



# Dual Training Competency Grant Annual Report

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## About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program is the largest financial aid program administered by the Office of Higher Education, awarding up to \$180 million in need-based grants to Minnesota residents attending accredited institutions in Minnesota. The agency oversees tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing and early college awareness programs for youth.

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# Introduction

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In support of the implementation of the Minnesota Private Investment, Public Education, Labor and Industry Experience (PIPELINE) Program, the 2015 Minnesota Legislature established the Dual Training Competency Grants (DTG) program ([136A.246](#)). Employers may apply for DTG awards to train employees in an occupation for which a competency standard has been identified in one of the four PIPELINE industries.

The PIPELINE Program is an initiative managed by the Department of Labor and Industry (DLI), in collaboration with the Department of Employment and Economic Development (DEED). The PIPELINE Program addresses current and future workforce needs by enhancing the number of skilled workers in the workforce through dual training and registered apprenticeship programs. [Minnesota Laws 2014, Chapter 312, Article 3, Sec. 21](#) states the program “shall convene recognized industry experts, representative employers, higher education institutions, and representatives of labor” to define competency standards for occupations in four industries: advanced manufacturing, health care services, information technology, and agriculture.” More information about the PIPELINE Program can be found online at [www.dli.mn.gov/pipeline.asp](http://www.dli.mn.gov/pipeline.asp). An employer participating in the PIPELINE Program is not required to also participate in the DTG program. The DTG program is a means of financially supporting related instruction for PIPELINE Program employers.

The Office of Higher Education (OHE) is responsible for administering the DTG program in collaboration with DLI. Following the first round of grant awards, [Minnesota Statute 136A.246](#) was amended. Those amendments became effective on April 25, 2016 ([136A.246](#)). Subsequent grant rounds as well as any future grant rounds are awarded and administered under the amended statute (see Appendix A). Below are approximate contract timelines for each grant round:

- DTG Round #1: January 2016 – December 2016
- DTG Round #2: August 2016 – June 2017
- DTG Round #3: January 2017 – December 2017
- DTG Round #4: August 2017 – August 2018
- DTG Round #5: January 2018 – December 2018

DTG Rounds #1 through #4 included new and returning grantees. In an effort to support students/employees in the completion of dual training programs and streamline the grant timeline, DTG Round #5 included only previous grantees with student/employee populations who were continuing their dual training programs.

Per statute requirements, OHE submits this report annually by February 1 to the chairs of the legislative committees with jurisdiction over workforce policy and finance. The report includes, at minimum: (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 complete training; and (3) recommendations, if any, for changes to the program. All data included in this report is as of December 31, 2017.

## Financial Overview

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Total DTG allocation for fiscal years 2016 and 2017 was \$3,000,000. Of the allocation, up to \$130,000 was allowed for administrative costs. Total DTG allocation for fiscal years 2018 and 2019 is \$4,000,000. Of the allocation, up to \$200,000 is allowed for administrative costs. Therefore, the overall allocation is \$7,000,000 which includes up to \$330,000 for administrative costs.

The total amount allowed for grant awards is \$6,670,000.

Based upon current award amounts, the DTG has \$3,149,629.07 remaining for new and returning grantees.

**Table 1. Dual Training Grant Rounds Award Reconciliation**

DTG Round	Original Award	Current Award	Reimbursement Payment	Award Balance
Round #1	\$490,548.09	\$197,120.93	\$197,120.93	\$0.00
Round #2	\$1,026,000.00	\$752,980.90	\$586,333.77	\$166,647.13
Round #3	\$918,000.00	\$834,000.00	\$355,839.88	\$478,160.12
Round #4	\$1,296,000.00	\$1,146,000.00	\$149,367.75	\$996,632.25
Round #5	\$373,500.00	\$359,250.00	\$0.00	\$359,250.00
<b>Total</b>	<b>\$4,104,048.09</b>	<b>\$3,289,351.83</b>	<b>\$1,288,662.33</b>	<b>\$2,000,689.50</b>

*Notes: Decreases from original to current awards were due to grantees withdrawing applications for reason further discussed in the following Grantees/Employers section.*

All grants associated with DTG Round #1 have been closed. DTG Round #2 contains three open grants with a total award balance of \$166,647.13 to be requested for reimbursement by January 30, 2018, or the award balance will be added to the amount designated for future grantees. DTG Rounds #3, #4, and #5 grants are open.

# Grantees/Employers

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Employers or organizations of employers who have or plan to implement dual training programs among approved industries and occupations are eligible to apply for the DTG. DLI intends to double the list of occupations in 2018. New occupations are expected to be available for DTG Round #6 Request for Application releasing in April of 2018. Currently, DLI approved competencies for the following 22 occupations among four industries:

## Advanced Manufacturing:

- Flexo Technician
- Machinist/CNC Operator
- Maintenance and Repair Worker
- Mechatronics
- Quality Assurance/Food Safety Supervisor
- Welder

## Health Care Services:

- Health Support Specialist
- Medical Assistant
- Psychiatric/Mental Health Technician In-Patient
- Psychiatric/Mental Health Technician Out-Patient
- Senior Living Culinary Manager

## Agriculture:

- Agronomist
- Mechanic, Industrial Truck
- Quality Assurance/Food Safety Supervisor
- Swine Manager
- Swine Technician (grow finish)
- Swine Technician (sow farm)

## Information Technology:

- Security Analyst
- Service Desk/Front Line Support or Computer User Support Specialist
- Software Developer
- Web Developer – Back End
- Web Developer – Front End

If an employer does not have an established dual training program or has an occupation not currently approved; DLI is available for consultation about designing a program and adding occupations. Dual training programs must have formal instruction through a related instruction provider and on-the-job training through the employer. An individual providing related instruction cannot also supervise on-the-job training. Related instruction must result in an industry-recognized degree, certificate, or credential upon completion of the training. If the related instruction program is eligible for state and/or federal student aid, students/employees are required to complete a Free Application for Federal Student Aid (FAFSA) or MN Dream Act application.

Grantees are able to receive up to \$150,000 per contract (approximately one year) for 25 students, not to exceed \$6,000 per student/employee. Grant funds may only be used for related instruction costs (tuition, fees, books, and required materials). Any related instruction costs over \$6,000 per student/employee is the responsibility of

the grantee or student/employee. Each student/employee may benefit from the DTG for a maximum of four years in a lifetime.

Per statute, grantees with annual revenue of more than \$25,000,000 in the preceding calendar year are required to pay training providers for 25 percent of the related instruction training costs.

During DTG Round #1, grant funds were sent directly to training providers once applicable grantees paid training providers 25 percent of related instruction costs. For all subsequent rounds, grantees were reimbursed directly from the grant after paying 100 percent of related instruction costs. In limited instances, grantees have provided documentation stating that they are unable to pay for training in advance and that training providers should receive grant payment directly from OHE.

## Application Process

Employers or employer organizations submit DTG applications to address several criteria in Minnesota Statutes 136A.246, subdivision 4:

- (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;*
- (3) the competency standard for which training will be provided;*
- (4) the credential the employee will receive upon completion of training;*
- (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;*
- (6) the period of the training; and*
- (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.*

Subsequently, to be considered for the DTG opportunity, all DTG applicants must meet minimum qualifications of submitting the following documents to OHE by deadline dates:

1. Application (online is preferred method)
2. Letter of intent
3. Training agreement (one per qualified training provider)
4. Affidavit of non-collusion
5. Related instruction training provider selection documents
6. Financial review documents (if applicable)

A rubric is used to score applications:

1. The dual training program is robust and complete – **40 Points**
  - a. Related instruction supports the occupation and aligns with PIPELINE Dual Training Competencies– 15/40 Points
  - b. On-the-job training supports the occupation and aligns with PIPELINE Dual Training Competencies – 15/40 Points
  - c. Related instruction correlates with on-the-job training – 10/40 Points
2. Per student/employee cost of training and employer match minimizes costs to student/employee – **15 Points**
3. Student/employee will have additional employment opportunities as a result of the training – **15 Points**
4. Projected increase in compensation for student/employee as a result of the training – **15 Points**
5. The number of recent high school graduates (including GED) to be trained as part of the dual training grant – **15 Points**

Priority is first given to applicants with student/employee populations that have recently graduated from high school or passed GED tests in the current or immediately preceding calendar year in relation to grant application. Priority is then given to previous grantees with continuing student/employee populations as a means to support the completion of degrees, certificates, and credentials. Lastly, to the extent possible, grant amounts are balanced among students/employees working at locations outside and within the metropolitan area; across industries; and employer size.

