

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1216

Introduced by Vargas, 7; Stinner, 48.

Read first time January 23, 2020

Committee:

- 1 A BILL FOR AN ACT relating to economic development; to adopt the H3 Rural
- 2 Renewal Award Act; to provide duties for the Department of Labor; to
- 3 create funds; to provide for termination.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 8 of this act shall be known and may be
2 cited as the H3 Rural Renewal Award Act.

3 Sec. 2. The Legislature finds and declares that:

4 (1) Nebraska has experienced population loss in fifty-seven of the
5 ninety-three counties;

6 (2) Surveys show that young professionals who have moved to other
7 states within the last ten years have done so for the betterment of their
8 professional lives; and

9 (3) In the Planning Committee 2019 Annual Report, the Nebraska
10 Legislature's Planning Committee recommends that the Legislature focus on
11 policies that drive workers into H3 jobs and reverse depopulation in
12 rural counties as ways to reduce brain drain and advance economic and
13 community development.

14 Sec. 3. For purposes of the H3 Rural Renewal Award Act:

15 (1) Department means the Department of Labor;

16 (2) Eligible individual means any person that:

17 (a)(i) Attended a postsecondary institution and earned an associate,
18 bachelor's, or post-graduate degree; or

19 (ii) Completed an apprenticeship or other professional program and
20 obtained a certificate that allows such person to work in an H3 job;

21 (b) Has established and is maintaining his or her domicile in a
22 rural county;

23 (c) Is employed in an H3 job;

24 (d) Applies for an award under the act within five years after
25 obtaining such degree or certificate and provides proof of his or her
26 hourly wage; and

27 (e) Commits to maintain his or her domicile in such rural county for
28 two months for each month an award is received pursuant to the act;

29 (3) H3 job means a job in a high wage, high skill, and high demand
30 occupation as determined by the department;

31 (4) High demand means the number of annual openings, net change in

1 employment, and growth rate indicate high demand as determined by the
2 department;

3 (5) High skill means:

4 (a) At least some postsecondary education is required; or

5 (b) A high school diploma, or equivalent, plus long-term, on-the-job
6 training, an apprenticeship, or an internship or residency is required;

7 (6) High wage means a wage that equals or exceeds wages for all
8 occupations in the same region in at least four of eight wage metrics as
9 determined by the department;

10 (7) New money means a contribution to a qualified endowment
11 generated after August 1, 2020;

12 (8) Postsecondary institution means any institution with a physical
13 presence in Nebraska that provides postsecondary education pursuant to
14 the Postsecondary Institution Act or the Private Postsecondary Career
15 School Act;

16 (9) Qualified endowment means an endowment that:

17 (a) Meets the standards set by the Department of Labor;

18 (b) Is intended for long-term stabilization of the H3 Rural Renewal
19 Award Endowment Fund; and

20 (c) Has the funds of the endowment endowed and only the earnings
21 thereon are available to be expended; and

22 (10) Rural county means any county of this state that has
23 experienced a five-year net population decline over the closest five-year
24 period for which information is available.

25 Sec. 4. (1) The purpose of the H3 Rural Renewal Award Act is to
26 attract qualified workers to H3 jobs in parts of this state experiencing
27 population loss and a shortage of skilled workers and to alleviate the
28 burden left on such qualified workers from the cost of education and
29 training. The department shall pay monthly awards to eligible individuals
30 from the H3 Rural Renewal Award Cash Fund as provided in this section.

31 (2) On or before January 1 each year, the Department of Labor shall

1 publish a list of rural counties for purposes of the act.

2 (3) Except as otherwise provided in subsection (4) of this section,
3 each eligible individual shall receive an award equal to;

4 (a) If the hourly wage for the eligible individual is forty dollars
5 or more, one hundred dollars per month;

6 (b) If the hourly wage for the eligible individual is thirty-five
7 dollars or more and less than forty dollars, one hundred fifty dollars
8 per month;

9 (c) If the hourly wage for the eligible individual is thirty dollars
10 or more and less than thirty-five dollars, two hundred dollars per month;

11 (d) If the hourly wage for the eligible individual is twenty-five
12 dollars or more and less than thirty dollars, two hundred fifty dollars
13 per month;

14 (e) If the hourly wage for the eligible individual is twenty dollars
15 or more and less than twenty-five dollars, three hundred dollars per
16 month;

17 (f) If the hourly wage for the eligible individual is fifteen
18 dollars or more and less than twenty dollars, three hundred fifty dollars
19 per month; or

20 (g) If the hourly wage is less than fifteen dollars, four hundred
21 dollars per month.

