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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 750

02/12/2015 Authored by Kiel, Gunther, Nornes, Norton, Urdahl and others

The bill was read for the first time and referred to the Committee on Greater Minnesota Economic and Workforce Development Policy

03/04/2015 Adoption of Report: Re-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 grants to employers for job
1.3 training; requiring a report; appropriating money; proposing coding for new law
1.4 in Minnesota Statutes, chapter 116L.

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

1.6 Section 1. **[116L.40] DEFINITIONS.**

1.7 Subdivision 1. **Scope.** When used in sections 116L.40 to 116L.42, the following
1.8 terms have the meanings given them unless the context requires otherwise.

1.9 Subd. 2. **Agreement.** "Agreement" means the agreement between an employer and
1.10 the commissioner for a project.

1.11 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment
1.12 and economic development.

1.13 Subd. 4. **Disability.** "Disability" has the meaning given under United States Code,
1.14 title 42, chapter 126.

1.15 Subd. 5. **Employee.** "Employee" means the individual employed in a new job.

1.16 Subd. 6. **Employer.** "Employer" means the individual, corporation, partnership,
1.17 limited liability company, or association providing new jobs and entering into an agreement.

1.18 Subd. 7. **New job.** "New job" means a job:

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

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

1.23 (3) that is certified by the commissioner as qualifying under the program before the
1.24 first employee is hired to fill the job; and

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

2.4 Subd. 8. **Program.** "Program" means the project or projects established under
 2.5 sections 116L.40 to 116L.42.

2.6 Subd. 9. **Program costs.** "Program costs" means all necessary and incidental
 2.7 costs of providing program services, except that program costs are increased by \$1,000
 2.8 per employee for an individual with a disability. The term does not include the cost of
 2.9 purchasing equipment to be owned or used by the training or educational institution or
 2.10 service.

2.11 Subd. 10. **Program services.** "Program services" means training and education
 2.12 specifically directed to new jobs that are determined to be appropriate by the commissioner,
 2.13 including in-house training; services provided by institutions of higher education and
 2.14 federal, state, or local agencies; or private training or educational services. Administrative
 2.15 services and assessment and testing costs are included.

2.16 Subd. 11. **Project.** "Project" means a training arrangement that is the subject of an
 2.17 agreement entered into between the commissioner and an employer to provide program
 2.18 services.

2.19 **Sec. 2. [116L.41] COMMISSIONER'S DUTIES AND POWERS; AGREEMENTS.**

2.20 Subdivision 1. **Service provision.** Upon request, the commissioner shall provide
 2.21 or coordinate the provision of program services under sections 116L.40 to 116L.42 to
 2.22 a business eligible for grants under section 116L.42. The commissioner shall specify
 2.23 the form of and required information to be provided with applications for projects to be
 2.24 funded with grants under section 116L.42.

2.25 Subd. 2. **Agreements; required terms.** (a) The commissioner may enter into an
 2.26 agreement to establish a project with an employer that:

2.27 (1) identifies program costs to be paid from sources under the program;

2.28 (2) identifies program costs to be paid by the employer;

2.29 (3) provides that on-the-job training costs for employees may not exceed 50 percent
 2.30 of the annual gross wages and salaries of the new jobs in the first full year after execution
 2.31 of the agreement;

2.32 (4) provides that each employee must be paid wages at least equal to the median
 2.33 hourly wage for the county, as reported in the most recently available data from the United
 2.34 States Bureau of the Census, plus benefits, by the earlier of the end of the training period
 2.35 or 18 months of employment under the project; and

3.1 (5) provides that job training will be provided and the length of time of training.

3.2 (b) Before entering into a final agreement, the commissioner shall:

3.3 (1) determine that sufficient funds for the project is available under section 116L.42;

3.4 and

3.5 (2) investigate the applicability of other training programs and determine whether
 3.6 the job skills partnership grant program is a more suitable source of funding for the
 3.7 training and whether the training can be completed in a timely manner that meets the
 3.8 needs of the business.

3.9 The investigation under clause (2) must be completed within 15 days or as soon
 3.10 as reasonably possible after the employer has provided the commissioner with all the
 3.11 requested information.

3.12 Subd. 3. **Grant funds sufficient.** The commissioner must not enter into an agreement
 3.13 under subdivision 2 unless the commissioner determines that sufficient funds are available.

3.14 Subd. 4. **Allocation.** The commissioner shall allocate grant funds under section
 3.15 116L.42, to project applications based on a first-come, first-served basis, determined on
 3.16 the basis of the commissioner's receipt of a complete application for the project, including
 3.17 the provision of all of the required information. The agreement must specify the amount
 3.18 of grant funds available to the employer for each year covered by the agreement.

3.19 Subd. 5. **Application fee.** The commissioner may charge each employer an
 3.20 application fee to cover part or all of the administrative and legal costs incurred, not to
 3.21 exceed \$500 per employer. The fee is deemed approved under section 16A.1283. The fee
 3.22 is deposited in the jobs training account in the special revenue fund and amounts in the
 3.23 account are appropriated to the commissioner for the costs of administering the program.
 3.24 The commissioner shall refund the fee to the employer if the application is denied because
 3.25 program funding is unavailable.

3.26 Sec. 3. **[116L.42] JOBS TRAINING GRANTS.**

3.27 Subdivision 1. **Recovery of program costs.** Amounts paid by employers for
 3.28 program costs are repaid by a job training grant equal to the least of the following amounts:

3.29 (1) the amount of program costs specified in the agreement for the project; or

3.30 (2) the amount of program costs paid by the employer for new employees under
 3.31 a project.

3.32 Subd. 2. **Reports.** (a) By February 1, 2018, the commissioner shall report to the
 3.33 governor and the legislature on the program. The report must include at least:

3.34 (1) the amount of grants issued under the program;

4.1 (2) the number of individuals receiving training under the program, including the
4.2 number of new hires who are individuals with disabilities;

4.3 (3) the number of new hires attributable to the program, including the number of
4.4 new hires who are individuals with disabilities;

4.5 (4) an analysis of the effectiveness of the grant in encouraging employment; and

4.6 (5) any other information the commissioner determines appropriate.

4.7 (b) The report to the legislature must be distributed as provided in section 3.195.

4.8 **Sec. 4. JOBS TRAINING GRANTS; APPROPRIATION.**

4.9 \$5,000,000 in fiscal year 2016 and \$10,000,000 in fiscal year 2017 are appropriated
4.10 from the general fund to the commissioner of employment and economic development for
4.11 jobs training grants under Minnesota Statutes, section 116L.42.