Applications have been awarded for five grant rounds since the program was established in law.

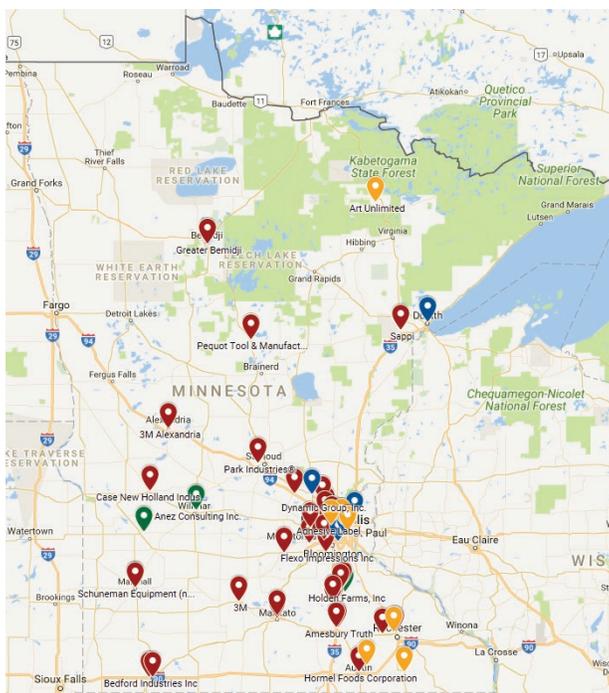
#### Grant Application Deadlines:

- Grant Round #1: November 16, 2015
- Grant Round #2: May 22, 2016
- Grant Round #3: September 23, 2016
- Grant Round #4: July 7, 2017
- Grant Round #5: October 30, 2017

## **Awards**

A total of 83 DTG original awards have been offered among 54 employers throughout five grant rounds. DLI published an [interactive map](#) to view awarded employers.

- Advanced Manufacturing (AM): RED
- Agriculture (AG): GREEN
- Health Care Services (HC): BLUE
- Information Technology (IT): YELLOW



In addition, see Appendix B for a breakdown of 73 current awards among grantees by legislative districts.

Tables 2 through 6 depict grantee/employer, city, industry, original award amount and current award amount. The industry listed on the tables correlates with the industry listed on the DTG application and may differ from the industry commonly associated with the grantee. Notes below the tables indicate whether a grantee withdrew from the grant. Primary reasons for withdrawals included lack of employees willing to be students and lack of employer resources to provide on-the-job training and administer grant duties. Additional notes below Table 2 include a grantee who did not withdraw, but did not utilize grant funding. The grantee signed a DTG contract, participated in dual training, and submitted reports. However, the grantee did not request reimbursement from the grant; likely due to other aid and employer resources covering all related instruction costs.

**Table 2. Dual Training Grant Awards – Round #1**

Grantee/Employer	City	Industry	Original Award	Current Award
Accurate Home Care	Otsego	HC	\$83,250.00	\$0.00
Apex International	Chaska	AM	\$4,285.95	\$0.00

Grantee/Employer	City	Industry	Original Award	Current Award
Design Ready Controls	Brooklyn Park	AM	\$91,935.00	\$42,178.71
Fairview Health Services	St. Paul	IT	\$96,505.50	\$66,212.75
Hartfiel Automation	Eden Prairie	AM	\$9,453.60	\$2,054.62
Holden Farms	Northfield*	AG	\$15,558.75	\$0.00
Jones Metal	Mankato*	AM	\$5,176.00	\$5,133.96
Kingsland Public Schools	Spring Valley*	IT	\$2,995	\$2,995.00
Owens Corning	Minneapolis	AM	\$3,722.78	\$1,289.62
Park Industries	St. Cloud*	AM	\$6,421.26	\$6,421.26
Pequot Tool & Manufacturing	Pequot Lakes*	AM	\$109,670.00	\$63,392.00
Rothgreaves & Associates	Long Lake	AM	\$4,859.25	\$0.00
Schuneman Equipment Co.	Marshall*	AG	\$45,000	\$4,585.51
Ultra Machining Company	Monticello*	AM	\$6,000	\$0.00
Xylo Technologies	Rochester*	IT	\$5,715.00	\$2,857.50
<b>15 TOTAL Awards</b>			<b>\$490,548.09</b>	<b>\$197,120.93</b>

Notes: Location followed by (\*) indicates a Greater MN County. The following employers withdrew from the grant: Accurate Home Care, Holden Farms, Rothgreaves & Associates, and Ultra Machining Company. Apex International did not withdraw, but did not utilize grant funding.

**Table 3. Dual Training Grant Awards – Round #2**

Grantee/Employer	City	Industry	Original Award	Current Award
Adhesive Label	New Hope	AM	\$24,000.00	0.00
Anez Consulting	Willmar*	AG	\$6,000.00	\$1,143.00
AWT Labels and Packaging	Minneapolis	AM	\$48,000.00	\$31,500.00
Cardinal Glass Industries	Northfield*	AM	\$12,000.00	\$3,926.56
Computype	Roseville	AM	\$24,000.00	\$15,750.00
Cybox International	Owatonna*	AM	\$36,000.00	\$13,643.72
Fairview Health Services	Minneapolis	IT	\$150,000.00	\$111,624.00
Flexo Impressions	Savage	AM	\$12,000.00	\$5,250.00
Gauthier Industries	Rochester*	AM	\$12,000.00	\$0.00
Greater Bemidji	Bemidji*	AM	\$150,000.00	\$147,000.00
Hormel Foods Corporation	Austin*	AM	\$12,000.00	\$5,531.11
JBS	Worthington*	AM	\$120,000.00	\$120,000.00
Jones Metal	Mankato*	AM	\$6,000.00	\$6,000.00
K&G Manufacturing	Faribault*	AM	\$30,000.00	\$8,395.18
MN.IT Services	St. Paul	IT	\$150,000	\$96,713.50
Ornua Ingredients, North America	Byron*	AM	\$6,000	\$0.00
Sage Electrochromics	Faribault*	AM	\$12,000	\$5,249.82
Sappi Fine Paper	Cloquet*	AM	\$150,000	\$150,000.00
SFC Global Supply Chain	Marshall*	AM	\$30,000	\$10,426.35

Grantee/Employer	City	Industry	Original Award	Current Award
Ultra Machining Company	Monticello*	AM	\$6,000	\$4,453.05
Viracon	Owatonna*	AM	\$18,000	\$4,374.61
Yeager Machine	Norwood Young America	AM	\$12,000	\$12,000.00
<b>22 TOTAL Awards</b>			\$1,026,000.00	\$752,980.90

Notes: Location followed by (\*) indicates a Greater MN County. The following employers withdrew from the grant: Adhesive Label, Gauthier Industries, and Ornuo Ingredients, North America.

**Table 4. Dual Training Grant Awards – Round #3**

Grantee/Employer	City	Industry	Original Award	Current Award
3M (Alexandria)	Alexandria*	AM	\$6,000.00	\$6,000.00
3M (New Ulm)	New Ulm*	AM	\$12,000.00	\$12,000.00
Amesbury Truth	Owatonna*	AM	\$6,000.00	\$6,000.00
Bedford Industries	Worthington*	AM	\$18,000.00	\$18,000.00
Beltmann Relocation Group	Roseville	IT	\$36,000.00	\$36,000.00
Care Providers of MN	Bloomington	HC	\$150,000.00	\$144,000.00
Case New Holland Industrial Plant	Benson*	AM	\$48,000.00	\$48,000.00
Design Ready Controls	Brooklyn Park	AM	\$48,000.00	\$48,000.00
Dotson Iron Castings	Mankato*	AM	\$36,000.00	\$36,000.00
Fairview Health Services	Minneapolis	IT	\$150,000.00	\$150,000.00
IBI Data	Brownsdale	IT	\$6,000.00	\$6,000.00
Jennie-O Turkey Store	Faribault*	AM	\$6,000.00	\$0.00
North Memorial	Robbinsdale	IT	\$150,000.00	\$150,000.00
Reell Precision Manufacturing	St. Paul	AM	\$24,000.00	\$24,000.00
Sappi Fine Paper	Cloquet*	AM	\$150,000.00	\$150,000.00
Schuneman Equipment Co.	Marshall*	AG	\$72,000.00	\$0.00
<b>16 TOTAL Awards</b>			\$918,000.00	\$834,000.00

Notes: Location followed by (\*) indicates a Greater MN County. The following employer withdrew from the grant: Jennie-O Turkey Store.

