

S.F. No. 1479 – Southwestern Minnesota workforce development scholarship pilot program and credit establishment (1st engrossment)

Author: Senator Bill Weber

Prepared by: Nora Pollock, Senate Counsel (651/297-8066)

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This bill establishes a pilot workforce scholarship program and provides an income tax credit to employers who fund eligible scholarships.

Section 1. Southwestern Minnesota workforce development scholarship pilot program.

Subd. 1. Definitions. Defines terms applicable to the program and credit. In pertinent part:

“**Commissioner**” means the commissioner of DEED;

“**Southwest Initiative Foundation**” means a nonprofit organization that provides services to specified counties in southwest Minnesota;

“**Employer sponsored applicant**” means a student applicant with a local employer scholarship equal to at least 25% of the workforce development scholarship;

“**Eligible student**” means a student applicant who is eligible for resident or nonresident tuition; is enrolling in an eligible program as determined by the regional workforce development board; and is enrolling at least half time at a Minnesota West college.

Subd. 2. Program established. Requires the commissioner to establish a southwestern Minnesota workforce development scholarship pilot program to assist in meeting workforce challenges in southwestern Minnesota and enhance long-term economic self-sufficiency.

Subd. 3. Grant to the Southwest Initiative Foundation. Requires the commissioner to award all grant funds to the foundation, which must administer the program. Up to seven percent of grant funds may be used for administrative costs.

Subd. 4. Scholarship awards. Requires the foundation to coordinate available funds and award scholarships to specified colleges. Provides requirements for coordination of scholarships and priority of awarding grants.

Subd. 5. Program eligibility. Requires scholarships to be awarded to eligible students who are currently enrolled in or are enrolling in a high demand occupation associate degree, diploma, certificate or industry-recognized credential program, as defined annually by the workforce development board.

Subd. 6. Renewal; cap. Allows scholarship recipients to apply for a scholarship in subsequent academic years, but total lifetime awards must not exceed two full scholarships per student. Students may only be awarded a second scholarship upon successful completion of the program and subsequent work period requirement.

Subd. 7. Administration. Requires the foundation and Minnesota West colleges to establish an application process and other applicable guidelines.

Subd. 8. Scholarship recipient requirements. States the requirements for recipients, including enrollment in a high-demand program, adhering to program requirements, committing to three years of full-time employment with a sponsoring or other qualifying local employer, and fulfill the three-year commitment within a service area of a county listed in subdivision 1.

Subd. 9. Employer partnerships. Requires the foundation and Minnesota West colleges to establish partnerships with qualified local employers.

Subd. 10. Local employer scholarships tax credit. Authorizes a credit equal to the lesser of 50 percent of the amount of the employer's scholarship granted to an employer-sponsored applicant, or \$10,000.

Subd. 11. Report required. Requires the foundation to submit an annual report to the chairs and ranking members of the legislative committees with jurisdiction over employment and economic development policy, and prescribes the content of the report.

Section 2. Appropriation. Appropriates \$700,000 in FY 2024 from the workforce development fund to DEED for a grant to the Southwest Initiative Foundation for the workforce development scholarship pilot program. The appropriation is onetime and is available until June 30, 2028.