

ONE HUNDRED SEVENTH LEGISLATURE - SECOND SESSION - 2022
COMMITTEE STATEMENT
LB902

Hearing Date: Monday February 14, 2022
Committee On: Education
Introducer: Aguilar
One Liner: Adopt the Nebraska Career Scholarship Act

Roll Call Vote - Final Committee Action:

Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Day, Linehan, McKinney, Morfeld, Murman, Pansing Brooks, Sanders, Walz

Nay:

Absent:

Present Not Voting:

Oral Testimony:

Proponents:

Senator Ray Aguilar
Paul Turman
Roger Steele
Cindy Johnson

Heath Mello
Tonja Brown
Jerry Stilmock
Abigail Gardner
Sean Kelley
Joel Michaelis
Angie Stenger
Treva Haugaard
Candice Alder

Austen Hagood

Opponents:

Neutral:

Representing:

Introducer
Nebraska State College System
City of Grand Island
Grand Island Chamber of Commerce, Nebraska State Chamber of Commerce
University of Nebraska System
Grow Grand Island
Nebraska Bankers Association
Wayne State College
Creighton University
Southeast Community College
Growing Together Northeast Nebraska
Council of Independent Nebraska Colleges
City of Norfolk, Norfolk Area Economic Development Council
Norfolk Area Chamber of Commerce

Representing:

Representing:

Summary of purpose and/or changes:

Legislative Bill 902 establishes the Nebraska Career Scholarship Act in statute. Previously, these scholarships have been done exclusively in the budget bill.

Section 1:

Names the act.

Section 2:

Definitions section.

Section 3:

Requires the Board of Trustees of the Nebraska State Colleges (Board) to award scholarships pursuant to the act. Scholarships shall not exceed \$15,000/year, be awarded to first-time freshman or transfer students in an eligible program of study and require a composite score of at least 18 out of 36 on a standard college admission test. Each scholarship shall be automatically renewed on an annual basis if the student remains enrolled in good standing in the eligible program of study for a maximum of four years. Scholarship funds may be used for tuition, fees, required tools and equipment, room and board.

Eligible programs of study is defined for state colleges as "rangeland management, industrial technology, criminal justice, business administration, education, communication, or computer information systems." Every four years the eligible programs of study are to be reviewed.

Each scholarship recipient shall register with the appropriate campus office to obtain a Nebraska-based internship, apprenticeship, clinical position, or employment in a major-related field prior to completion of the student's eligible program of study.

LB902 establishes the responsibility of the Board related to this act, including annual reports to the Clerk of the Legislature and Governor, and joint reporting requirements with the Department of Economic Development (DED) on recommended programs of study every four years.

Section 4:

Provides the same scholarship to students at the University of Nebraska, and requirements for the Board of Regents, as established in Section 3 with the following changes:

Scholarships amounts are \$25,000/year for any applicant that received a standard college admission composite score of at least 28 out of 36, and \$10,000/year for any applicant that received a standard college admission composite score between 20 and 28 or any transfer student. Eligible program of study at the University are "math, engineering, health care, computer information systems, business, or education".

Section 5:

The DED shall allocate half of the amount appropriated to it to carry out the act to community colleges and the other half to private postsecondary institutions that elect to participate. It shall establish separate budget subprograms for each such allocation.

Section 6:

Provides the same scholarships to students in the state's community colleges, and requirements for the DED in

collaboration with the community colleges, as established in Section 3 with the following changes:

Scholarship amounts are not to exceed \$5,000/year and do not require a minimum standard college admission composite score. They are renewable up to three years. Eligible programs of study at a community college are programs "in a shortage area or skilled trades" that "meet workforce needs" as identified by the DED.

Section 7:

Provides the same scholarships to students in private postsecondary institutions that elect to participate, and requirements for the DED in collaboration with the institutions, as established in Section 3 with the following change:

Scholarship amounts are not to exceed \$10,000/year and require a minimum standard college admission composite score of 18 out of 36. Eligible program of study are "math, engineering, health care, computer information systems, business, or education".

Section 8:

It is the intent of the Legislature to appropriate the following amounts for fiscal years 2023-24 and 2024-25 for the purposes of carrying out the act:

- \$3 million to the Board of Trustees of the Nebraska State Colleges
- \$6 million to the Board of Regents of the University of Nebraska
- \$4 million dollars to the Department of Economic Development

It is the intent to appropriate an amount determined by the Legislature to each of the three agencies for each fiscal year thereafter for the purposes of carrying out the act.

Section 9:

The act becomes operative on July 1, 2023.

Explanation of amendments:

The Committee considered and adopted AM2194 which substitutes for the bill and revises the language of LB902 as introduced as follows.

Section 1:

No changes.

Section 2:

AM2194 adds a definition for community college, modifies the definition for private college, and eliminates the definitions for completion and transfer student.

Section 3:

Specifies that the programs of study listed for state colleges apply through academic year 2023-24, and that, beginning with academic year 2024-25, the programs of study are designated by DED, in collaboration with the Board of Trustees of the Nebraska State Colleges, based on periodic reviews of workforce needs of the state. Removed the formal reporting

requirement for program of study recommendations.

Section 4:

Strikes business and education from eligible programs of study for the University and specifies that the remaining programs of study listed apply through academic year 2023-24. Beginning with academic year 2024-25, the programs of study are designated by DED, in collaboration with the Board of Regents, based on periodic reviews of workforce needs of the state. Removed the formal reporting requirement for program of study recommendations.

Section 5:

Eliminated with revised provisions placed in subsequent sections.

Original Section 6 (current Section 5):

AM2194 specifies that DED shall allocate to community colleges the amount appropriated to it to carry out this section. DED shall establish a separate budget subprogram for such allocation. Removed the formal reporting requirement for shortage area and skilled trades recommendations.

Original Section 7 (current Section 6):

Strikes business and education from eligible programs of study for private colleges and specifies that the remaining programs of study listed apply through academic year 2023-24. Beginning with academic year 2024-25, the programs of study are designated by DED based on periodic reviews of workforce needs of the state. Removed the formal reporting requirement for program of study recommendations.

AM2194 specifies that DED shall allocate to private colleges the amount appropriated to it to carry out this section. DED shall establish a separate budget subprogram for such allocation.

Original Section 8:

Eliminated.

New Section 7:

AM2194 establishes legislative intent to appropriate \$50,000 for fiscal year 2022-23 from the General Fund to the Board of Trustees of the Nebraska State Colleges for cooperative programs with Wayne State College.

Original Section 9 (new Section 8):

Section 1-6 of this act become operative on July 1, 2023. Section 7 becomes operative on its effective date.

Lynne Walz, Chairperson