**Table 5. Dual Training Grant Awards – Round #4**

Grantee/Employer	City	Industry	Original Award	Current Award
Art Unlimited	Angora*	IT	\$12,000.00	\$12,000.00
AWT Labels and Packaging	Minneapolis	AM	\$36,000.00	\$36,000.00
Bedford Industries	Worthington*	AM	\$24,000.00	\$24,000.00
Cardinal Glass Industries	Northfield*	AM	\$12,000.00	\$12,000.00

Grantee/Employer	City	Industry	Original Award	Current Award
Cerenity Senior Care	White Bear Lake	HC	\$18,000.00	\$18,000.00
Cybex International	Owatonna*	AM	\$24,000.00	\$24,000.00
Daikin Applied	Faribault*	AM	\$60,000.00	\$60,000.00
Design Ready Controls	Brooklyn Park	AM	\$48,000.00	\$48,000.00
Dynamic Group	Ramsey	AM	\$24,000.00	\$24,000.00
Essentia Health	Duluth*	HC	\$60,000.00	\$60,000.00
Fairview Health Services	St. Paul	IT	\$150,000.00	\$150,000.00
Greater Bemidji	Bemidji*	AM	\$150,000.00	\$150,000.00
IBI Data	Brownsdale*	IT	\$12,000.00	\$12,000.00
JBS	Worthington*	AM	\$120,000.00	\$120,000.00
Jones Metal	Mankato*	AM	\$12,000.00	\$12,000.00
K&G Manufacturing	Faribault*	AM	\$30,000.00	\$30,000.00
Kibble Equipment	Montevideo*	AG	\$150,000.00	\$0.00
Mechanical Systems	Dundas*	AM	\$36,000.00	\$36,000.00
Meyers Printing	Minneapolis	AM	\$18,000.00	\$18,000.00
Pequot Tool & Manufacturing	Pequot Lakes*	AM	\$150,000.00	\$150,000.00
Sage Electrochromics	Faribault*	AM	\$6,000.00	\$6,000.00
SFC Global Supply Chain	Marshall*	AM	\$30,000.00	\$30,000.00
Sholom Home East	St. Paul	HC	\$90,000.00	\$90,000.00
Ultra Machining Company	Monticello*	AM	\$12,000.00	\$12,000.00
Yeager Machine	Norwood Young America	AM	\$12,000.00	\$12,000.00
<b>25 TOTAL Awards</b>			\$1,296,000.00	\$1,146,000.00

Notes: Location followed by (\*) indicates a Greater MN County. Kibble Equipment was formerly known as Schuneman Equipment Co. The following employer withdrew from the grant: Kibble Equipment.

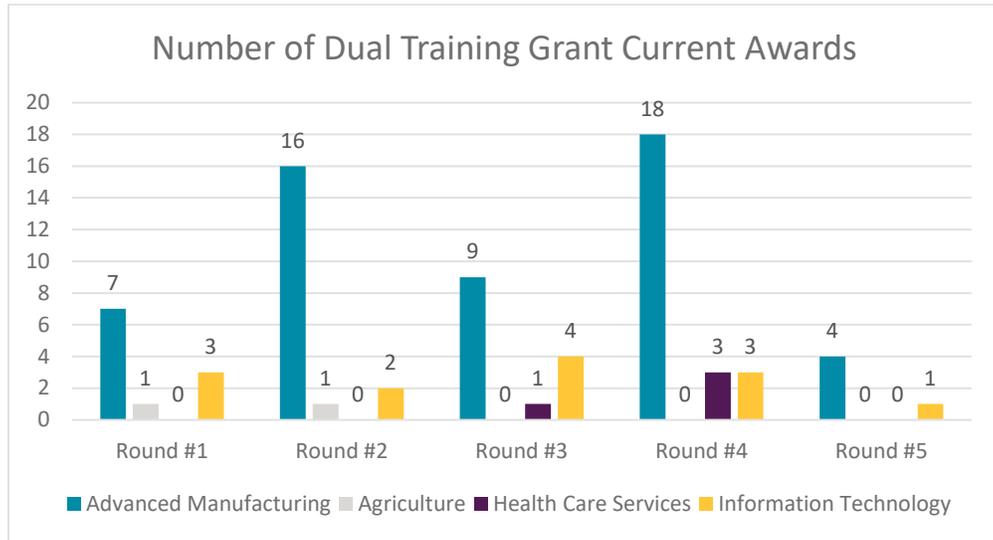
**Table 6. Dual Training Grant Awards – Round #5**

Grantee/Employer	City	Industry	Original Award	Current Award
Bedford Industries	Worthington*	AM	\$18,000.00	\$12,000.00
Dotson Iron Castings	Mankato*	AM	\$24,000.00	\$18,000.00
Fairview Health Services	Minneapolis	IT	\$150,000.00	\$150,000.00
Greater Bemidji	Bemidji*	AM	\$31,500.00	\$29,250.00
Sappi Fine Paper	Cloquet*	AM	\$150,000.00	\$150,000.00
<b>5 TOTAL Awards</b>			\$373,500.00	\$359,250.00

Notes: Location followed by (\*) indicates a Greater MN County.

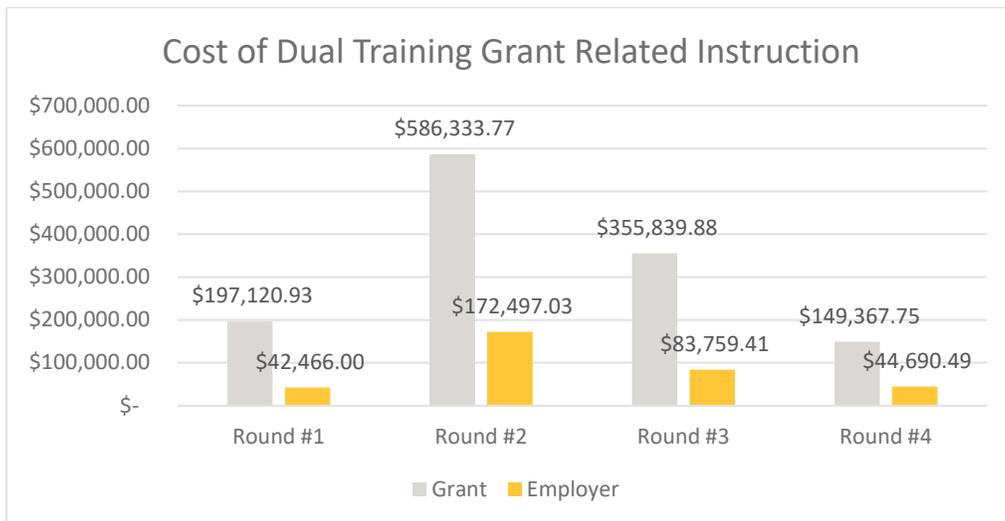
Of the 73 current awards list in Tables 2 through 6, Figure 1 is an illustration of grant round awards per industry:

**Figure 1. Number of Dual Training Grant Current Awards**



As mentioned earlier, grantees with annual revenue more than \$25,000,000 in the previous calendar year are required to pay training providers for 25 percent of related instruction costs. Thus far, related instruction for rounds #1 through #4 have cost a total of \$1,632,075.26. The DTG has paid \$1,288,662.33 and grantees have paid \$343,412.93 of the total cost (as illustrated in Figure 2). Grantees have contributed about 21 percent of total related instruction costs. There have been no costs to students. Although not officially recorded, a fairly small portion of the student/employee population has also qualified for state and federal aid in addition to the DTG and employer contribution.

