

BILL ANALYSIS

Senate Research Center

S.B. 1750
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Higher Education
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 71st Legislature created the Texas College Work-Study Program (TCWSP) in 1989. The program provides part-time jobs funded by the state and the employer to students enrolled at Texas public and private institutions who demonstrate financial need. TCWSP allows academic institutions to partner with private-sector employers and requires for-profit employers to pay 50 percent of the student's salary. Nonprofits, such as universities and colleges, are required to match only 25 percent of the student's salary.

The 83rd Legislature increased funding for TCWSP by six percent for the 2014-2015 biennium, a total of \$18 million, with \$5 million allocated for the Work Study Mentorship program. The TCWSP priority is to encourage collaboration between academic institutions and businesses in order to promote degree plan-related career opportunities. However, in 2014, not one participating campus reported a partnership with an off-campus work-study position or private-sector work-study partnership.

This is disturbing because the manner in which employers evaluate recent college graduates is undergoing a transformational change. In today's economy, earning a college degree does not ensure an automatic pathway to success. Employers today select from a much larger pool of recent college graduates with similar qualifications. According to a recent study by the Association of American Colleges and Universities, employers do not have confidence that today's college graduates are prepared for the workforce. During the hiring process, employers seek individuals who demonstrate aptitude and a strong work ethic. Private sector internships and post work experience are vital in this regard.

S.B. 1750 will require that eligible institutions of higher education mandate up to 50 percent of the employment positions provided through the work-study program in an academic year to be located off-campus. This spectrum allows institutions to have flexibility in establishing their ratio of on-campus to off-campus work-study positions.

Moving more students from the nonprofit sector, such as university on-campus employment, to the private sector will allow more students to be served by this program while creating meaningful work experience for students to be better prepared after graduation. In addition, S.B. 1750 will realign the program with the original intentions of the TCWSP, and will help facilitate career opportunities for students in the private sector.

S.B. 1750 amends current law relating to the requirements for employment positions provided through the Texas college work-study program.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 56.076, Education Code, as follows:

Sec. 56.076. ELIGIBLE EMPLOYER. (a) Creates this subsection from existing text and makes no further change to this subsection.

(b) Requires each eligible institution to ensure that at least 20 percent but not more than 50 percent of the employment positions provided through the Texas College Work-Study Program (TCWSP) in an academic year are provided by employers eligible under this section who are providing employment located off campus.

SECTION 2. Amends Section 56.079(l), Education Code, to change a reference to Section 56.076 to Section 56.076(a).

SECTION 3. Amends Subchapter E, Chapter 56, Education Code, by adding Section 56.082, as follows:

Sec. 56.082. BIENNIAL REPORT. (a) Requires the Texas Higher Education Coordinating Board (THECB), not later than January 1 of each odd-numbered year, to submit to the standing legislative committees with primary jurisdiction over higher education and post on THECB's Internet website a report on TCWSP. Requires that the report include the total number of students employed through TCWSP, disaggregated by the employment position's location on or off campus and the employer's status as a for-profit or nonprofit entity.

(b) Requires THECB, notwithstanding Subsection (a), to submit its initial report under that subsection not later than May 1, 2019. Provides that this subsection expires September 1, 2019.

SECTION 4. Provides that the changes in law made by this Act to Sections 56.076 and 56.079, Education Code, apply to participation in TCWSP beginning with the 2016-2017 academic year.

SECTION 5. Effective date: upon passage or September 1, 2015.