

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2633

(SENATE AUTHORS: **BONOFF and Reinert**)

DATE	D-PG	OFFICIAL STATUS
03/12/2014	6172	Introduction and first reading Referred to Jobs, Agriculture and Rural Development
03/26/2014	6844a	Comm report: To pass as amended and re-refer to Finance

A bill for an act

1.1 relating to workforce development; requiring measurement standards for
 1.2 workforce program outcomes; requiring a study and report of North Dakota
 1.3 oil production and its impact on Minnesota; requiring an accountability plan;
 1.4 requiring reports; appropriating money; amending Minnesota Statutes 2012,
 1.5 section 116L.98.
 1.6

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

1.8 Section 1. Minnesota Statutes 2012, section 116L.98, is amended to read:

1.9 **116L.98 WORKFORCE PROGRAM OUTCOMES.**

1.10 Subdivision 1. **Requirements.** (a) The commissioner shall develop and implement a
 1.11 set of standard approaches for assessing the outcomes of uniform outcome measurement
 1.12 and reporting system for adult workforce programs under this chapter the jurisdiction of
 1.13 the commissioner. The outcomes assessed must include, but are not limited to, periodic
 1.14 comparisons of workforce program participants and nonparticipants.

1.15 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in
 1.16 this subdivision have the meanings given.

1.17 (b) "Credential" means an attestation of qualification or competence issued to an
 1.18 individual by a third party with the relevant authority or assumed competence to issue
 1.19 the credential.

1.20 (c) "Exit" means to have not received service under a workforce program for 90
 1.21 consecutive calendar days. The exit date is the last date of service.

1.22 (d) "Net impact" means the use of matched control groups and regression analysis to
 1.23 estimate the impacts attributable to program participation net of other factors, including
 1.24 observable personal characteristics and economic conditions.

2.1 (e) "Pre-enrollment" means the period of time before an individual was enrolled
 2.2 in a workforce program.

2.3 Subd. 3. **Uniform outcome report card; reporting by commissioner.** The
 2.4 commissioner shall also monitor the activities and outcomes of programs and services
 2.5 funded by legislative appropriations and administered by the department on a pass-through
 2.6 basis and develop a consistent and equitable method of assessing recipients for the costs
 2.7 of its monitoring activities. (a) By December 31 of each even-numbered year, the
 2.8 commissioner must report to the chairs and ranking minority members of the committees of
 2.9 the house of representatives and the senate having jurisdiction over economic development
 2.10 and workforce policy and finance the following information from the previous fiscal or
 2.11 calendar year, for each program subject to the requirements of subdivision 1:

2.12 (1) the total number of participants;

2.13 (2) the median pre-enrollment wages based on participant wages for the second
 2.14 through the fifth calendar quarters immediately preceding the quarter of enrollment;

2.15 (3) the total number of participants enrolled in occupational skills training;

2.16 (4) the total number of participants enrolled in occupational skills training by industry;

2.17 (5) the total number of participants that exited the program and the average
 2.18 enrollment duration of participants that have exited the program during the year;

2.19 (6) the total number of exited participants who completed occupational skills training;

2.20 (7) the total number of exited participants who attained a credential;

2.21 (8) the total number of participants employed during four consecutive quarters
 2.22 immediately following the date of exit, by industry;

2.23 (9) the median wages of participants employed during four consecutive quarters
 2.24 immediately following the date of exit;

2.25 (10) the total number of participants employed during eight consecutive quarters
 2.26 immediately following the date of exit, by industry; and

2.27 (11) the median wages of participants employed during eight consecutive quarters
 2.28 immediately following the date of exit.

2.29 (b) The report to the legislature must contain participant information by education
 2.30 level, race and ethnicity, gender, and geography, and a comparison of exited participants
 2.31 who completed occupational skills training and those who did not.

2.32 (c) The requirements of this section apply to programs administered directly by the
 2.33 commissioner or administered by other organizations under a grant made by the department.

2.34 Subd. 4. **Data to commissioner; uniform report card.** (a) A recipient of a
 2.35 grant or direct appropriation made by or through the department must report data to the
 2.36 commissioner by September 1 of each even-numbered year on each of the items in

3.1 subdivision 3 for each program it administers. The data must be in a format prescribed by
3.2 the commissioner.

3.3 (b) Beginning November 1, 2014, the commissioner shall provide notice to grant
3.4 applicants and recipients regarding the data collection and reporting requirements under
3.5 this subdivision and must provide technical assistance to applicants and recipients to assist
3.6 in complying with the requirements of this subdivision.

3.7 Subd. 5. **Biennial budget request.** (a) The information collected and reported
3.8 under subdivisions 2 and 3 shall be included in budgets submitted to the legislature under
3.9 section 16A.11.

3.10 (b) A program that is a recipient of public funds and subject to the requirements of
3.11 this section as of May 1, 2014, is not eligible for additional state appropriations for any
3.12 fiscal year beginning after June 30, 2015, unless all of the reporting requirements under
3.13 subdivision 4 have been satisfied.

3.14 (c) A program with an initial request for funds on or after the effective date of this
3.15 section may be considered for receipt of public funds for the first two fiscal years only
3.16 if a plan that demonstrates how the data collection and reporting requirements under
3.17 subdivision 4 will be met has been submitted and approved by the commissioner. Any
3.18 subsequent request for funds after an initial request is subject to the requirements of
3.19 paragraph (b).

