

# HOUSE BILL REPORT

## HB 2025

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**As Reported by House Committee On:**  
Postsecondary Education & Workforce

**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:** Representatives Reed, Paul and Pollet.

**Brief History:**

**Committee Activity:**

Postsecondary Education & Workforce: 1/17/24, 1/19/24 [DPS].

**Brief Summary of Substitute Bill**

- Allows State Work-Study public and nonprofit employers that seek to increase postsecondary enrollment for high school students to receive more than 80 percent reimbursement of student wages.
- Grants the Office of Student Financial Assistance broader authority to implement State Work-Study.

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### HOUSE COMMITTEE ON POSTSECONDARY EDUCATION & WORKFORCE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Slatter, Chair; Entenman, Vice Chair; Reed, Vice Chair; Ybarra, Ranking Minority Member; Waters, Assistant Ranking Minority Member; Jacobsen, Klicker, Leavitt, Nance, Paul, Pollet, Schmidt and Timmons.

**Minority Report:** Do not pass. Signed by 1 member: Representative Chandler.

**Staff:** Saranda Ross (786-7068).

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*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:**

The Office of Student Financial Assistance (Office) operates within the Washington Student Achievement Council (WSAC). The Office administers state and federal financial aid and other education service programs, including State Work-Study (SWS). State Work-Study is available to students with financial need, which is demonstrated financial inability to bear the total cost of education, to earn money for college while gaining work experience, often in jobs related to their academic and career goals. Awards are based on the availability of funds and the student's determined financial need.

State Work-Study reimburses employers a percent of the gross wages the employer pays the student employee. The employer must pay 100 percent of gross student wages and benefits prior to reimbursement. The reimbursement rate is based on the type of employer:

| <b>Employer Type</b>   | <b>Reimbursement Rate</b> |
|--|---------------------------|
| <ul style="list-style-type: none"><li>• for-profit</li></ul>   | 40 percent                |
| <ul style="list-style-type: none"><li>• public institutions;</li><li>• private institutions; or</li><li>• governmental agencies—city, county, state, and federal</li></ul>   | 60 percent                |
| <ul style="list-style-type: none"><li>• nonprofit community service providers;</li><li>• school districts; or</li><li>• STEM—businesses whose primary business activity is in the fields of science, technology, engineering, and/or mathematics</li></ul> | 70 percent                |

Reimbursement may not exceed 80 percent unless the placement is an off-campus community service provider. The WSAC may enter into, but not create, agreements with employers and eligible institutions.

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**Summary of Substitute Bill:**

Off-campus community service placements and public and nonprofit employers that seek to increase postsecondary enrollment for high school students may receive more than 80 percent reimbursement of work-study student wages. 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.

## **Substitute Bill Compared to Original Bill:**

The substitute bill makes the following changes:

- allows only off-campus community service placements, as opposed to any community service placement, to receive more than 80 percent reimbursement of student wages; and
- requires the Office to approve placements at, and allows the Office to determine salary matching requirements for, nonprofit employers that seek to increase postsecondary enrollment for high school students, as opposed to nonpublic employers that seek to increase postsecondary enrollment for high school students.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

## **Staff Summary of Public Testimony:**

(In support) This bill makes it easier for colleges and nonprofit organizations to hire students who are participating in federal work study to help fund their education. Typically, nonprofit employers under work-study have to match a portion of the student's salary to the state. For nonprofits running on thin margins, hiring even one or two college students is not feasible. This bill provides that SWS employers providing college access services for high school students can do so without providing a match. Such services include hiring college students to be peer mentors to high school students. This bill requires the state to cover the gap between what is provided federally and what the employer would typically have to pay, which helps nonprofits and colleges hire more work-study students. High school students report that applying for college is very overwhelming and they don't have good support systems to help them get through the process. Students respond best to other students who are like them and have been through similar experiences. If we are going to reach the state's goal of having 70 percent of high school students enroll in postsecondary education by 2030, we need to reach out to students who have been excluded from college and discouraged from applying. Only half of graduating seniors in 2021 enrolled in a two- or four-year institution within a year of graduation. Washington is facing a postsecondary crisis that requires support like this bill would provide for students and families.

(Opposed) None.

**Persons Testifying:** Representative Julia Reed, prime sponsor; Bill Lyne, United Faculty of Washington State; Ben Mitchell, Foundation for Tacoma Students and High School Success Coalition; Neil Strege, Washington Roundtable and High School Success

Coalition; Yessenia Rivera, Stand for Children Washington and High School Success Coalition; and Juliet Schindler, College Success Foundation.

**Persons Signed In To Testify But Not Testifying:** None.