**Figure 2. Cost of Dual Training Grant Related Instruction**



## Grantee/Employer Testimony

OHE works closely with all grantees to accurately administer the DTG program. Throughout orientation, monitoring, and reporting procedures, OHE collects feedback from grantees. An Advanced Manufacturing grantee, representing multiple employers, emphasized the DTG as being a meaningful partnership between State government and employers:

*The Dual Training/Pipeline program is an invaluable workforce development tool for our region. It is strengthening economic growth in our companies and our communities. As of today, we have ten companies who have trained approximately 50 workers in Mechatronics through our Minnesota Innovation Institute. The positions range from operators to maintenance to manufacturing support positions in quality and parts. Our companies have told us this is the most relevant training they have ever experienced and are pleased to see Minnesota investing in partnership with them in their workforce. It's not a free ride....participants are often studying on their own time and the companies are not only paying a cash match but paying their people to attend training....and they're happy to do it because this program is improving production and positioning their workforce for the future. New companies are approaching us in and outside of our region to see how they can be involved. It's a great investment that's impacting company bottom lines.*

- David Hengel, Executive Director, Greater Bemidji

A Health Care Services grantee, representing multiple employers, expressed interest in participating in future DTG rounds:

*This was our first time administering a grant of this nature and we have learned a great deal in the process. We have received strong positive feedback about the program, and also helpful advice from both the employers and the students/employees to make the program stronger going forward . . . None of the employees [currently] participating have left their jobs during the program, which points to the success of retaining the employees. Several employees not participating who have watched a co-worker participating have asked if they could participate in the next round, and several employers who have sent an employee to this round have inquired about sending another employee the next time around*

-DTG Round #3 Health Care Services Grantee

When asked about how dual training and the DTG have benefited their company, an Advanced Manufacturing grantee responded:

*Obviously we are developing a highly trained workforce. The corporate office has taken notice and is considering how this program might be utilized at other sites. [DTG has led to] continued grant development. The employees are enjoying the training, which thru word of mouth and some press we are receiving interest from young folks considering maintenance work as a future career.*

-DTG Round #3 Advanced Manufacturing Grantee

## Students/Employees

Student/Employee population data is collected from all employers on three separate occasions: application; work plan and budget; and reports. During the application process, applicants are required to indicate how many students/employees are estimated to participate in the program. Often, applicants are still in the process of determining which employees will participate in the DTG as students. The number of students/employees listed during the application process are known as **Awarded** students/employees. The number of awarded students determines the maximum grant amount. Once an employer is awarded a DTG, the grantee is required to identify students/employees through a work plan and budget document. These students/employees are recorded as **Identified** students/employees. Lastly, grantees are required to submit annual reports that list the status of students/employees. Students/Employees listed on reports are known as **Reported** students/employees. As referenced in Table 7 notes, **Reported** students are less than **Identified** students due to some grantees failing to submit reports or not yet being required to submit reports.

Due to the grant timeline, only grantees of DTG Rounds #1, #2, and #3 have been required to submit reports as of July 14, 2017. DTG Round #3 will have a final report due in late January 2018, so data will be updated in a future report. Throughout the reporting process, one student may represent multiple student data points due to participating in multiple DTG rounds.

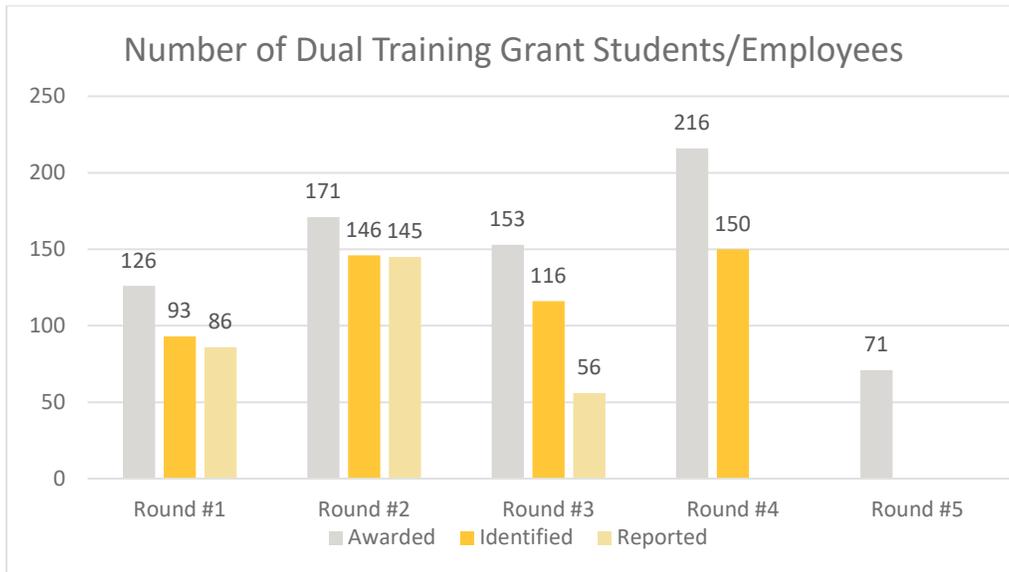
Depicted in Table 7 and Figure 3 is the breakdown among **Awarded**, **Identified**, and **Reported** students/employees for each grant round:

**Table 7. Number of Dual Training Grant Students/Employees**

Grant Round	Awarded	Identified	Reported
#1	126	93	86
#2	171	146	145
#3	153	116	56
#4	216	150	N/A
#5	71	N/A	N/A
<b>TOTAL</b>	<b>737</b>	<b>505</b>	<b>287</b>

*Notes: During grant round #1, three grantees did not submit reports: Hartfiel Automation, Owens Corning, and Xylo Technologies. During grant round #3, three grantees were not required to submit **Reported** student totals due to contracts starting after July 1, 2017: Fairview Health Services, North Memorial, and Sappi Fine Paper.*

**Figure 3. Number of Dual Training Grant Students/Employees**

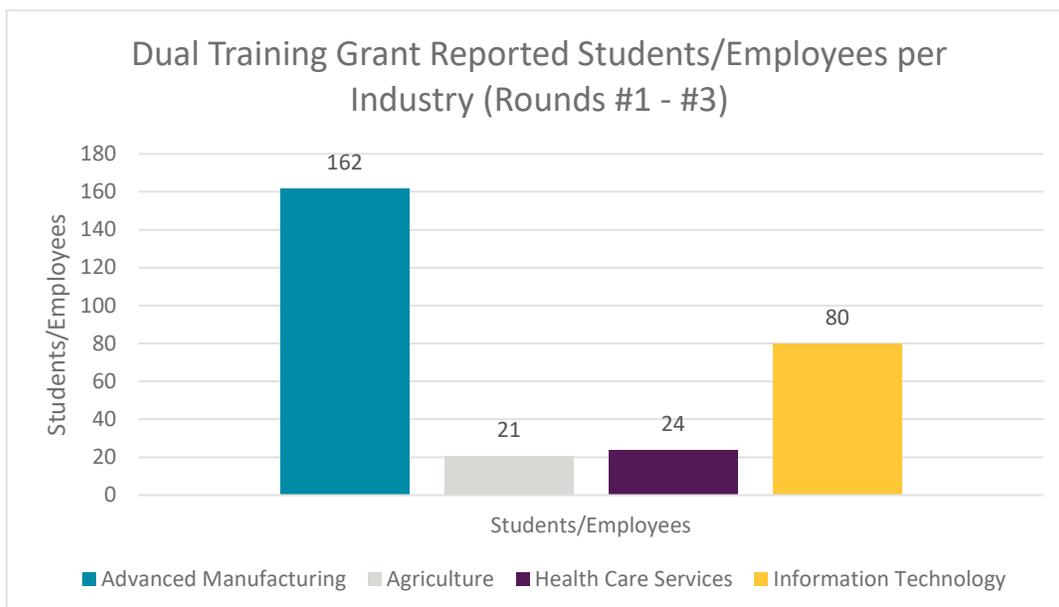


*Note: As a reminder from the Introduction, grant round #5 includes only previous grantees with student/employee populations who are continuing their dual training programs.*

## Industries and Occupations

Based upon reports submitted by grantees of rounds #1 through #3, Figure 4 represents the division of 287 students/employees among the four industries.

