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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 551

02/02/2015 Authored by O'Neill, Isaacson, Gunther, Nornes, Uglem and others  
The bill was read for the first time and referred to the Committee on Higher Education Policy and Finance  
03/18/2015 Adoption of Report: Amended and re-referred to the Committee on Greater Minnesota Economic and Workforce Development Policy  
03/23/2015 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; requiring the commissioner of labor and  
1.3 industry to identify competency standards for dual training; creating a dual  
1.4 training competency grant program; appropriating money; proposing coding for  
1.5 new law in Minnesota Statutes, chapters 116L; 175.

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

1.7 Section 1. [116L.31] DUAL TRAINING COMPETENCY GRANTS.

1.8 Subdivision 1. Program created. The commissioner of employment and economic  
1.9 development shall make grants for the training of employees to achieve the competency  
1.10 standard for an occupation identified by the commissioner of labor and industry under  
1.11 section 175.45 and Laws 2014, chapter 312, article 3, section 21. "Competency standard"  
1.12 has the meaning given in section 175.45, subdivision 2.

1.13 Subd. 2. Eligible grantees. An employer or an organization representing the  
1.14 employer is eligible to apply for a grant to train employees if the employer has employees  
1.15 who are in, or are to be trained to be in, an occupation for which a competency standard  
1.16 has been identified and the employee has not attained the competency standard prior  
1.17 to the commencement of the planned training. Training need not address all aspects  
1.18 of a competency standard but may address only the competencies of a standard that an  
1.19 employee is lacking. Employees who have previously received a grant under this program  
1.20 are not eligible to receive another grant. Each employee must apply for federal Pell and  
1.21 state grants as a condition of participating in the program.

1.22 Subd. 3. Training institution. Prior to applying for a grant, an employer must enter  
1.23 into an agreement with a state college or university operated by the Board of Trustees  
1.24 of the Minnesota State Colleges and Universities to provide the employee competency  
1.25 standard training.

2.1 Subd. 4. **Contract required.** Prior to the start of a training program, an employer  
2.2 and employee must enter into a contract detailing the terms of the work relationship during  
2.3 and after the training program.

2.4 Subd. 5. **Application.** Applications must be made to the commissioner on a form  
2.5 provided by the commissioner. The commissioner must, to the extent possible, make  
2.6 the application form short and simple to complete. The commissioner shall establish a  
2.7 schedule for applications and grants. The application must include, without limitation:

2.8 (1) the projected number of employee trainees;

2.9 (2) the competency standard for which training will be provided;

2.10 (3) any credential the employee will receive upon completion of training;

2.11 (4) the name and address of the training institution and a signed statement by the  
2.12 institution that it is able to and agrees to provide the training;

2.13 (5) the period of the training; and

2.14 (6) the cost of the training charged by the training institution and certified by the  
2.15 institution.

2.16 An application may be made for training of employees of multiple employers either by the  
2.17 employers or by an organization on their behalf.

2.18 Subd. 6. **Grant criteria.** To the extent there are sufficient applications, the  
2.19 commissioner shall award at least an equal dollar amount of grants for training for  
2.20 employees whose work site is projected to be outside the metropolitan area as defined  
2.21 in section 473.121, subdivision 2, as for employees whose work site is projected to be  
2.22 within the metropolitan area. In determining the award of grants, the commissioner must  
2.23 consider, among other factors:

2.24 (1) the aggregate state and regional need for employees with the competency to  
2.25 be trained;

2.26 (2) the competency standards developed by the commissioner of labor and industry  
2.27 as part of the Minnesota PIPELINE Project;

2.28 (3) the per employee cost of training;

2.29 (4) the additional employment opportunities for employees as a result of the training;

2.30 (5) projected increases in compensation for employees receiving the training; and

2.31 (6) the amount of employer training cost match, on both a per employee and  
2.32 aggregate basis.

2.33 Subd. 7. **Employer match.** Employers must pay to the training institution a  
2.34 percentage of a training institution's charge for the training after subtracting federal Pell  
2.35 and state grants for which an employee is eligible. The amount that an employer must pay  
2.36 to the training institution shall be determined as follows:

3.1 (1) an employer with greater than or equal to \$50,000,000 in annual revenue in the  
3.2 previous calendar year must pay at least 66 percent of the training institution's charge  
3.3 for the training;

3.4 (2) an employer with less than \$50,000,000 in annual revenue in the previous  
3.5 calendar year but greater than or equal to \$20,000,000 in annual revenue in the previous  
3.6 calendar year must pay at least 50 percent of the training institution's charge for the training;

3.7 (3) an employer with less than \$20,000,000 in annual revenue in the previous calendar  
3.8 year but greater than or equal to \$10,000,000 in annual revenue in the previous calendar  
3.9 year must pay at least 33 percent of the training institution's charge for the training; and

3.10 (4) an employer with less than \$10,000,000 in annual revenue in the previous  
3.11 calendar year must pay at least 20 percent of the training institution's charge for the training.

