LEGISLATIVE BILL 639

Introduced by Stinner, 48; Linehan, 39.

Read first time January 23, 2019

Committee: Education

1 A BILL FOR AN ACT relating to workforce development; to adopt the H3
2 Careers Scholarship Act.
3 Be it enacted by the people of the State of Nebraska,
Section 1. Sections 1 to 25 of this act shall be known and may be cited as the H3 Careers Scholarship Act.

Sec. 2. For purposes of the H3 Careers Scholarship Act, the definitions found in sections 3 to 15 of this act shall apply.

Sec. 3. Award means a grant of money pursuant to the H3 Careers Scholarship Act to an eligible student for educational expenses as defined by the eligible institution at which the eligible student is enrolled. State funds shall comprise no more than thirty percent of any award.

Sec. 4. Award year means the period beginning on July 1 through the following June 30.

Sec. 5. Department means the Department of Labor.

Sec. 6. Eligible postsecondary educational institution means a public postsecondary educational institution:

1. Located in Nebraska;
2. Satisfying the provisions of Nebraska law relating to the approval and licensure of schools, colleges, and universities and maintaining accreditation by an accrediting organization recognized by the United States Department of Education;
3. Offering courses of instruction in regularly scheduled classes to regularly enrolled undergraduate students who reside in Nebraska and have received high school diplomas or the equivalent;
4. Which has adopted, and has available for inspection, award refund and repayment policies; and
5. Which provides institutional funds for the support of scholarships for eligible students in an amount that equals at least seventy percent of the total awards to be provided to students at such eligible postsecondary educational institution pursuant to the H3 Careers Scholarship Act.

Sec. 7. Eligible student means an undergraduate who:

1. Is enrolled in an eligible postsecondary educational
institution;

(2) Receives a score at or above the cutoff score established by the department on a standard college admission test;

(3) Is a resident student who is domiciled in Nebraska as provided by section 85-502;

(4) Declares a major leading to an H3 career;

(5) Complies with all other provisions of the H3 Careers Scholarship Act and any rules and regulations adopted and promulgated pursuant to section 24 of this act; and

(6) Agrees to complete an internship with a Nebraska-based business entity prior to graduation.

Sec. 8. Full-time student means a student enrolled in at least twenty-four semester credit hours, thirty-six quarter credit hours, or nine hundred clock hours per award year.

Sec. 9. Full-time-equivalency means the total number of credit or clock hours taken by eligible students divided by twenty-four semester, thirty-six quarter, or nine hundred clock hours as appropriate.

Sec. 10. H3 career means a high demand, high wage, and high skill occupation as designated by the department for purposes of the H3 Careers Scholarship Act.

Sec. 11. Institutional funds means funds belonging to the eligible postsecondary educational institution that were generated through private donations.

Sec. 12. Major leading to an H3 career means an academic field of study designated by an eligible postsecondary educational institution and approved by the department.

Sec. 13. State funds means funds appropriated by the Legislature for awards pursuant to the H3 Careers Scholarship Act.

Sec. 14. Tuition and mandatory fees means the lesser of the tuition and mandatory fees for a full-time, resident, undergraduate student for the most recently completed award year at the eligible postsecondary

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educational institution or the tuition and mandatory fees for a full-time, resident, undergraduate student for the most recently completed award year at the University of Nebraska-Lincoln.

Sec. 15. Undergraduate student means an individual who has not earned a first baccalaureate or professional degree and is enrolled in an eligible postsecondary educational program which leads to, or is creditable toward, a first baccalaureate degree, associate degree, certificate, or diploma or an equivalent to one of such credentials.

Sec. 16. The department shall provide awards made directly to an eligible student based on academic achievement pursuant to the H3 Careers Scholarship Act and any rules and regulations adopted and promulgated pursuant to section 24 of this act.