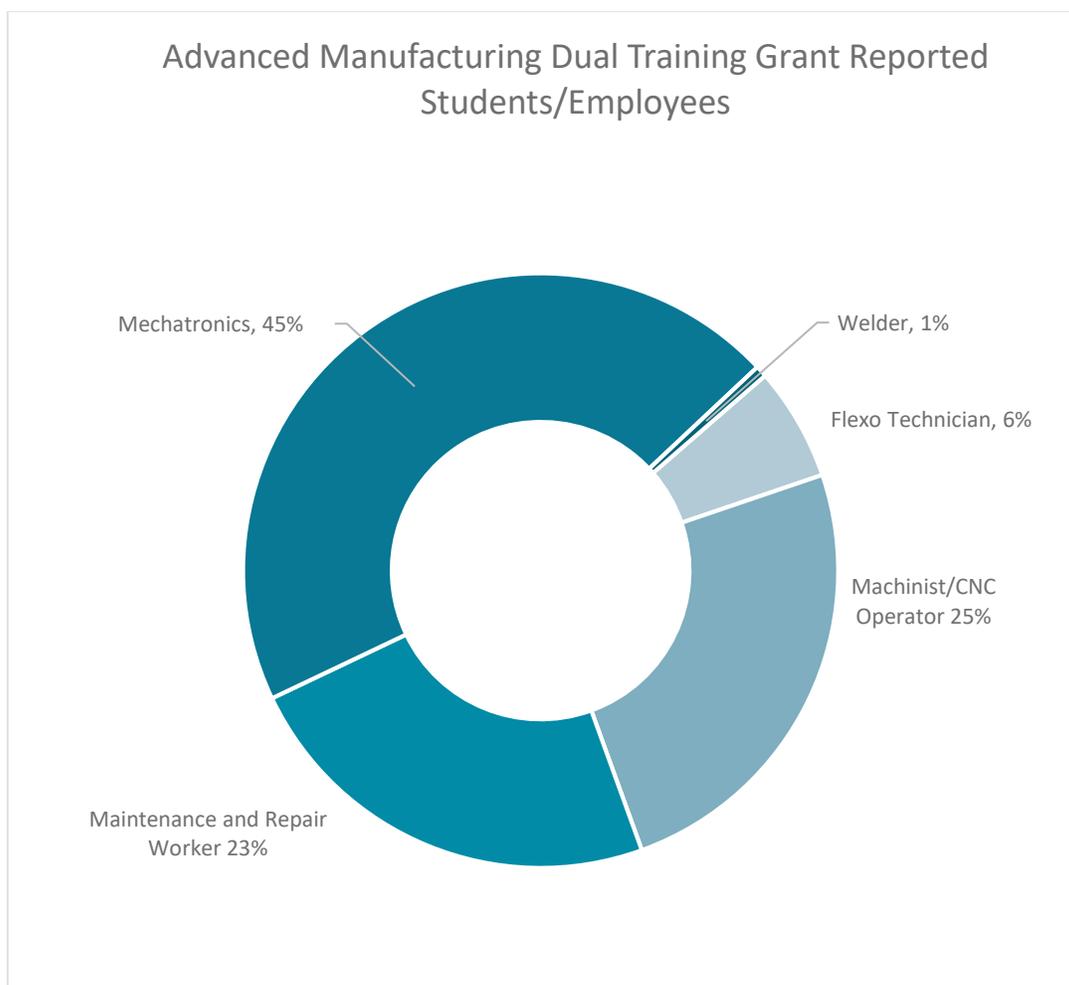
**Figure 4. Dual Training Grant Reported Students/Employees per Industry (Rounds #1 - #3)**



Advanced Manufacturing includes the largest student/employee population among the three grant rounds. Information Technology includes grantees who are not primarily part of the information technology industry but whose employees work in that industry. Two examples include Fairview Health Services and North Memorial. Both grantees operate within the professional industry of health care services, but have received grants under the Information Technology industry. DLI recognizes that Information Technology is part of a variety of industries; therefore the professional industry of a grantee may not align with the grant industry of Information Technology.

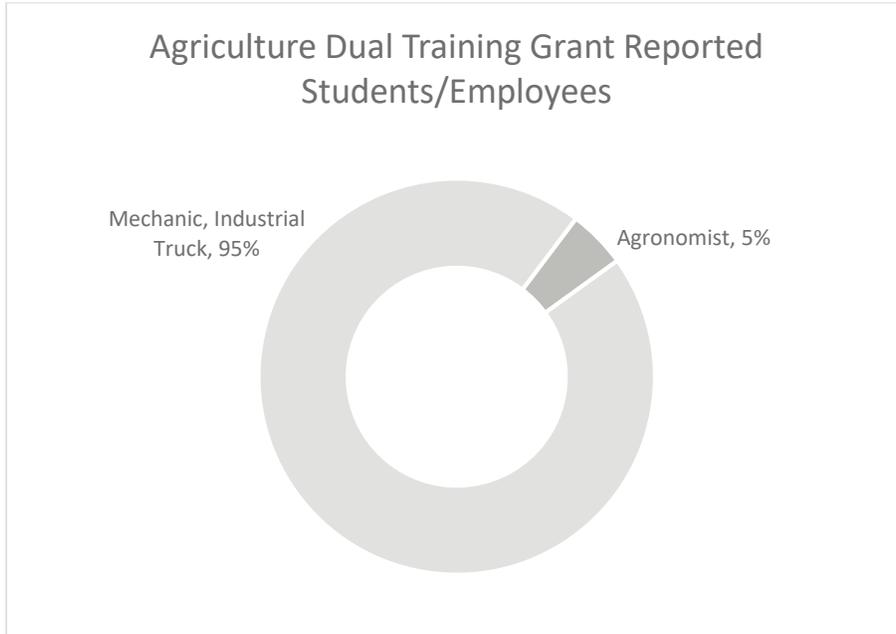
Figures 5 through 8 represent divisions of occupations associated with **Reported** students/employees:

**Figure 5. Advanced Manufacturing Dual Training Grant Reported Students/Employees**



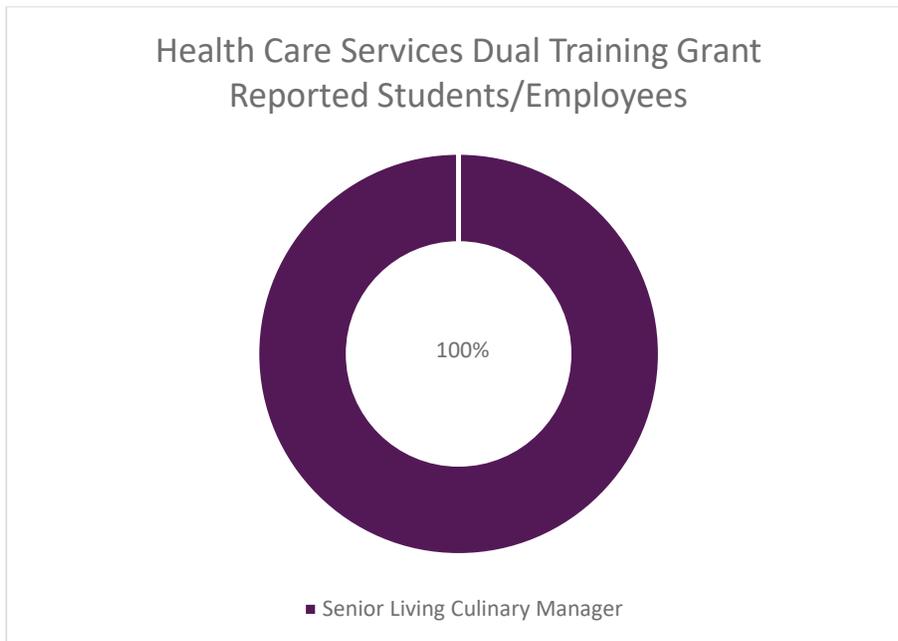
*Notes: OHE has not received grant applications for one Advanced Manufacturing occupation: Quality Assurance/Food Safety Supervisor.*

**Figure 6. Agriculture Dual Training Grant Reported Students/Employees**



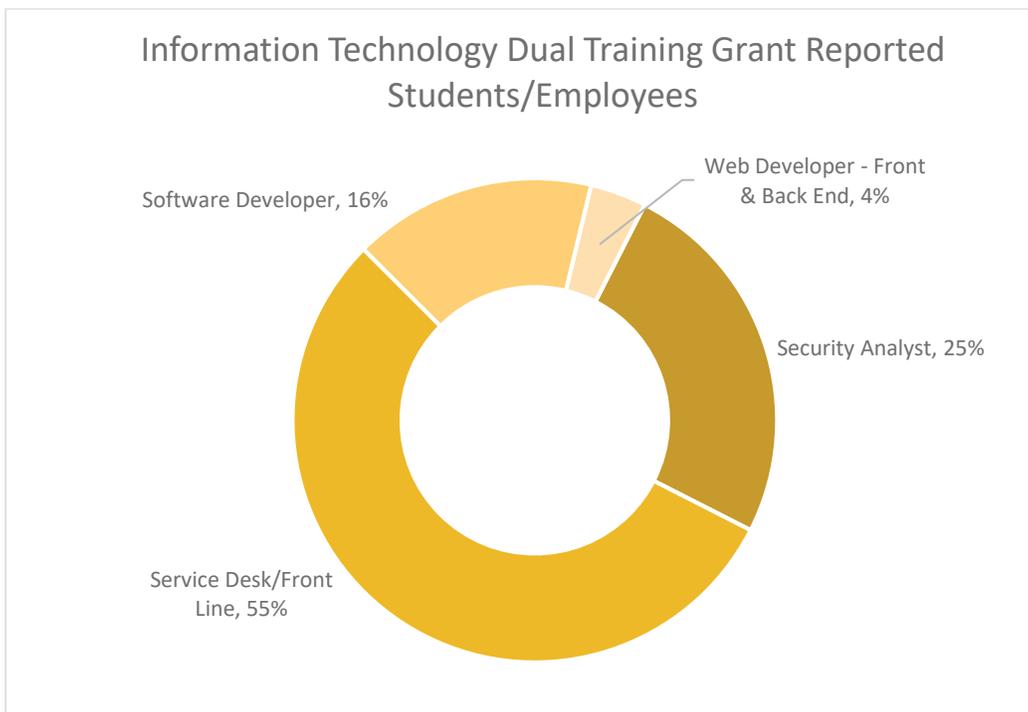
*Notes: OHE has not received grant applications for four Agriculture occupations: Quality Assurance/Food Safety Supervisor, Swine Manager, Swine Technician (grow finish), and Swine Technician (sow farm).*

