

SENATE BILL REPORT

SHB 2025

As Reported by Senate Committee On:
Higher Education & Workforce Development, February 21, 2024

Title: An act relating to modifying placement and salary matching requirements for the state work-study program.

Brief Description: Modifying placement and salary matching requirements for the state work-study program.

Sponsors: House Committee on Postsecondary Education & Workforce (originally sponsored by Representatives Reed, Paul and Pollet).

Brief History: Passed House: 2/9/24, 95-2.

Committee Activity: Higher Education & Workforce Development: 2/16/24, 2/21/24 [DP].

Brief Summary of Bill

- Modifies the state work study employer reimbursement rate for certain public, nonprofit, and community service employers.
- Grants the Office of Student Financial Assistance additional authority in administration of the State Work Study Program.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Nobles, Chair; Hansen, Vice Chair; Holy, Ranking Member; Hawkins and Randall.

Staff: Alicia Kinne-Clawson (786-7407)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background: State Work Study. State Work Study (SWS) is a financial aid program where students get an approved job that may be located on or off-campus. To be eligible, a student must:

- be a resident student;
- file a Free Application for Student Aid or the Washington Application for Student Aid;
- be enrolled at least half-time in an eligible program at a participating college;
- maintain satisfactory academic progress; and
- be able to work legally in the United States.

Students may not work more than an average of 19 hours per week while enrolled, or more than 40 hours per week during breaks, depending on the award. Students must be paid on an hourly basis at a rate that is comparable to what a nonstudent would earn.

The SWS program reimburses employers a percentage of the gross wages paid to the student employee. Reimbursement rates are as follows:

Employer type	Reimbursement rate
For-profit	40%
Public institutions Private institutions Government agencies	60%
Nonprofit community service providers School districts STEM - businesses whose primary business activity is in the fields of science, technology, engineering, and/or mathematics	70%

Summary of Bill: The Office of Student Financial Assistance (Office) may create and enter into agreements with employers and eligible institutions to implement the SWS program.

SWS program funds for compensation of students placed at state work-study employers must not exceed an 80 percent reimbursement rate unless those placements are off-campus service placements or at public or nonprofit employers that seek to increase postsecondary enrollment for high school students.

The Office must approve placements at, and may determine salary matching requirements for, community service placements and placements at public and nonprofit employers that seek to increase postsecondary enrollment for high school students. The Office may create SWS agreements with employers and eligible institutions.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This bill is in support of all the high school students who are trying to figure out their paths after high school. Part of the problem is we don't have enough people advising them on how to get to that next step. Many universities have stepped up to help high school students. They do this by deploying work study college students. This bill takes that model and scales it up to meet those needs. This bill says that because this is such a strong need in our state, the state is going to cover that gap between what employers provide and the state does. I'm hoping that by making it less expensive for nonprofits to do this work, we will encourage expansion to rural Washington. We think that near peer mentors are a very good opportunity for the state to help students navigate their next steps. This is a good way to leverage other resources. Near peer mentors can go beyond providing resources to providing mentorship and demonstrating pathways to students.

Persons Testifying: PRO: Representative Julia Reed, Prime Sponsor; Liz Trautman, Stand for Children Washington /High School Success Coalition; Neil Strege, Washington Roundtable.

Persons Signed In To Testify But Not Testifying: No one.