

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 551

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**Version:** First engrossment

**Authors:** O'Neill and others

**Subject:** Establishing a dual training grant program and developing competency standards.

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### Overview

H.F. 551 establishes a dual training competency grant program in the Department of Employment and Economic Development (DEED). The grant program would allow employers to apply for funding to train their employees in the “competency standards” identified through the Minnesota PIPELINE project administered by the Department of Labor and Industry (DLI). Training programs operated by the Minnesota State Colleges and Universities (MnSCU) would be eligible to receive grants.

The costs of training would be shared between the employer and DEED, with an employer’s share scaling based on the employer’s annual revenue. A grant would cover the cost of the training charged by MnSCU, less an employee’s Pell and state grants and the employer match.

The bill additionally requires DLI to continue to develop competency standards, and appropriates money to DEED and DLI for the programs established.

### Section

1

**Dual training competency grants.** Establishes a grant program within the Department of Employment and Economic Development. Employers may apply for grants to provide their employees with additional training at a MnSCU school in the competency standards established by the Department of Labor and Industry.

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**Subd. 1. Program created.** Establishes a grant program to train employees in the competency standards established by DLI.

**Subd. 2. Eligible grantees.** Establishes which employers and employees are eligible for the grant program established in subdivision 1. Employers may apply for grants to train employees who work or are to be trained to work in an occupation for which a competency standards has been identified. Employees may only participate in the program once, and must apply for Pell and state grants to participate.

**Subd. 3. Training institution.** Mandates that training under the grant program be provided by MnSCU.

**Subd. 4. Contract required.** Requires employers and employees to enter into a contract defining the terms of employment during and after the training program.

**Subd. 5. Application.** Establishes the process for applying for a grant.

**Subd. 6. Grant criteria.** Establishes the criteria the commissioner must use to award grants. To the extent feasible, the commissioner must award equal dollar amounts to metro and nonmetro businesses.

**Subd. 7. Employer match.** Sets the percentage an employer must pay towards an employee's training, depending on the employer's annual revenue. Employers must pay between 20 percent and 66 percent of the costs of training.

**Subd. 8. Payment of grant.** Allows the commissioner to establish the manner in which grant payments are made to training institutions.

**Subd. 9. Grant amounts.** Grants the commissioner the authority to set the maximum grant amount allowed under the program and the maximum grant amount per employee trained. The maximum grant amounts must be set at a level to allow multiple employees to participate. The maximum grant per employee must not exceed the cost of tuition up to 60 credits.

Requires grant amounts be reduced by the employer's match and an employee's state and federal Pell grants.

**Subd. 10. Reporting.** Requires the commissioner to annually report to the legislature on the activity of the grant program.

**2 Competency standards for dual training.** Requires the commissioner of DLI to identify competency standards for dual training.

**Subd. 1. Duties; goal.** Requires the commissioner of DLI to identify competency standards for occupations in advanced manufacturing, health care services, information technology, and agriculture. Exempts competency standards development from the rulemaking process.

**Subd. 2. Definition; competency standard.** Defines competency standards.

**Subd. 3. Competency standards identification process.** Establishes a process for identifying competency standards. Requires the commissioner to consult with the

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commissioner of DEED, industry experts, representative employers, higher education institutions, and representatives of labor.

**Subd. 4. Duties.** Requires the commissioner to take a number of steps to establish competency standards. The commissioner must:

- Establish competency standards for both entry-level and high-skill jobs.
- Verify the transferability of competency standards with industry representatives.
- Create and execute an outreach plan.
- Develop models for Minnesota educational institutions to offer training that meets the competency standards.
- Encourage participation by employers in the competency standard identification process.
- Align competency standards with other workforce initiatives.

**Subd. 5. Notification.** Requires the commissioner of DLI to communicate the competency standards identified to the commissioner of DEED for the purposes of the grant program established in section 1. Requires the commissioner of DLI to post the competency standards on the department's Web site.

3 **Dual training competency grants; appropriation.** Appropriates money to DEED For the grant program established in section 1.

4 **Appropriation.** Appropriates money to DLI to develop the competency standards required under section 2.