

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**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,

1           Section 1. Sections 1 to 25 of this act shall be known and may be  
2 cited as the H3 Careers Scholarship Act.

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

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

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

12          Sec. 5. Department means the Department of Labor.

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

15           (1) Located in Nebraska;

16           (2) Satisfying the provisions of Nebraska law relating to the  
17 approval and licensure of schools, colleges, and universities and  
18 maintaining accreditation by an accrediting organization recognized by  
19 the United States Department of Education;

20           (3) Offering courses of instruction in regularly scheduled classes  
21 to regularly enrolled undergraduate students who reside in Nebraska and  
22 have received high school diplomas or the equivalent;

23           (4) Which has adopted, and has available for inspection, award  
24 refund and repayment policies; and

25           (5) Which provides institutional funds for the support of  
26 scholarships for eligible students in an amount that equals at least  
27 seventy percent of the total awards to be provided to students at such  
28 eligible postsecondary educational institution pursuant to the H3 Careers  
29 Scholarship Act.

30          Sec. 7. Eligible student means an undergraduate who:

31           (1) Is enrolled in an eligible postsecondary educational

1 institution;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24       (2) Multiply the number determined in subdivision (1) of this  
25 section by the tuition and mandatory fees as limited pursuant to section  
26 14 of this act;

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

31       (4) Multiply the total state funds by the ratio derived pursuant to

1 subdivision (3) of this section.

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

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

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

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

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

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

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

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

27 (a) In the case of an eligible student beginning his or her first  
28 year in attendance at an eligible postsecondary educational institution,  
29 such eligible student has satisfied the requirements for admission, has  
30 enrolled or indicated an intent to enroll in an eligible postsecondary  
31 educational institution, and has declared or indicated an intent to

1 declare a major leading to an H3 career; or

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

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

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

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

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

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

25 Sec. 22. The department shall:

26 (1) Administer the H3 Careers Scholarship Act;

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

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

30 (4) Designate high demand, high wage, and high skill occupations as  
31 H3 careers for purposes of the act;

1       (5) Approve each appropriate major at an eligible postsecondary  
2 educational institution as a major leading to an H3 career; and

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

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

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

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