22 (4) If there is not sufficient money available in the H3 Rural
23 Renewal Award Cash Fund for all awards to be paid in any month, all
24 awards to be paid in such month shall be proportionally reduced such that
25 the total for all awards is equal to the money available in the H3 Rural
26 Renewal Award Cash Fund for such month.

27 (5) Each award shall be paid on the last business day of each month
28 from the H3 Rural Renewal Award Cash Fund for a total of twenty-four
29 months.

30 (6)(a) Any award recipient who does not meet the eligibility
31 criteria at the time a payment is made under this section shall be

1 required to refund such payment to the department.

2 (b) Any award recipient who does not maintain his or her domicile in
3 the required rural county for the required number of months shall repay
4 awards for the number of required months that such award recipient did
5 not maintain his or her domicile in the required rural county.

6 (7) The department shall establish an application procedure,
7 application deadlines, repayment procedures, and any other procedures
8 necessary to carry out the act.

9 (8) The department shall assist rural counties to publicize the
10 grant program to potential eligible individuals.

11 Sec. 5. (1) The H3 Rural Renewal Award Endowment Fund is created.
12 The fund shall consist of donations and money appropriated by the
13 Legislature. Only the earnings of the fund may be used as provided in
14 this section.

15 (2) On August 1, 2020, the State Treasurer shall transfer two
16 million dollars from the General Fund to the H3 Rural Renewal Award
17 Endowment Fund.

18 (3) Except as provided in subsection (4) of this section, it is the
19 intent of the Legislature that the State Treasurer shall transfer an
20 amount not to exceed one million dollars from the General Fund to the H3
21 Rural Renewal Award Endowment Fund annually on December 31 beginning in
22 2021 and continuing through December 31, 2030.

23 (4) Prior to the transfer of funds from any state account into the
24 H3 Rural Renewal Award Endowment Fund, the Department of Labor shall
25 provide documentation to the budget division of the Department of
26 Administrative Services that qualified endowments have generated a
27 dollar-for-dollar match of new money, up to the amount of state funds
28 authorized by the Legislature to be transferred to the H3 Rural Renewal
29 Award Endowment Fund. Contributions not fully matched by state funds
30 shall be carried forward to succeeding years and remain available to
31 provide a dollar-for-dollar match for state funds. The budget division of

1 the Department of Administrative Services shall notify the State
2 Treasurer to execute a transfer of state funds up to the amount specified
3 by the Legislature, but only to the extent that the Department of Labor
4 has provided documentation of a dollar-for-dollar match. State funds not
5 transferred shall be carried forward to the succeeding year and be added
6 to the funds authorized for a dollar-for-dollar match during that year.

7 (5) The Legislature shall not appropriate or transfer money from the
8 H3 Rural Renewal Award Endowment Fund except as provided in this section.

9 (6) Any money in the H3 Rural Renewal Award Endowment Fund available
10 for investment shall be invested by the state investment officer pursuant
11 to the Nebraska Capital Expansion Act and the Nebraska State Funds
12 Investment Act.

13 (7) All investment earnings from the H3 Rural Renewal Award
14 Endowment Fund shall be credited to the H3 Rural Renewal Award Cash Fund
15 on a monthly basis.

16 (8) Any money in the fund on January 1, 2031, or upon termination of
17 the act if earlier than January 1, 2031, shall be transferred to the
18 permanent school fund described in section 79-1035.01.

19 Sec. 6. (1) The H3 Rural Renewal Award Cash Fund is created. The
20 fund shall consist of earnings transferred from the H3 Rural Renewal
21 Award Endowment Fund pursuant to section 5 of this act and shall be
22 administered by the department. The department shall use the H3 Rural
23 Renewal Award Cash Fund to carry out the H3 Rural Renewal Award Act. The
24 Legislature shall not appropriate or transfer money from the fund for any
25 purpose except as provided in the act.

26 (2) Any money in the fund available for investment shall be invested
27 by the state investment officer pursuant to the Nebraska Capital
28 Expansion Act and the Nebraska State Funds Investment Act.

29 (3) Any money in the fund on January 1, 2031, or upon termination of
30 the act if earlier than January 1, 2031, shall be transferred to the
31 permanent school fund described in section 79-1035.01.

1 Sec. 7. The department may adopt and promulgate rules and
2 regulations to carry out the H3 Rural Renewal Award Act and to administer
3 the H3 Rural Renewal Award Endowment Fund and the H3 Rural Renewal Award
4 Cash Fund.

5 Sec. 8. The H3 Rural Renewal Award Act shall terminate on January
6 1, 2031.