

## **HB 2802 -1 STAFF MEASURE SUMMARY**

### **House Committee On Higher Education**

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**Prepared By:** Ellen O'Brien, LPRO Analyst

**Meeting Dates:** 2/16, 3/2, 3/9

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#### **WHAT THE MEASURE DOES:**

Requires Higher Education Coordinating Commission to establish pilot program at Portland State University and Eastern Oregon University to match students with nonprofits for part-time employment in fields relevant to students' course of study. Requires students employed by eligible nonprofit under pilot program to receive 20 percent reduction in cost of tuition and to be paid at least minimum wage. Permits participating universities to offset cost of tuition reduction and to subsidize up to 50 percent of wages paid to students employed under program. Limits eligibility of participating organizations to registered 501(c) organizations with annual budget of less than \$5 million. Appropriates funds from General Fund to participating universities. Declares emergency, effective July 1, 2023.

#### **ISSUES DISCUSSED:**

- Opportunity for career experience
- Shortage of nonprofit workers
- Impact of competition on small businesses

#### **EFFECT OF AMENDMENT:**

-1 Replaces the measure. Requires Higher Education Coordinating Commission to establish pilot program at Portland State University and Eastern Oregon University to match students with small businesses and nonprofits for part-time employment in fields relevant to students' course of study. Requires students employed by small business or eligible nonprofit under pilot program to receive 20 percent reduction in cost of tuition and to be paid at least minimum wage. Permits participating universities to offset cost of tuition reduction and to subsidize up to 50 percent of wages paid to students employed under program. Limits eligibility of participating nonprofits to registered 501(c) organizations with annual budget of less than \$5 million. Defines small business as business located in Oregon with 100 or fewer employees. Appropriates funds from General Fund to participating universities. Declares emergency, effective July 1, 2023.

#### **BACKGROUND:**

The nonprofit work-study pilot program established by House Bill 2802 resembles the Federal Work-Study (FWS) program in terms of requirements for jobs to serve the public interest, provide academic relevance, and pay minimum wage. The FWS program provides part-time employment to undergraduate, graduate, and professional students with financial need, and can include both on-campus jobs and off-campus jobs. According to the [Office of Federal Student Aid](#), off-campus jobs with public agencies and private nonprofits must be in the public interest, and all work-study jobs must be academically relevant to the maximum extent possible. Students enrolled in work-study are required to earn at least federal minimum wage, but hours worked and wages earned cannot exceed the total amount of financial aid awarded. Federal funds may cover up to 75% of work-study wages, except in certain circumstances.

House Bill 2802 establishes a pilot program to employ students at nonprofit organizations in return for an hourly wage and a 20 percent tuition reduction.