3.12 Subd. 8. **Payment of grant.** The commissioner shall make grant payments to the  
3.13 training institution in a manner determined by the commissioner after receiving notice  
3.14 from the institution that the employer has paid the employer match.

3.15 Subd. 9. **Grant amounts.** (a) The commissioner shall determine a maximum  
3.16 amount that may be awarded in a single grant, and a maximum amount that may be  
3.17 awarded per employee trained under a grant. The commissioner shall set the maximum  
3.18 grant amount at a level that ensures sufficient funding will be available for multiple  
3.19 employers. The maximum grant amount per employee trained may not exceed the cost of  
3.20 tuition up to 60 credits.

3.21 (b) A grant for a particular employee must be reduced by the amounts of any federal  
3.22 Pell grant or state grant the employee is eligible to receive for the training and the amount  
3.23 of the employer match.

3.24 Subd. 10. **Reporting.** Commencing in 2017, the commissioner shall annually by  
3.25 February 1 report on the activity of the grant program for the preceding fiscal year to the  
3.26 chairs of the legislative committees with jurisdiction over workforce policy and finance.

3.27 At a minimum, the report must include:

3.28 (1) research and analysis on the costs and benefits of the grants for employees and  
3.29 employers;

3.30 (2) the number of employees who commenced training and the number who  
3.31 completed training; and

3.32 (3) recommendations, if any, for changes to the program.

3.33 **EFFECTIVE DATE.** This section is effective July 1, 2015.

3.34 Sec. 2. **[175.45] COMPETENCY STANDARDS FOR DUAL TRAINING.**

4.1 Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall identify  
 4.2 competency standards for dual training. The goal of dual training is to provide current  
 4.3 employees of an employer with training to acquire competencies that the employer  
 4.4 requires. The standards shall be identified for employment in occupations in advanced  
 4.5 manufacturing, health care services, information technology, and agriculture. Competency  
 4.6 standards are not rules and are exempt from the rulemaking provisions of chapter 14, and  
 4.7 the provisions in section 14.386 concerning exempt rules do not apply.

4.8 Subd. 2. **Definition; competency standard.** For purposes of this section,  
 4.9 "competency standards" means the specific knowledge and skills necessary for a particular  
 4.10 occupation.

4.11 Subd. 3. **Competency standard identification process.** In identifying competency  
 4.12 standards, the commissioner shall consult with the commissioner of employment and  
 4.13 economic development and convene recognized industry experts, representative employers,  
 4.14 higher education institutions, and representatives of labor to assist in identifying credible  
 4.15 competency standards. Competency standards must be based on recognized international  
 4.16 and national standards, to the extent that such standards are available and practical.

4.17 Subd. 4. **Duties.** The commissioner shall:

4.18 (1) establish competency standards for entry level and higher skill levels;

4.19 (2) verify the competency standards and skill levels and their transferability by  
 4.20 subject matter with expert representatives of each respective industry;

4.21 (3) create and execute a plan for dual training outreach, development, and awareness;

4.22 (4) develop models for Minnesota educational institutions to engage in providing  
 4.23 education and training to meet the competency standards established;

4.24 (5) encourage participation by employers in the standard identification process for  
 4.25 occupations in their industry; and

4.26 (6) align dual training competency standards with other workforce initiatives.

4.27 Subd. 5. **Notification.** The commissioner must communicate identified competency  
 4.28 standards to the commissioner of employment and economic development for the purpose  
 4.29 of the dual training competency grant program under section 116L.31. The commissioner  
 4.30 of labor and industry shall maintain the competency standards on the department's Web site.

4.31 Sec. 3. **DUAL TRAINING COMPETENCY GRANTS; APPROPRIATION.**

4.32 \$..... in fiscal year 2016 and \$..... in fiscal year 2017 are appropriated from the  
 4.33 general fund to the commissioner of employment and economic development for the  
 4.34 purpose of making training grants under Minnesota Statutes, section 116L.31.

5.1       Sec. 4. **APPROPRIATION.**

5.2             \$..... in fiscal year 2016 is appropriated from the general fund to the commissioner  
5.3 of labor and industry for identification of competency standards for dual training under  
5.4 Minnesota Statutes, section 175.45.