**Figure 7. Health Care Services Dual Training Grant Reported Students/Employees**



Notes: OHE has not received and/or approved grant applications for four Health Care Services occupations: Health Support Specialist, Medical Assistant, Psychiatric/Mental Health Technician In-Patient, and Psychiatric/Mental Health Technician Out-Patient.

**Figure 8. Information Technology Dual Training Grant Reported Students/Employees**



## Wages

Data collection included wages associated with dual training (pre- and post) from employer initial applications and again from grantees through the work plan and budget process. Increased wages are an expectation but not a requirement of the DTG. Fifty-two percent of **Reported** students/employees received hourly wage increases within six to 12 months from the start of dual training. Table 8 includes summary data for hourly wage increases based upon **Reported** students/employees:

**Table 8. Dual Training Grant Reported Student/Employee Hourly Wage Increases**

	Dollar(s)
Average	\$1.04
Median	\$0.40
Minimum	\$0.00
Maximum	\$11.31

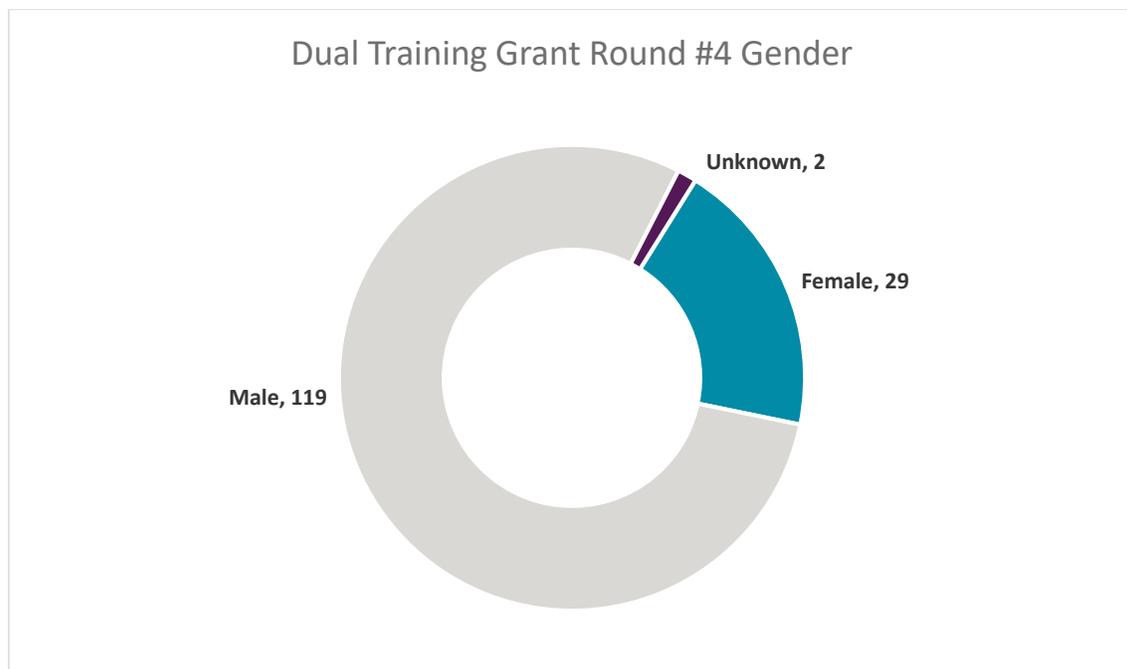
## Demographics

All demographic information has been reported by either the grantee or student/employee. Future goals include cross analysis of the DTG demographic information with other state agency records. A few items of interests include: (1) student/employee maintains employment in same industry, (2) student/employee continues post-secondary education after completing dual training program, and (3) student/employee has increased wages. Until more encompassing demographics can be obtained, OHE will continue to collect general demographic information.

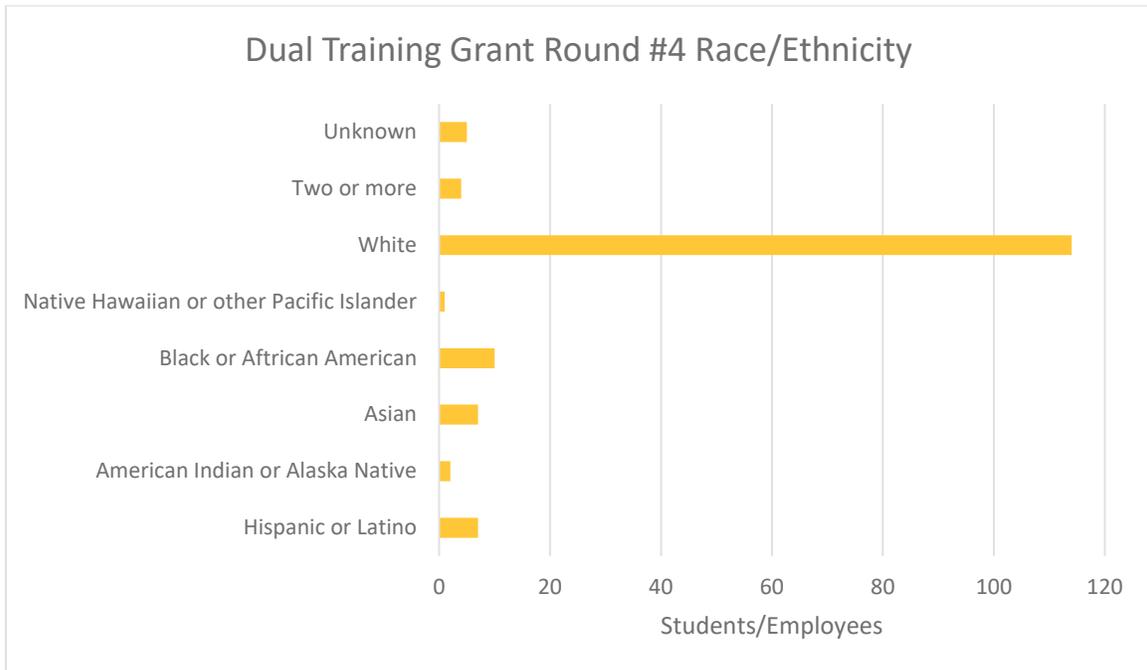
During the DTG application process, applicants were given priority if their applications included students/employees who had recently graduated from high school or earned a GED in the current or immediately preceding calendar year. Applicants often had to rely on estimated numbers, because they were not required to specifically name/list their student/employee populations. Once applicants became grantees and submitted work plans and budgets, more accurate data was collected about the Identified students/employees. Of the 505 Identified students from grant rounds #1 through #4, 14 had recently graduated from high school or earned a GED. Four of the 14 were participating in their second years of the DTG.

