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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 2892

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to economic development; modifying programs of Minnesota Job Skills
1.3 Partnership; appropriating money; amending Minnesota Statutes 2006, sections
1.4 116L.02; 116L.04, subdivision 1; 116L.05, subdivisions 3, 5; 116L.16; 116L.20,
1.5 subdivision 2; repealing Minnesota Statutes 2006, section 116L.06.

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

1.7 Section 1. Minnesota Statutes 2006, section 116L.02, is amended to read:

1.8 **116L.02 JOB SKILLS PARTNERSHIP PROGRAM.**

1.9 (a) The Minnesota Job Skills Partnership program is created to act as a catalyst to
1.10 bring together employers with specific training needs with educational or other nonprofit
1.11 institutions which can design programs to fill those needs. The partnership shall work
1.12 closely with employers to prepare, train and place prospective or incumbent workers in
1.13 identifiable positions as well as assisting educational or other nonprofit institutions in
1.14 developing training programs that coincide with current and future employer requirements.
1.15 The partnership shall provide grants to educational or other nonprofit institutions for
1.16 the purpose of training workers. A participating business must match the grant-in-aid
1.17 made by the Minnesota Job Skills Partnership. The match for a business with 25 or fewer
1.18 employees must be at least a one-to-two ratio of private to state money. The match for
1.19 all other businesses must be at least a one-to-one ratio. The match may be in the form of
1.20 funding, equipment, or faculty.

1.21 (b) The partnership program shall administer the health care and human services
1.22 worker training and retention program under sections 116L.10 to 116L.15.

1.23 (c) The partnership program is authorized to use funds to pay for training for
1.24 individuals who have incomes at or below 200 percent of the federal poverty line.

2.1 The board may grant funds to eligible recipients to pay for board-certified training.
2.2 Eligible recipients of grants may include public, private, or nonprofit entities that provide
2.3 employment services to low-income individuals.

2.4 Sec. 2. Minnesota Statutes 2006, section 116L.04, subdivision 1, is amended to read:

2.5 Subdivision 1. **Partnership program.** (a) The partnership program may provide
2.6 grants-in-aid to educational or other nonprofit educational institutions using the following
2.7 guidelines:

2.8 (1) the educational or other nonprofit educational institution is a provider of training
2.9 within the state in either the public or private sector;

2.10 (2) the program involves skills training that is an area of employment need; and

2.11 (3) preference will be given to educational or other nonprofit training institutions
2.12 which serve economically disadvantaged people, minorities, or those who are victims of
2.13 economic dislocation and to businesses located in rural areas.

2.14 (b) A single grant to any one institution shall not exceed \$400,000. A portion of a
2.15 grant may be used for preemployment training.

2.16 (c) Each institution must provide for the dissemination of the results of a
2.17 grant-funded project including, but not limited to, curriculum and all supporting materials
2.18 developed in conjunction with the grant. The dissemination of results must be on a
2.19 statewide basis.

2.20 Sec. 3. Minnesota Statutes 2006, section 116L.05, subdivision 3, is amended to read:

2.21 Subd. 3. **Use of funds.** The Job Skills Partnership Board may use up to six percent
2.22 of any funds it receives, regardless of the source, for activities authorized under section
2.23 116L.04, subdivision 2. The board may also use a portion of these funds to collect and
2.24 disseminate information on the activities under section 116L.04, subdivision 2. The board
2.25 must plan for the statewide dissemination of the results, curriculum, and supporting
2.26 materials of these grant-funded projects.

2.27 Sec. 4. Minnesota Statutes 2006, section 116L.05, subdivision 5, is amended to read:

2.28 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year,
2.29 the board may use workforce development funds for the purposes outlined in sections
2.30 116L.04, ~~116L.06~~, and 116L.10 to 116L.14, or to provide incumbent worker training
2.31 services under section 116L.18 if the following conditions have been met:

2.32 (1) the board examines relevant economic indicators, including the projected
2.33 number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of

3.1 declining and expanding industries, the number of initial applications for and the number
 3.2 of exhaustions of unemployment benefits, job vacancy data, and any additional relevant
 3.3 information brought to the board's attention;

3.4 (2) the board accounts for all allocations made in section 116L.17, subdivision 2;

3.5 (3) based on the past expenditures and projected revenue, the board estimates future
 3.6 funding needs for services under section 116L.17 for the remainder of the current fiscal
 3.7 year and the next fiscal year;

3.8 (4) the board determines there will be unspent funds after meeting the needs of
 3.9 dislocated workers in the current fiscal year and there will be sufficient revenue to meet
 3.10 the needs of dislocated workers in the next fiscal year; and

3.11 (5) the board reports its findings in clauses (1) to (4) to the chairs of legislative
 3.12 committees with jurisdiction over the workforce development fund, to the commissioners
 3.13 of revenue and finance, and to the public.