3.20 Subd. 6. **Workforce program net impact study.** (a) The commissioner, in
3.21 partnership with a committee of the Governor's Workforce Development Council that
3.22 oversees net impact analysis, shall by December 1, 2014, conduct a net impact study
3.23 for adult workforce-related programs funded in whole or in part by the workforce
3.24 development fund. The requirements of this section apply to programs administered
3.25 directly by the commissioner or administered by other employment organizations under a
3.26 grant made by the department. The net impact methodology must include:

3.27 (1) standardized statistical methods for estimating the net impacts of workforce
3.28 services on individual employment, earnings, and public benefits usage outcomes; and

3.29 (2) standardized cost-benefit analyses for understanding the monetary impacts of
3.30 workforce services from the participant and taxpayer points of view.

3.31 (b) By January 15 of each odd-numbered year beginning in 2015, the commissioner,
3.32 in partnership with a committee of the Governor's Workforce Development Council that
3.33 oversees net impact analysis, must report to the chairs and the ranking minority members
3.34 of the committees of the house of representatives and the senate having jurisdiction over
3.35 economic development and workforce policy and finance, the following information for
3.36 each program subject to this subdivision:

4.1 (1) the net impact of workforce services on individual employment, earnings, and
 4.2 public benefits usage outcomes; and

4.3 (2) cost-benefit analyses for understanding the monetary impacts of workforce
 4.4 services from the participant and taxpayer points of view.

4.5 (c) By January 15, 2015, the commissioner, in partnership with the Governor's
 4.6 Workforce Development Council, must report to the chairs and ranking minority members
 4.7 of the committees of the house of representatives and the senate having jurisdiction over
 4.8 economic development and workforce policy and finance the results of the net impact
 4.9 pilot project already underway.

4.10 Subd. 7. **Independent evaluation.** By February 1 of each odd-numbered year, the
 4.11 commissioner of administration, in consultation with the commissioner of employment
 4.12 and economic development, shall contract with an independent entity qualified to conduct
 4.13 labor market analyses to audit information included in the report required under this
 4.14 section. The audit must include analysis of the validity of the statistical methods for
 4.15 estimating net impact analysis and cost benefit analysis, and an analysis of net impact and
 4.16 cost benefit results. The commissioner shall report the results of the analysis to the chairs
 4.17 and ranking minority members of the committees of the house of representatives and the
 4.18 senate having jurisdiction over economic development and workforce policy and finance
 4.19 when it is completed. The audit must be made available to the public in an electronic
 4.20 format on the department of employment and economic development's Web site.

4.21 Sec. 2. **COMMISSIONERS ACCOUNTABILITY PLAN.**

4.22 By December 1, 2014, the commissioner of employment and economic development
 4.23 shall report to the committees of the legislature having jurisdiction over workforce
 4.24 development and economic development policy and finance, on the department's plan, and
 4.25 any request for funding, to design and implement a performance accountability outcome
 4.26 measurement system for programs under chapter 116J.

4.27 Sec. 3. **STUDY OF NORTH DAKOTA OIL PRODUCTION; IMPACT ON**
 4.28 **MINNESOTA; APPROPRIATION.**

4.29 (a) \$..... in fiscal year 2014 is appropriated from the general fund to the
 4.30 commissioner of employment and economic development, in consultation with the
 4.31 commissioner of revenue, to finance a study and analysis of the effects of current and
 4.32 projected oil production in North Dakota on the Minnesota economy with special focus on
 4.33 the northwestern region of Minnesota and area border cities as provided in paragraph (b).

4.34 (b) The study and analysis must address:

- 5.1 (1) current and projected economic, fiscal, and demographic effects and issues;
5.2 (2) direct and indirect costs and benefits;
5.3 (3) positive and negative effects; and
5.4 (4) economic challenges and opportunities for economic growth or diversification.
5.5 (c) The study must be objective, evidence-based, and designed to produce empirical
5.6 data. Study data must be utilized to formulate policy recommendations on how the state,
5.7 the northwestern region of the state, and border cities may respond to the challenges and
5.8 opportunities for economic growth and financial investment that may be derived from the
5.9 regional economic changes that are the result of oil production in North Dakota.
5.10 (d) For the purposes of this section, "border cities" has the meaning given in
5.11 Minnesota Statutes, section 469.1731.
5.12 (e) The study and analysis must be conducted by an independent entity with
5.13 demonstrated knowledge in the following areas:
5.14 (1) the economy and demography of Minnesota;
5.15 (2) the domestic and foreign oil industry; and
5.16 (3) technologies, markets, and geopolitical factors that have an impact on current
5.17 and future oil production in the region.
5.18 (f) The commissioner shall report on the findings and recommendations of the study
5.19 to the committees of the house of representatives and senate having jurisdiction over
5.20 economic development and workforce issues by February 15, 2015.

5.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.22 Sec. 4. **APPROPRIATION.**

5.23 \$..... in fiscal year 2015 is appropriated from the general fund to the commissioner
5.24 of employment and economic development for the purposes of sections 1 and 2.