

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 5

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DATE	D-PG	OFFICIAL STATUS
01/08/2015	37	Introduction and first reading Referred to Jobs, Agriculture and Rural Development
02/05/2015	201a	Comm report: To pass as amended and re-refer to Higher Education and Workforce Development
02/09/2015	231a	Comm report: To pass as amended and re-refer to State and Local Government
02/16/2015	299a	Comm report: To pass as amended and re-refer to Finance
04/17/2015		Comm report: To pass as amended Second reading

A bill for an act

relating to workforce development; requiring the commissioner of labor and industry to identify competency standards for dual training; creating a dual training competency grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 116L; 175.

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

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

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

Subd. 2. Eligible grantees. An employer or an organization representing the employer is eligible to apply for a grant to train employees if: (1) the employer has set appropriate goals to increase the diversity of its workforce; and (2) the employer has an employee who is in or is to be trained to be in an occupation for which a competency standard has been identified and the employee has not attained the competency standard prior to the commencement of the planned training. Training need not address all aspects of a competency standard but may address only the competencies of a standard that an employee is lacking.

Subd. 3. Training institution or program. Prior to applying for a grant, the employer must have an agreement with a training institution or program to provide the employee competency standard training. The training may be provided by any institution or program having trainers qualified to instruct on the competency standard.

2.1 Subd. 4. **Application.** Applications must be made to the commissioner on a form
2.2 provided by the commissioner. The commissioner must make best efforts to make
2.3 the application form as short and simple to complete as is reasonably possible. The
2.4 commissioner shall establish a schedule for applications and grants. The application
2.5 must include, without limitation:

- 2.6 (1) the projected number of employee trainees;
2.7 (2) the competency standard for which training will be provided;
2.8 (3) any credential the employee will receive upon completion of training;
2.9 (4) the name and address of the training institution or program and a signed
2.10 statement by the institution or program that it is able and agrees to provide the training;
2.11 (5) the period of the training; and
2.12 (6) the cost of the training charged by the training institution or program and certified
2.13 by the institution or program.

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

2.16 Subd. 5. **Grant criteria.** The commissioner shall, to the extent there are sufficient
2.17 applications, make at least an equal dollar amount of grants for training for employees
2.18 whose work site is projected to be outside the metropolitan area as defined in section
2.19 473.121, subdivision 2, as for employees whose work site is projected to be within the
2.20 metropolitan area. In determining the award of grants, the commissioner must consider,
2.21 among other factors:

- 2.22 (1) the aggregate state and regional need for employees with the competency to
2.23 be trained;
2.24 (2) the per employee cost of training;
2.25 (3) the additional employment opportunities for employees because of the training;
2.26 (4) projected increases in compensation for employees receiving the training; and
2.27 (5) the amount of employer training cost match, if required, on both a per employee
2.28 and aggregate basis.

2.29 Subd. 6. **Employer match.** A large employer must pay for at least 25 percent of
2.30 the training institution's or program's charge for the training to the training institution or
2.31 program. For the purpose of this subdivision, a "large employer" means a business with
2.32 more than \$25,000,000 in annual revenue in the previous calendar year.

2.33 Subd. 7. **Payment of grant.** The commissioner shall make grant payments to the
2.34 training institution or program in a manner determined by the commissioner after receiving
2.35 notice from the institution or program that the employer has paid the employer match.

3.1 Subd. 8. **Grant amounts.** The maximum amount of a grant may not exceed \$.....
3.2 The maximum grant per employee trained under a grant may not exceed \$.....

3.3 A grant for a particular employee must be reduced by the amounts of any federal Pell
3.4 grant or state grant the employee is eligible to receive for the training and an employee
3.5 must apply for those grants as a condition of payment for training that employee under
3.6 this section.

3.7 Subd. 9. **Reporting.** Commencing in 2017, the commissioner shall annually by
3.8 February 1 report on the activity of the grant program for the preceding fiscal year to the
3.9 chairs of the legislative committees with jurisdiction over workforce policy and finance.

3.10 The report must, at a minimum, include:

3.11 (1) research and analysis on the costs, return on investment, and benefits of the
3.12 grants for employees, employers, training institutions, and the state;

3.13 (2) the number of employees who commenced training and the number who
3.14 completed training;

3.15 (3) report the number of women and minorities who commence training and the
3.16 number who complete training; and

3.17 (4) recommendations, if any, for amendments to the grant program.

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

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

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

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

3.30 Subd. 3. **Competency standard identification process.** In identifying competency
3.31 standards, the commissioner shall consult with the commissioner of employment
3.32 and economic development and convene recognized industry experts, representative
3.33 employers, higher education institutions, and representatives of labor to assist in
3.34 identifying credible competency standards. Competency standards must be consistent
3.35 with, to the extent available and practical, recognized international and national standards.

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

4.2 (1) identify competency standards for entry level and higher skill levels;

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

4.5 (3) create and execute a plan for dual training outreach, development, and awareness,
 4.6 including awareness of disenfranchised communities in the metropolitan area;

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

4.9 (5) encourage participation by employers and labor in the standard identification
 4.10 process for occupations in their industry; and

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

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

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

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

4.20 Sec. 4. **APPROPRIATION.**

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