To improve data collection directly from students/employees, OHE launched an online student form during DTG Round #4. Students/employees were distributed a link, through their employers, to submit general information about themselves and agree to the terms of the grant. To date, all 150 Identified students/employees participating in DTG Round #4 have submitted student forms. All students/employees are required to agree to the terms of the grant but questions about gender, race, and ethnicity are optional:

**Figure 9. Dual Training Grant Round #4 Gender**



**Figure 10. Dual Training Grant Round #4 Race/Ethnicity**

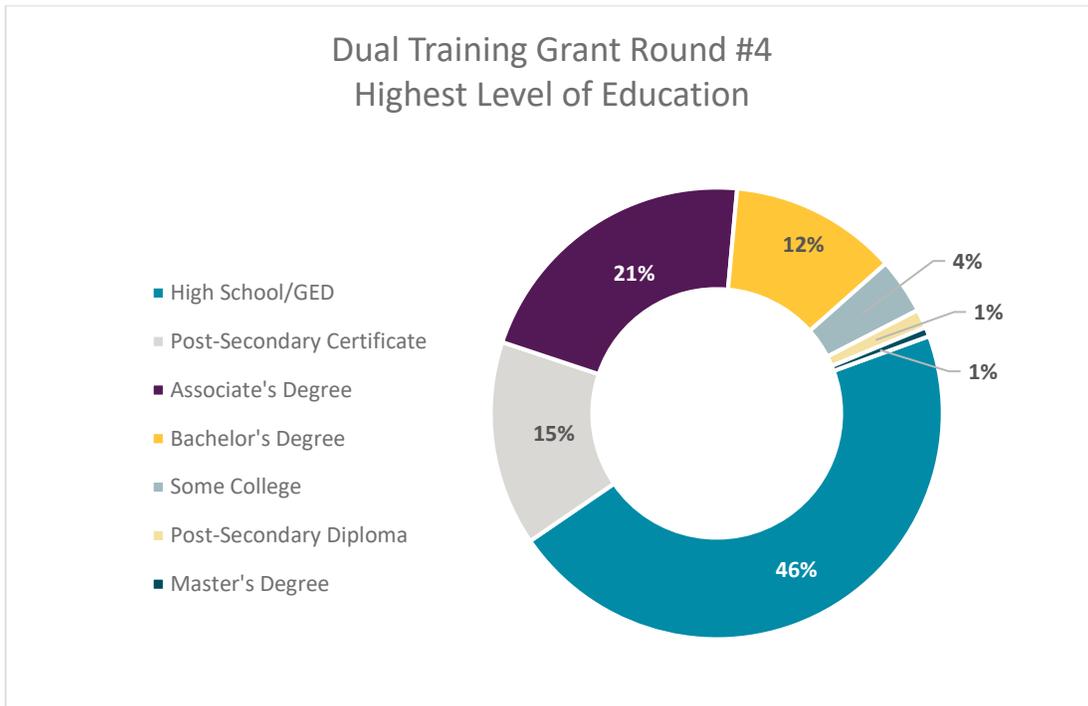


DTG students/employees are required to submit general information, like age and highest level of post-secondary education obtained prior to beginning the dual training program:

**Table 9. Dual Training Grant Round #4 Age Demographics**

	Age
Average	34.44
Median	32
Minimum	18
Maximum	62

**Figure 11. Dual Training Grant Round #4 Highest Level of Education**



## Student/Employee Testimony

Once a grantee is notified about receiving a DTG award, an orientation is scheduled for OHE and DLI to meet with the grantee and students/employees. Most orientations are held at grantee work locations, but some are held via webinar. One goal of the orientation is to provide students/employees with a tangible connection to state government. During orientation, OHE encourages students/employees to be transparent and communicate with employers about their dual training progress. OHE emphasizes the success of dual training is largely contingent upon the relationship between students/employees and employers. Furthermore, OHE welcomes students/employees to contact OHE and/or DLI with questions, concerns, comments, suggestions, and personal experiences. With permission from the student/employee and grantee, the following story was shared with OHE:

*I have never thought that after 26 years after I graduated from high school that I would be going back to college, but I did. It all started when I applied and got a job in Equipment Maintenance at Bedford Industries. As part of the job requirement, I was to complete a 2-year course in Mechatronics at Minnesota West.*

*At first I was scared about the college thing. I was afraid that I wouldn't do well in the classes, because at that moment in my life I was working fulltime at Bedford, from 4 pm to midnight, and also working part-time, from 1am to 6 am, delivering newspapers for the Daily Globe. The school schedule was 10 am to 4 pm. And I do all of these things Monday thru Friday. I know it's a lot. That doesn't leave much time for rest but that's what the weekend is for. So far I have made it through the first year. My first semester I got all*

*A's with a GPA of 4.0 and made it on the Dean's List at MN West. My second semester I got all A's again with a 4.0 GPA.*

*I hope that my story will inspire and encourage others to follow in my footsteps and change their life like I did. Before I accomplished all of these things, I had doubt like most people. Like 'how can I do it'; 'I don't have time for this'; 'I don't have the money to pay for it'. But I was wrong. Thanks to Bedford and the State of Minnesota Grant, it made everything possible for me to pursue my education goals. With the help that I got, it gave me the encouragement and the will to make the time to make it happen. So far it's going as planned. With the continuing help from Bedford's tuition reimbursement, I plan to go on and get the AAS Degree in Mechatronics. Once again, I would like to thank Bedford and the grant that made it possible for me to change my life. If I can do it, anyone can.*

-Daophonh Meunsaveng, Advanced Manufacturing Student/Employee

Recently, Advanced Manufacturing Grantee, Ultra Machining Company, published interviews of dual training grant students/employees on their [website](#). The interviews refer to the students/employees as apprentices because of the similar structure dual training has with registered apprenticeship programs. When Ultra Machining Company asked a student/employee about what he would tell someone considering an apprenticeship, he responded, "An apprenticeship is the best way to get the real, hands-on experience that will help you decide what exactly you want to do. It will prepare you to start adding value for your employer on day one when you start working and gives you the background and confidence to start your career off on the right foot."

## Related Instruction

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Related instruction is formal training provided by qualified trainers to employees of grantees:

*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.*

-Minnesota Statutes 136A.246, subdivision 3

Grantees entered into agreements with training providers based upon various criteria including but not limited to program offerings, ability to meet competencies, course location, course timing, and willingness to participate in the DTG. Training providers included post-secondary education institutions and private educational companies. Per statute, DLI created and maintains a [Related Instruction Inventory](#) for each industry that includes known education or training programs related to approved dual training occupations. Employers are not required to partner with the training providers listed on the inventory.

The DTG is not only a means of financially supporting related instruction, but has acted as a motivator for employers to value and create related instruction. Some grantees and training providers worked together to create customized programs specifically for the DTG. A few grantees sought credentialing and were able to function both as the grantee and related instruction training provider. In a specific case, employers recognized the lack of any industry-recognized related instruction and chose to fund a program. With permission from AWT Labels and Packaging and Computype, the following testimony was submitted to OHE:

*AWT (and most other flexographic printing companies around the US) have been trying to figure out how to deal with the shortage of flexographic press operators in our industry. There was no feeder system or educational resource still open that trains for the skills required to be a flexographic press operator. AWT and Computype took action and created Flexographic Tech, a non-profit 501(c) (3) training resource primarily dedicated to training press operators for the industry. This was a costly venture for both AWT and Computype to get involved with and very difficult to get operational. I am happy to say that all of the hard work is paying off – Flexo Tech has graduated 29 Press Operators to date (24 from Minnesota and five from three other states). The PIPELINE Grant has been a HUGE help for AWT, Computype and the other Minnesota companies that received the grant. Without this grant, it would be difficult for many of the companies involved to send students through Flexographic Tech to be Press Operators. The grant has helped expand the number of students getting an opportunity for a career in printing. We are thankful!*

-Ted Biggs, VP of Manufacturing, AWT Labels and Packaging

A total of 33 related instruction training providers have entered into agreements with grantees holding current awards:

**Table 10. Dual Training Grant Related Instruction Training Providers – Round #1**

<b>Grantee/Employer</b>	<b>Training Provider(s)</b>
Design Ready Controls	1. Hennepin Technical College 2. Minnesota State University, Mankato
Fairview Health Services	1. Global Knowledge 2. Intertech 3. Knowledge Peak 4. New Horizons
Hartfiel Automation	Hennepin Technical College
Jones Metal	South Central College
Kingsland Public Schools	New Horizons
Owens Corning	Hennepin Technical College
Park Industries	St. Cloud Technical & Community College
Pequot Tool & Manufacturing	PTM Incumbent Worker Training Program
Schuneman Equipment Co.	John Deere University
Xylo Technologies	New Horizons

