CHAPTER 86--S.F.No. 2614

An act relating to higher education; workforce development; clarifying the dual training grant program;amending Minnesota Statutes 2015 Supplement, sections 136A.246; 175.45, subdivision 1.

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

Section 1. Minnesota Statutes 2015 Supplement, section 136A.246, is amended to read:

136A.246 DUAL TRAINING COMPETENCY GRANTS.

Subdivision 1. **Program created.** The commissioner 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. An individual must, no later than the commencement of the training, be an employee of the employer seeking a grant to train that individual.

Subd. 2. **Eligible grantees.** An employer or an organization representing the employer is eligible to apply for a grant to train employees if 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. ~~Employees who have previously received a grant under this program are not eligible to receive another grant.~~ An employee must receive an industry-recognized degree, certificate, or credential upon successful completion of the training.

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 prior to the grant award. The training may be provided by any institution or program having trainers qualified to instruct on the competency standard. The Office of Higher Education and the Department of Labor and Industry must cooperate in maintaining an inventory of degree, certificate, and credential programs that provide training to meet competency standards. The inventory must be posted on each agency's Web site with contact information for each program by September 1, 2016. The postings must be updated periodically.

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

(1) the projected number of employee trainees;

(2) the number of projected employee trainees who graduated from high school or passed the GED test in the current or immediately preceding calendar year;

~~(2)~~ (3) the competency standard for which training will be provided;

~~(3) any~~ (4) the credential the employee will receive upon completion of training;

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~~(4)~~ (5) the name and address of the training institution or program and a signed statement by the institution or program that it is able and agrees to provide the training;

~~(5)~~ (6) the period of the training; and

~~(6)~~ (7) the cost of the training charged by the training institution or program and certified by the institution or program. The cost of training includes tuition, fees, and required books and materials.

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

Subd. 5. **Grant criteria.** (a) Except as provided in this subdivision, the commissioner shall award grants to employers solely for training employees who graduated from high school or passed GED tests in the current or immediately preceding calendar year.

(b) If there are not sufficient eligible applications satisfying paragraph (a), the commissioner may award grants to applicants to train employees who do not meet the requirements of paragraph (a).

(c) The commissioner shall, to the extent ~~there are sufficient applications~~ possible after complying with paragraph (a), make at least an approximately equal dollar amount of grants for training for employees whose work site is projected to be outside the metropolitan area as defined in section 473.121, subdivision 2, as for employees whose work site is projected to be within the metropolitan area.

(d) In determining the award of grants, the commissioner must consider, among other factors:

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

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

(3) the per employee cost of training;

(4) the additional employment opportunities for employees because of the training;

(5) the on-the-job training the employee receives;

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

~~(6)~~ (7) the amount of employer training cost match, if required, on both a per employee and aggregate basis.

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

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

(a) The commissioner shall pay the grant to the employer after the employer presents satisfactory evidence to the commissioner that the employer has paid the training institution or program.

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(b) If an employer demonstrates that it is not able to pay for the training in advance, the commissioner shall make grant payments directly to the training institution or program.

Subd. 8. **Grant amounts.** (a) The maximum grant for an application is $150,000. ~~The maximum cost of training payable by the~~ A grant may not exceed $6,000 per year for a maximum of four years per employee.

~~A grant for a particular employee must be reduced by the amounts of any federal Pell grant received, or state grant the employee is eligible to receive for the training and An employee must apply for those grants as a condition of payment for training that employee under this section.~~

(b) An employee who is attending an eligible institution must apply for Pell and state grants as a condition of payment for training that employee under this section.

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

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

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

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

Sec. 2. Minnesota Statutes 2015 Supplement, section 175.45, subdivision 1, is amended to read:

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

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

Presented to the governor April 25, 2016

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