



**House  
Legislative  
Analysis  
Section**

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**MICH. WORK STUDY PROGRAM**

**House Bill 4761**  
**Sponsor: Rep. H. Lynn Jondahl**  
**Committee: Higher Education**

**Complete to 7-20-93**

**A SUMMARY OF HOUSE BILL 4761 AS INTRODUCED 5-11-91**

The act regulating the Michigan undergraduate student work-study program (MWS) permits a student at a degree-granting postsecondary school to obtain part-time employment with either a for-profit or a nonprofit employer during the academic year. A for-profit employer is required to pay 50 percent of the student's wages and a nonprofit employer must pay 20 percent. House Bill 4761 would amend the act to create a third category of employer. Under the bill, a "public service employer" (defined in the bill as "a private nonprofit agency that was exempt from federal taxation and that provided services directly to the community"), would be eligible to employ students through the MWS program at no cost if the employer:

- entered into a signed agreement with an eligible postsecondary school to provide public service employment for students recommended by the school;
- employed MWS students only for public service employment;
- did not use MWS students to displace employed workers;
- did not pay MWS students a wage that was less than the full federal minimum wage for employees over 19 years of age.

Under the bill, "public service employment" would mean work that was performed for the community welfare and that included one or more of the following activities:

- Recycling, or environmental preservation or protection.
- Food banks, homeless shelters, or other poverty programs.
- Mental health, senior citizen, handicapper, or other human services.
- Arts education or performance programs.

Currently, under the act, an eligible postsecondary school receives at least \$5,000 per fiscal year for student wages, plus an amount proportionate to its Pell grant funds for the most recent year that statistics are available. Under the bill, a school's allocation could be adjusted by an amount equal to the positive or negative percentage difference between the average amount of MWS program funds the school had received for the three most recent years for which statistics were available, and the average amount the school had disbursed

for those three years. In addition, the bill would require that the Michigan Higher Education Authority deposit up to five percent of the total annual MWS appropriation for the 1993-94 fiscal year through the 1995-96 fiscal year in an Allocation Adjustment Fund. For the 1993-94 fiscal year through the 1995-96 fiscal year, a school could receive an additional five percent of its total grant from this fund if the authority determined that its need was greater than the amount calculated. The allocation would be made not later than March 31 of each year.

MCL 390.1371 et al.