

SUBJECT: Establishing the Texas WORKS internship program

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 11 ayes — C. Turner, Stucky, Button, Frullo, Howard, E. Johnson,
Pacheco, Schaefer, Smithee, Walle, Wilson

0 nays

WITNESSES: For — Gilbert Zavala, Austin Chamber of Commerce; (*Registered, but did not testify*: Priscilla Camacho, Dallas Regional Chamber; Ray Martinez, Independent Colleges and Universities of Texas; John McCord, NFIB; Justin Yancy, Texas Business Leadership Council)

Against — None

On — Jerel Booker, Texas Higher Education Coordinating Board

BACKGROUND: Education Code ch. 56, subch. E governs the Texas college work-study program, which provides eligible students with jobs, funded in part by the state, to enable them to attend eligible institutions of higher education in the state.

Sec. 56.076 lists eligibility requirements for employers who participate in the program. These employers must provide part-time employment to eligible students in nonpartisan and nonsectarian activities and use Texas work-study program positions only to supplement, not supplant, positions normally filled by workers outside of the program, among other requirements.

Interested parties have noted that while paid internship opportunities for students would both benefit students and advance state workforce development goals, the state's current work-study program may not allow students to take advantage of these opportunities.

DIGEST: HB 3042 would require the Texas Higher Education Coordinating Board

(THECB) to create the Texas Working Off-Campus: Reinforcing Knowledge and Skills (WORKS) internship program. The stated purpose of the program would be to provide jobs funded in part by the state to enable students to attend eligible institutions of higher education, explore career options, and strengthen marketable skills. THECB would administer the program and collaborate with participating employers to provide students with such employment.

Funding. State funding for the WORKS program would be limited to the amount specified by appropriation. THECB could use funds appropriated for the Texas college work-study program and the Texas WORKS internship program to establish and maintain an online portal for use by students and participating entities in fulfilling their responsibilities for participation in the Texas WORKS program. The funds also could be used to cover the costs of administering and assessing the program.

If funding for the program was insufficient to cover the costs of all students seeking to participate in the program, priority for funding would be based on criteria established by THECB rules.

Funds that students received as eligible wages would not be considered as financial aid for the academic year in which they were earned.

Standards. THECB would establish criteria to ensure that:

- each employer participating in the WORKS program had demonstrated the administrative and financial capacity to carry out the employer's responsibilities under the program;
- each participating employer was reimbursed under the program at the contracted rate only for eligible wages paid in full to a participating student; and
- the marketable skills to be strengthened or gained through the internships under the program were identified.

The board would be required to develop a standard contract establishing the roles and responsibilities of participating employers, including base

wages, minimum work hours, and any other provision necessary. The contract would be used as a model for the memorandum of understanding that the board would require for participation in the program.

Employer eligibility. HB 3042 would authorize THECB to enter into agreements with employers that participated in the WORKS program. In order to be eligible to participate, an employer would have to:

- be a private nonprofit or for-profit entity or a governmental entity, other than an eligible institution or a career school or college as defined in statute;
- enter into a memorandum of understanding with THECB;
- provide employment to a student in nonpartisan and nonsectarian activities that were related to the student's long-term career interests;
- use program positions only to supplement and not supplant positions normally filled by persons not eligible to participate in the program;
- provide the entirety of an employed student's wages and employee benefits;
- submit only eligible wages to THECB for reimbursement;
- meet criteria for participating as established by the board; and
- comply with any other requirements adopted by the board.

Online listing. THECB would be required to establish and maintain an online listing of Texas WORKS program employment opportunities that were available to students, sortable by department, as appropriate. The list would have to be easily accessible through a clearly identifiable link that appeared in a prominent place on THECB's website.

Rules. THECB would be required to adopt rules to enforce the bill and to ensure compliance with the federal Civil Rights Act as soon as practicable after the effective date of the bill.

Report. By January 1 of each odd-numbered year, THECB would submit a report on the Texas WORKS program to each standing legislative

committee with primary jurisdiction over higher education and to post the report on the board's website. The report would have to include the total number of students employed through the program disaggregated by the location of the employment and the employer's status as a for-profit or nonprofit entity.

Other provisions. The bill would amend statute governing the Texas college work-study program to remove language authorizing eligible institutions to enter into agreements with participating employers in the program. Instead, institutions could employ eligible students in the work-study program.

The bill also would remove the requirement that employment provided under the work-study program be part-time.

HB 3042 would repeal a provision that required each eligible institution participating in the work-study program to ensure that between 20 and 50 percent of the employment positions provided through the program in an academic year were provided by employers who were providing off-campus employment.

Effective date. The bill would apply beginning with the 2020 summer session.

The 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, 2019.