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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3638

03/29/2016 Authored by Lien, Isaacson, Norton, Mahoney, Nornes and others

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act
1.2 relating to workforce development; providing for career coursework completion;
1.3 appropriating money; proposing coding for new law in Minnesota Statutes,
1.4 chapter 116L.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[116L.175] CAREER COURSEWORK COMPLETION.**

1.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
1.8 have the meanings given.

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

1.11 (c) "Economic development region" means a development region described in
1.12 section 462.385.

1.13 (d) "Educational costs" means the cost of attendance at a postsecondary institution,
1.14 as defined by the institution under the Higher Education Act of 1975, section 472, as
1.15 amended, less any Pell or state grants for which a student is eligible.

1.16 (e) "Employee" means an individual who works for an employer located in the
1.17 state and does the majority of his or her work in the state. Employee does not mean an
1.18 independent contractor.

1.19 (f) "Employer" means a person or entity located in Minnesota employing one or
1.20 more employees in Minnesota.

1.21 (g) "High-demand occupation" means a standard occupational classification major
1.22 group for which the job vacancy rate in an economic development region is greater
1.23 than the job vacancy rate in the economic development region for all occupations, as
1.24 determined by the commissioner based on data reported in the job vacancy survey.

2.1 (h) "Job vacancy rate" means the average of the job vacancy rate for the two most
2.2 recent quarters for which data is available as reported in the job vacancy survey.

2.3 (i) "Prospective employee" means an individual identified by an employer as a likely
2.4 employee if the individual completes a qualifying academic program.

2.5 (j) "Qualifying academic program" means a degree, diploma, or certificate program
2.6 offered by a state college operated by the Board of Trustees of the Minnesota State
2.7 Colleges and Universities and requiring no more than 60 credits.

2.8 (k) "Standard occupational classification" means the 2010 standard occupational
2.9 classification adopted by the United States Bureau of Labor Statistics.

2.10 (l) "Standard occupational classification major group" means a group of standard
2.11 occupational classifications designated by a two-digit standard occupational classification
2.12 code.

2.13 Subd. 2. **Program created.** The commissioner shall create a program for
2.14 making monetary grants to reimburse employers that assist employees or prospective
2.15 employees with the educational costs of completing a qualifying academic program. The
2.16 commissioner must work with the Board of Trustees of the Minnesota State Colleges and
2.17 Universities, representatives of the colleges, and the commissioner of higher education
2.18 on the promotion of the program.

2.19 Subd. 3. **Eligible grantees.** (a) An employer may apply for a grant to reimburse all
2.20 money paid by the employer, up to 50 percent of educational expenses of a qualifying
2.21 academic program paid to, or on behalf of, an employee or prospective employee for a
2.22 position that requires completion of a qualifying academic program.

2.23 (b) To be eligible for a grant under this section, an employer must have had in the
2.24 previous calendar year or must anticipate having in the current calendar year at least one
2.25 job vacancy that requires a degree or certificate in a high-demand occupation for the
2.26 economic development region in which the employer is located.

2.27 Subd. 4. **Grant criteria.** (a) To the extent feasible, the commissioner must allocate:

2.28 (1) 50 percent of grant dollars to employers within the seven metropolitan counties
2.29 listed in section 473.121, subdivision 4; and

2.30 (2) 50 percent of grant dollars to employers outside those counties.

2.31 (b) The commissioner has discretion to prioritize certain high-demand occupations
2.32 for grant awards based on job vacancy rates. If the commissioner decides to prioritize
2.33 certain high-demand occupations, the commissioner must announce the decision at least
2.34 30 days before opening a round of grant applications.

3.1 (c) In awarding grants, the commissioner must determine and consider the job gap
3.2 for the economic development region in which the employer is located. The job gap
3.3 equals the difference between:

3.4 (1) the job vacancy rate for the high-demand occupation for which the employer had
3.5 or anticipates having a vacancy under subdivision 3, paragraph (b); and

3.6 (2) the job vacancy rate for all occupations.

3.7 Subd. 5. **Application.** (a) Applications must be made to the commissioner on a
3.8 form provided by the commissioner. The commissioner must, to the extent possible, make
3.9 the application form short and simple to complete. The commissioner shall establish a
3.10 schedule for applications and grants. The application must include, without limitation,
3.11 information sufficient to satisfy the reporting requirements under this section and section
3.12 116L.98, subdivision 3.

3.13 (b) The commissioner must establish at least two rounds of applications in a calendar
3.14 year to best align with the academic calendars of relevant programs at Minnesota State
3.15 Colleges and Universities.

3.16 Subd. 6. **Reporting.** The commissioner must report to the house of representatives
3.17 and senate committees with jurisdiction over higher education and economic and
3.18 workforce development no later than December 1, 2017, and each year thereafter as
3.19 long as the program is operating. The commissioner must require grantees to provide all
3.20 information needed from them to fulfill the commissioner's reporting requirement by
3.21 September 1, 2017, and each year thereafter as long as the program is operating. If any of
3.22 the information in this section is unknown to the commissioner at the time of employer
3.23 application, the commissioner must acquire the information before paying any grant
3.24 money. The report required under this subdivision must contain all information required
3.25 by section 116L.98, plus the following:

3.26 (1) a categorical breakdown by the standard occupational classification major group
3.27 of the academic programs that employees and prospective employees completed under
3.28 the grant program, including the number of employees and prospective employees and
3.29 grant dollars broken out by each standard occupational classification major group and
3.30 economic development region;

3.31 (2) a breakdown of the state colleges that employees and prospective employees
3.32 attended, including the number of employees and prospective employees and grant dollars
3.33 broken out by each college;

3.34 (3) the rate of completion of qualifying academic programs among participating
3.35 employees and prospective employees;

4.1 (4) total costs paid by employers toward employee or prospective employee
4.2 completion of qualifying academic programs by the standard occupational classification
4.3 major group and economic development region;

4.4 (5) total costs paid by employees and prospective employees toward completion
4.5 of qualifying programs by the standard occupational classification major group and
4.6 economic development region;

4.7 (6) grant dollars awarded by the standard occupational classification major group
4.8 and economic development region; and

4.9 (7) an assessment by the commissioner of the efficacy of the program.

4.10 Sec. 2. **APPROPRIATION.**

4.11 (a) \$10,000,000 in fiscal year 2017 is appropriated from the general fund to the
4.12 commissioner of employment and economic development for the purpose of making
4.13 grants under Minnesota Statutes, section 116L.175. This is a onetime appropriation. The
4.14 appropriation is available until December 31, 2019.

4.15 (b) \$300,000 in fiscal year 2017 and each year thereafter is appropriated from the
4.16 general fund to the commissioner of economic development to administer the program
4.17 under Minnesota Statutes, section 116L.175. A portion of this administration component
4.18 must be used to promote the program in cooperation with the Board of Trustees of the
4.19 Minnesota State Colleges and Universities, representatives of the colleges, and the
4.20 commissioner of higher education. This amount is added to the department's base.