3.14 Sec. 5. Minnesota Statutes 2006, section 116L.16, is amended to read:

3.15 **116L.16 DISTANCE-WORK GRANTS.**

3.16 The Job Skills Partnership Board may make grants-in-aid for distance-work
 3.17 projects. The purpose of the grants is to promote distance-work projects involving
 3.18 technology in rural areas and may include a consortium of organizations partnering
 3.19 in the development of rural technology industry. Grants may be used to identify and
 3.20 train rural workers in technology, act as a catalyst to bring together employers and rural
 3.21 employees to perform distance work, and provide rural workers with physical connections
 3.22 to telecommunications infrastructure, where necessary, in order to be self-employed or
 3.23 employed from their homes or satellite offices. Grants must be made according to sections
 3.24 116L.02 and 116L.04, except that:

3.25 (1) the business match may include, but is not limited to, office space;
 3.26 additional management or technology staff costs; start-up equipment costs such as
 3.27 telecommunications infrastructure, additional software, or computer upgrades; consulting
 3.28 fees for implementation of distance-work policies or identification and skill assessment
 3.29 of potential employees; and the joint financial contribution of two or more businesses
 3.30 acting as a consortium;

3.31 (2) cash or in-kind contributions by partnering organizations may be used as a match;

3.32 (3) eligible grantees may be educational or nonprofit educational training
 3.33 organizations; and

3.34 (4) ~~grants-in-aid may be packaged with loans under section 116L.06, subdivision~~
 3.35 ~~6; and~~

4.1 (5) with respect to grants serving as a catalyst to bring together employers and rural
4.2 employees to perform distance work, the match must be at least one-to-two.

4.3 The board shall, to the extent there are sufficient applications, make grant awards
4.4 to as many parts of the state as possible. Subject to the requirement for geographic
4.5 distribution of grants, preference shall be given to grant applications that provide the most
4.6 cost-effective training proposals, that provide the best prospects for high-paying jobs
4.7 with high retention rates, or that are from more economically distressed rural areas or
4.8 communities.

4.9 Grantees must meet reporting and evaluation requirements established by the board.

4.10 Sec. 6. Minnesota Statutes 2006, section 116L.20, subdivision 2, is amended to read:

4.11 Subd. 2. **Disbursement of special assessment funds.** (a) The money collected
4.12 under this section shall be deposited in the state treasury and credited to the workforce
4.13 development fund to provide for employment and training programs. The workforce
4.14 development fund is created as a special account in the state treasury.

4.15 (b) All money in the fund not otherwise appropriated or transferred is appropriated
4.16 to the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for
4.17 in paragraph (d). The board must act as the fiscal agent for the money and must disburse
4.18 that money for the purposes of section 116L.17, not allowing the money to be used for
4.19 any other obligation of the state. All money in the workforce development fund shall be
4.20 deposited, administered, and disbursed in the same manner and under the same conditions
4.21 and requirements as are provided by law for the other special accounts in the state treasury,
4.22 except that all interest or net income resulting from the investment or deposit of money in
4.23 the fund shall accrue to the fund for the purposes of the fund.

4.24 (c) Reimbursement for costs related to collection of the special assessment shall be
4.25 in an amount negotiated between the commissioner and the United States Department
4.26 of Labor.

4.27 (d) If the board determines that the conditions of section 116L.05, subdivision 5,
4.28 have been met, the board may use funds for the purposes outlined in sections 116L.04;
4.29 ~~116L.06~~; and 116L.10 to 116L.14, or to provide incumbent worker training services under
4.30 section 116L.18.

4.31 Sec. 7. **APPROPRIATIONS; MINNESOTA JOB SKILLS PARTNERSHIP.**

4.32 \$3,000,000 is appropriated from the general fund to the commissioner of
4.33 employment and economic development for fiscal year 2009 to the Minnesota Job Skills
4.34 Partnership under Minnesota Statutes, chapter 116L. The Minnesota Job Skills Partnership

5.1 Board must develop and implement a plan to improve the marketing of the job skills
5.2 partnership program. \$3,000,000 each year is added to the department's base for the
5.3 Minnesota Job Skills Partnership beginning in fiscal year 2010. Appropriations in this
5.4 section are in addition to appropriations for the same purpose in Laws 2007, chapter 135.

5.5 Sec. 8. **REPEALER.**

5.6 Minnesota Statutes 2006, section 116L.06, is repealed.