Sec. 17. In order to reduce the costs of administering the H3 Careers Scholarship Act, the department shall identify a target level of funds to be distributed to students pursuant to the act at each eligible postsecondary educational institution. The target level of funds shall represent the maximum amount of state funds that may be awarded pursuant to the act to eligible students enrolled in such eligible postsecondary educational institution. To determine the target level of funds for each eligible postsecondary educational institution, the department shall:

(1) Determine the number of eligible full-time-equivalent students enrolled at the eligible postsecondary educational institution for the last completed award year;

(2) Multiply the number determined in subdivision (1) of this section by the tuition and mandatory fees as limited pursuant to section 14 of this act;

(3) Divide the product derived pursuant to subdivision (2) of this section for each eligible postsecondary educational institution by the sum of the products derived pursuant to subdivision (2) of this section for all eligible postsecondary educational institutions; and

(4) Multiply the total state funds by the ratio derived pursuant to
subdivision (3) of this section.

Sec. 18. Eligible postsecondary educational institutions, acting as agents of the department, shall:

(1) Receive and process applications for awards under the H3 Careers Scholarship Act;

(2) Determine eligibility of students based on criteria set forth in the act; and

(3) At any time prior to June 1 of each award year, make recommendations as often as necessary to the department for awards to eligible students, including the name of each eligible student, social security number of each eligible student, and recommended award amount for each eligible student.

Sec. 19. (1) Within thirty days after receiving recommendations pursuant to section 18 of this act, the department shall review the recommended awards for compliance with the H3 Careers Scholarship Act and its rules and regulations and notify each eligible postsecondary educational institution of the approval or disapproval of recommended awards.

(2) The department shall distribute to each eligible postsecondary educational institution the total award amount approved for eligible students at such institution. The eligible postsecondary educational institution shall act as an agent of the department to disburse the awards directly to eligible students during the award year.

Sec. 20. An award may be granted to an eligible student for attendance at an eligible postsecondary educational institution if:

(1) The eligible student is accepted for enrollment as follows:

(a) In the case of an eligible student beginning his or her first year in attendance at an eligible postsecondary educational institution, such eligible student has satisfied the requirements for admission, has enrolled or indicated an intent to enroll in an eligible postsecondary educational institution, and has declared or indicated an intent to
declare a major leading to an H3 career; or

(b) In the case of an eligible student enrolled in an eligible postsecondary educational institution following the successful completion of the student’s first year in attendance, such eligible student continues to meet the requirements of the H3 Careers Scholarship Act and has maintained a minimum cumulative grade-point average of 3.0 on a four-point scale or an equivalent cumulative grade-point average at such eligible postsecondary educational institution;

(2) The eligible student receiving such award certifies that the award will be used only for educational expenses as defined by the eligible institution at which the eligible student is enrolled;

(3) The eligible student receiving such award agrees in writing to complete an internship with a Nebraska-based business prior to graduation;

(4) The eligible student continues to progress in a major leading to an H3 career; and

(5) The eligible student has complied with the act and its rules and regulations.

Sec. 21. If an award recipient discontinues attendance before the end of the award year, the award recipient shall remit any award balance allowable to the eligible postsecondary educational institution in accordance with such institution’s withdrawal policy. The institution shall remit such award balance to the department in accordance with such institution’s refund policy.

Sec. 22. The department shall:

(1) Administer the H3 Careers Scholarship Act;

(2) Supervise the issuance of public information concerning the act;

(3) Determine the cutoff scores for nationally recognized standard college admission tests for purposes of the act;

(4) Designate high demand, high wage, and high skill occupations as H3 careers for purposes of the act:
(5) Approve each appropriate major at an eligible postsecondary educational institution as a major leading to an H3 career; and

(6) Establish a reasonable and fair appeal procedure for students adversely affected by the actions of the department or an eligible postsecondary educational institution in the distribution of funds or granting of awards pursuant to the act.

Sec. 23. The H3 Careers Scholarship Act does not grant any authority to the department to (1) control or influence the policies of any eligible postsecondary educational institution because such institution accepts students who receive awards or (2) require any eligible postsecondary educational institution to enroll any student receiving an award or, once admitted, to allow continued enrollment at such institution.

Sec. 24. The department may adopt and promulgate necessary rules and regulations to carry out the H3 Careers Scholarship Act, including such rules and regulations for maintenance of fiscal controls and fund accounting procedures as may be necessary to assure the proper disbursement of funds.

Sec. 25. It is the intent of the Legislature to appropriate ten million dollars for fiscal year 2019-20, twenty million dollars for fiscal year 2020-21, and thirty million dollars for fiscal year 2021-22 and each fiscal year thereafter to the department for awards made pursuant to the H3 Careers Scholarship Act.