

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 3143

03/17/2014 Authored by Ward, J.E.; Radinovich; Norton; Gruenhagen and Sawatzky

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance and Policy

1.1 A bill for an act  
1.2 relating to workforce development; establishing a new employee training  
1.3 partnership; providing rebates for employer training costs; requiring a report;  
1.4 appropriating money.  
1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **NEW EMPLOYEE TRAINING PARTNERSHIP.**

1.7 Subdivision 1. **Training partnership initiative.** (a) The commissioner of  
1.8 employment and economic development shall develop and implement a new employee  
1.9 training partnership to provide rebates to employers that hire and train new employees.  
1.10 To be eligible for a rebate under this section, an employer must enter into an agreement  
1.11 with the commissioner under subdivision 3. The commissioner shall give priority to  
1.12 employers in counties in which the county unemployment rate over the preceding 12  
1.13 months exceeded the state average unemployment rate over the same period.

1.14 (b) Before entering into an agreement with an employer, the commissioner must  
1.15 investigate the applicability of other training programs and determine whether the job skills  
1.16 partnership grant program is a more suitable source of funding for the training and whether  
1.17 the training can be completed in a timely manner that meets the needs of the employer.

1.18 The investigation must be completed within 15 days or as soon as reasonably possible  
1.19 after the employer has provided the commissioner with all the requested information.

1.20 (c) The commissioner shall prescribe the form of all applications for rebates, the  
1.21 timing for submission of applications, the execution of agreements with the commissioner,  
1.22 and the payment of rebates.

1.23 Subd. 2. **Definitions.** For the purposes of this section, the following terms have  
1.24 the meanings given.

(a) "Agreement" means the agreement between an employer and the commissioner for a training partnership.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Cost of training" means all necessary and incidental costs of providing training services. The term does not include the cost of purchasing equipment to be owned or used by the training or educational institution or service.

(d) "Disability" has the meaning given under United States Code, title 42, chapter 126.

(e) "Employee" means an individual employed in a new job.

(f) "Employer" means an individual, corporation, partnership, limited liability company, or association providing new jobs and entering into an agreement.

(g) "Long-term unemployed" has the meaning given by the United States Department of Labor, Bureau of Labor Standards.

(h) "New job" means a job:

(1) that is provided by a new or expanding business at a location outside of the metropolitan area, as defined in section 473.121, subdivision 2;

(2) that provides 32 hours of work per week for a minimum of nine months of the year and is permanent with no planned termination date; and

(3) for which the employee hired was not (i) formerly employed by the employer in the state or (ii) a replacement worker, including a worker newly hired as a result of a labor dispute.

(i) "Rebate" means a payment by the commissioner to an employer for the cost of training an employee. Rebates are limited to a maximum of \$3,000 per employee, except that the maximum rebate for the training costs of an employee with a disability, an employee who was considered long-term unemployed, or an employee who is a veteran, is \$4,000 per employee.

(j) "Training partnership" means a training services and rebate arrangement that is the subject of an agreement entered into between the commissioner and an employer.

(k) "Training services" means training and education specifically directed to new jobs, determined to be appropriate by the commissioner, including in-house training; services provided by institutions of higher education, or federal, state, or local agencies; or private training or educational services. Administrative services, assessment, and testing costs are included.

**Subd. 3. Agreements; required terms.** (a) To be eligible for a rebate under this section, an employer must enter into an agreement with the commissioner that:

3.1 (1) identifies the training costs to be incurred by the employer and the amount of the  
3.2 rebate to be provided by the commissioner;

3.3 (2) provides for a guarantee by the employer of payment for all training costs; and

3.4 (3) provides that each employee must be paid wages of at least \$13 per hour, plus  
3.5 benefits.

3.6 Subd. 4. **Verification prior to payment of rebate.** The commissioner shall not  
3.7 pay any rebate until all training costs and payment of the training costs by the employer  
3.8 have been verified.

3.9 Subd. 5. **Allocation.** The commissioner shall allocate payment for rebates to  
3.10 employers based on a first-come, first-served basis, as determined by the commissioner  
3.11 upon receipt of a complete application for the rebate, including the provision of all of the  
3.12 required information and the execution of an agreement.

3.13 Subd. 6. **Report.** (a) By February 1, 2016, the commissioner shall report to the  
3.14 committees of the house of representatives and the senate having jurisdiction over economic  
3.15 development policy and finance. The report must include the following information:

3.16 (1) the total amount of rebates issued;

3.17 (2) the number of individuals receiving training, including disaggregate data  
3.18 for employees who are individuals with disabilities, veterans, or who were long-term  
3.19 unemployed;

3.20 (3) an analysis of the effectiveness of the rebate in encouraging employment; and

3.21 (4) any other information the commissioner determines appropriate.

3.22 Sec. 2. **APPROPRIATION.**

3.23 \$1,000,000 in fiscal year 2015 is appropriated from the general fund to the  
3.24 commissioner of employment and economic development for rebates under section 1.  
3.25 This is a onetime appropriation and is available until expended. Up to five percent of this  
3.26 appropriation may be used by the commissioner for administration.