**Table 11. Dual Training Grant Related Instruction Training Providers – Round #2**

<b>Grantee/Employer</b>	<b>Training Provider(s)</b>
Anez Consulting	1. Ag Leader Academy 2. Farm Journal Corn College 3. University of MN Extension
AWT Labels and Packaging	Flexographic Tech
Cardinal Glass Industries	South Central College
Computype	Flexographic Tech
Cybox International	South Central College
Fairview Health Services	1. Knowledge Peak 2. New Horizons
Flexo Impressions	Flexographic Tech
Greater Bemidji	Minnesota Innovation Institute
Hormel Foods Corporation	Riverland Community College
JBS	MN West Community and Technical College
Jones Metal	South Central College
K&G Manufacturing	South Central College

MN.IT Services	1. CED Solutions 2. Collier IT 3. New Horizons
Sage Electrochromics	South Central College
Sappi Fine Paper	Lake Superior College
SFC Global Supply Chain Inc.	MN West Community and Technical College
Ultra Machining Company	St. Cloud Technical & Community College
Viracon	1. South Central College 2. Riverland Community College

**Table 12. Dual Training Grant Related Instruction Training Providers – Round #3**

Grantee/Employer	Training Provider(s)
3M (Alexandria)	Alexandria Technical College
3M (New Ulm)	Ridgewater College
Amesbury Truth	South Central College
Bedford Industries	MN West Community and Technical College
Beltmann Relocation Group	New Horizons
Care Providers of MN	Saint Paul College
Case New Holland Industrial Plant	MN West Community and Technical College
Design Ready Controls	1. Hennepin Technical College 2. Minnesota State University, Mankato
Dotson Iron Castings	South Central College
Fairview Health Services	1. Intertech 2. Knowledge Peak 3. New Horizons
IBI Data	Riverland Community College
North Memorial	New Horizons
Reell Precision Manufacturing	Century College
Sappi Fine Paper	Lake Superior College

**Table 13. Dual Training Grant Related Instruction Training Providers – Round #4**

Grantee/Employer	Training Provider(s)
Art Unlimited	Rasmussen College
AWT Labels and Packaging	Flexographic Tech
Bedford Industries	MN West Community and Technical College
Cardinal Glass Industries	South Central College

<b>Grantee/Employer</b>	<b>Training Provider(s)</b>
Cerenity Senior Care	Saint Paul College
Cybox International	South Central College
Daikin Applied	South Central College
Design Ready Controls	1. Hennepin Technical College 2. Minnesota State University, Mankato
Dynamic Group	1. Hennepin Technical College 2. Dunwoody College
Essentia Health	1. Central Lakes College 2. Ridgewater College
Fairview Health Services	1. HDI 2. Intertech 3. Knowledge Peak 4. Minneapolis Community & Technical College 5. Pink Elephant Corp. 6. Saint Paul College
Greater Bemidji	Minnesota Innovation Institute
IBI Data	Prime Digital Academy
JBS	MN West Community and Technical College
Jones Metal	South Central College
K&G Manufacturing	South Central College
Mechanical Systems	Mechanical Systems Inc. Safety and Training Division
Meyers Printing	Flexographic Tech
Pequot Tool & Manufacturing	PTM Incumbent Worker Training Program
Sage Electrochromics	South Central College
SFC Global Supply Chain	MN West Community and Technical College
Sholom Home East	Saint Paul College
Ultra Machining Company	St. Cloud Technical & Community College
Yeager Machine	1. Alexandria Technical & Community College 2. Ridgewater College

**Table 14. Dual Training Grant Related Instruction Training Providers – Round #5**

<b>Grantee/Employer</b>	<b>Training Provider(s)</b>
Bedford Industries	MN West Community and Technical College
Dotson Iron Castings	South Central College
Fairview Health Services	1. Global Knowledge 2. Intertech 3. Knowledge Peak 4. New Horizons
Greater Bemidji	Minnesota Innovation Institute
Sappi Fine Paper	Lake Superior College

Overall, 20 percent of the 287 **Reported** students/employees have completed and 7 percent have withdrawn from the DTG program. The remaining 63 percent of **Reported** students/employees are still currently progressing through dual training programs and 10 percent are no longer part of a DTG supported program and as a result, completion of the dual training program is unknown.

## On-the-Job Training

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Grantees submit on-the-job training schedules to OHE through work plan and budget documents which include descriptions of on-the-job training, dates of training, number of hours, and competencies to be achieved through on-the-job training. Each grantee has flexibility in designing on-the-job training schedules. Grantees are required to design and administer on-the-job training tasks that will result in students/employees obtaining employer and PIPELINE occupation-specific competencies.

The average number of on-the-job training hours spent per week by a student/employee was collected through the July 14, 2017 reports. Only three of the 287 **Reported** students/employees had not begun at least one hour per week in on-the-job training. Two of those students were also reported as withdrawn from the dual training program, and one of the students was reported as in progress.

In a monitoring report submitted during fall of 2017, students/employees highlighted the valuable on-the-job training that allowed them to practice the skills taught in the classroom. The students/employees felt more confident in workplace day-to-day operations because hands-on opportunities led to more well-rounded understanding of their jobs. Employers being represented by the grantee noticed an increase in employee confidence, skills, retention, and interest because of the dual training model.

## Recommendations

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Echoing the 2017 legislative report, the main recommendation is to enhance the DTG program by establishing a funding source to support grantees in the setup and/or administration of dual training, including both related instruction and on-the-job training. A majority of grantees did not have dual training programs established prior to learning about the DTG. In a few cases, specific employees have had to apply for and administer the grant on their own time, because employers have not had additional resources to support the administration of the grant. Thus far, 10 DTG awards have been withdrawn by employers due to lack of resources for establishing dual training models in the workplace. The quality of dual training and number of employers utilizing the dual training model could be greatly increased, if grantees had access to funding for the setup and/administration of dual training.

# Appendix A

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## 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. An employee must receive an industry-recognized degree, certificate, or credential upon successful completion of the training.

### Subd. 3. **Training institution or program.**

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.**

- (1) 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:
  - (2) the projected number of employee trainees;
  - (3) the number of projected employee trainees who graduated from high school or passed the commissioner of education-selected high school equivalency test in the current or immediately preceding calendar year;
  - (4) the competency standard for which training will be provided;

- (5) the credential the employee will receive upon completion of training;
- (6) 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;
- (7) the period of the training; and
- (8) 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 commissioner of education-selected high school equivalency 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 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
  - (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.**

- 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.
- 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. A grant may not exceed \$6,000 per year for a maximum of four years per employee.
- 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.

**Subd. 10. Dual training account.**

A dual training account is created in the special revenue fund in the state treasury. The commissioner shall deposit into the account appropriations made for the purposes of this section. Money in the account is appropriated to the commissioner for the purposes for which it was appropriated.

**Subd. 11. Administration expenses.**

The commissioner may expend up to five percent of the appropriation made for the purposes of this section for administration of this section.

## Appendix B

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### Legislative Districts

MN Legislative District	DTG Grantee (grant round)
2	Greater Bemidji (2,4,5)
3	Art Unlimited (4)
7	Essentia Health (4)
8	3M (3)
10	Pequot Tool & Manufacturing (1,4)
11	Sappi Fine Paper (2,3,5)
14	Park Industries (1)
16	3M (3) Schuneman Equipment Co. (1) SFC Global Supply Chain (2,4)
17	Anez Consulting (2) Case New Holland Industrial Plant (3)
19	Dotson Iron Castings (3,5) Jones Metal (1,2,4)
20	Cardinal Glass Industries (2,4) Mechanical Systems (4)
22	Bedford Industries (3,4,5) JBS (2,4)
24	Amesbury Truth (3) Cybex International (2,4) Daikin Applied (4) K&G Manufacturing (2,4) Sage Electrochromics (2,4) Viracon (2)
25	Xylo Technologies (1)
27	Hormel Foods Corporation (2) IBI Data (3,4)
28	Kingsland Public Schools (1)
29	Ultra Machining Company (2,4)
35	Dynamic Group (4)
36	Design Ready Controls (1,3,4)
38	Cerenity Senior Care (4)
40	Meyers Printing (4)
42	Reell Precision Manufacturing (3)
45	North Memorial (3)
47	Apex International (1) Yeager Machine (2,4)

<b>MN Legislative District</b>	<b>DTG Grantee (grant round)</b>
49	Hartfiel Automation (1)
50	Care Providers of MN (3)
56	Flexo Impressions (2)
59	Owens Corning (1)
60	AWT Labels and Packaging (2,4) Fairview Health Services (1,2,3,4,5)
65	MN.IT Services (2) Sholom Home East (4)
66	Beltmann Relocation Group (3) Computype (2)



2018