary of Substitute Bill: The college work-study program is renamed the state work-study program. The purpose of the program is revised. The program will provide assistance to needy students including needy students from middle income families. An additional purpose is to provide employment related to either the student's academic or vocational pursuits.

An advisory committee is created for the state work-study program. The committee may include representatives of students, public and private institutions of higher education, community service organizations, public schools, business, labor and others. The committee will assist the Higher Education Coordinating Board (HECB) with the development and administration of the program. When selecting members of the advisory committee, the board will consult a broad array of institutions and organizations.

The board is directed to adopt new rules for the work-study program. The rules will emphasize two new program

priorities. These include: placing a priority on job placements in fields related to each student's academic or vocational pursuits; and providing off-campus community service placements. Off-campus job placements will be emphasized whenever appropriate. The board will also adopt rules encouraging job placements in occupations that meet Washington's economic development goals, especially those in international trade and international relations. These rules will permit appropriate job placements in other states and abroad.

Finally, current rules will be modified to permit some students to be placed in jobs above the entry level of classified service. In addition, some technical changes are adopted to rename accrediting organizations and technical colleges.

Substitute Bill Compared to Original Bill: The program is renamed. References to permitting needy students from middle-income families to participate in the program are moved from the section describing the program's priorities to the section describing the program's purpose. A program priority will be providing job placements in fields related to a student's academic or vocational pursuits, with an emphasis on off-campus placements, whenever appropriate. This language replaces language placing a priority on off-campus placements. Language is adopted to clarify that placements must be at least at the entry level of classified service or sometimes higher. Finally, the ability of the board to permit placements in other states and abroad is emphasized.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Through the work-study program, needy students earn money to pay college expenses while gaining valuable work experience. Washington's program is viewed as the finest state work-study program in the country. One of the reasons for its reputation is the program's flexible, responsive nature. It is very important that any changes to the program preserve that flexibility. Changes proposed in this legislation will enhance the state's ability to place students in jobs in international trade, international relations and community service agencies. Other changes will preserve the ability of the program to serve needy students from middle-income families while permitting institutions to continue to offer placements to students from low-income families. The provision that strengthens the relationship between work-study job placements and

students' academic or vocational pursuits may assist students to gain the type of work experience that will assist them in capturing their first post-college jobs. Finally, the provision that permits a college to place some students in jobs above the entry level in classified service may well help train promising students in some administrative fields.

Testimony Against: None.

Witnesses: Barbara Peterson and Shirley Ort, Higher Education Coordinating Board; Rhonda Coats, South Puget Sound Community College; Kim Johnson-Bogart, University of Washington; Sharon Foster, Washington State YMCA; George Durrie, Eastern Washington University; Brent Heinemann, International Relations and Protocol; Eileen Robison, University of Washington; Linda Smith, Green River Community College; and Ron Reese, Washington Student Lobby (all pro).