

SUBJECT: Requirements for off-campus jobs in the college work-study program

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 8 ayes — Zerwas, Howard, Alonzo, Crownover, Martinez, Morrison,  
Raney, C. Turner

0 nays

1 absent — Clardy

SENATE VOTE: On final passage, April 16 — 29-2 (Burton, Hall)

WITNESSES: (*On House companion bill, HB 2365*)

For — Trevor McGuire, Texas Public Policy Foundation; Nelson Salinas, Texas Association of Business; Chandra Villanueva, Center for Public Policy Priorities; (*Registered, but did not testify*: Yannis Banks, Texas NAACP; Dana Harris, Greater Austin Chamber of Commerce; Max Jones, The Greater Houston Partnership; Rick Levy, Texas AFL-CIO; Celina Moreno, MALDEF; Annie Spilman, National Federation of Independent Business-Texas)

Against — None

On — Ken Martin, Texas Higher Education Coordinating Board;  
(*Registered, but did not testify*: Decha Reid, Texas Higher Education Coordinating Board)

BACKGROUND: Education Code, ch. 56, subch. E governs the Texas college work-study program, which was established to provide eligible, financially needy students with jobs partially funded by the state to enable them to obtain private or public postsecondary education. The Texas Higher Education Coordinating Board is responsible for administering the program.

Under Education Code, sec. 56.076, higher education institutions may enter into agreements with eligible employers to offer part-time

employment under the work-study program. Rules under 19 Texas Administrative Code, part 1, sec. 21.405 specify that these agreements may be made with outside employers. These employers must offer employment that is nonpartisan, nonsectarian, and related to the student's academic interests, if practicable. The positions must supplement, and not replace, positions normally filled by others not eligible for the work-study program.

Eligible employers must provide a percentage of a student's wages, the remainder of which is made up of state funds appropriated for the program. Nonprofit employers are responsible for contributing at least 25 percent of a student's wages, while for-profit employers are responsible for contributing at least 50 percent.

**DIGEST:** SB 1750 would require each institution of higher education to ensure that up to 50 percent of all employment positions provided through the work-study program each academic year were provided by eligible employers offering employment off campus.

Institutions would be required to comply with the changes to the Texas College work-study program beginning with the 2016-17 academic year.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

**SUPPORTERS SAY:** SB 1750 would help improve Texas' already strong work-study program by stimulating off-campus work-study opportunities. Although institutions of higher education may partner with off-campus entities under current law, all work-study positions in the state at this time are on campus.

The bill would better align the work-study program with one of its intended purposes — to help financially needy students gain employment experience in their academic areas of interest. By promoting off-campus work-study opportunities, SB 1170 would allow students to gain workforce readiness in a greater diversity of settings that more likely

would be related to their academic interests and future careers. In addition, financially needy students often are unable to take advantage of opportunities such as unpaid or low-paying internships, while their peers of means gain valuable work experience and training for future employment. SB 1750 would help level this playing field.

SB 1750 could help off-campus businesses train and identify their future workforce. It also could lead to the work-study program serving more students, because for-profit employers contributing 50 percent of each student's salary essentially could employ two workers for the price of one. However, the bill would not require any business to host work-study students if it did not feel the investment was worthwhile. Participating employers would be fully aware of the academic demands of their student workers, and the shared-salary model should offset any concerns about employers not accommodating students' needs.

The bill would not place institutions of higher education in a position of using state funding to pick winners and losers. Public institutions currently can exercise local control in partnering with employers to provide a learning experience to students and fulfill workforce needs, and these decisions would remain with the individual schools, not the state.

SB 1750 is intended to create some off-campus work-study positions while allowing smaller schools to adjust the number of slots to what was feasible for their area. Some schools would approach closer to the 50-percent limit than others.

**OPPONENTS  
SAY:**

SB 1750 may have positive intentions, but the mechanism for its implementation could have negative consequences.

Work-study positions on campus allow students to work in an environment where their academic demands are understood and accommodated, but off-campus jobs may not be as flexible or supportive. In addition, financially needy students may have difficulty finding transportation to off-campus jobs.

On the one hand, SB 1750 would require institutions to select winners and losers among businesses who might be interested in receiving cheap, state-subsidized employees through the work-study program. At the same time, SB 1750 might not present a great bargain to businesses that hired work-study students without much knowledge and experience. Businesses that created new positions and trained these students might not be able to hire them until two or three years later.

Smaller schools in rural areas might have difficulty providing up to 50 percent of all work-study placements off-campus. In addition, the work-study program traditionally provides state-subsidized student positions on campus to help fill essential needs, such as staffing libraries. By losing these work-study slots to off-campus placements, schools might struggle to afford to fill these positions, which could lead to cost-shifting in other areas.

**OTHER  
OPPONENTS  
SAY:**

SB 947 by Zaffirini would offer a better initial course of action for a proposal of this sort to change the work-study program. The bill would require a feasibility study on creating off-campus work-study opportunities, which would be a good first step toward identifying and studying certain implementation issues and best practices.

**NOTES:**

The House companion, HB 2365 by Murphy, was considered in a public hearing of the House Committee on Higher Education on April 22 and was left pending.