

## NEED AND REASONABLENESS

### MINNESOTA STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Statement of Need and Reasonableness  
for licensure of Postsecondary  
Technical College Personnel in  
Marketing Occupations.

Revision of Marketing Occupational licenses in:

3700.0530 FASHION MANAGEMENT  
3700.0550 RETAIL MANAGEMENT  
3700.0555 SALES MANAGEMENT

New Venture Marketing Program licenses in:

3700.0520 CUSTOMER SERVICE  
3700.0535 POSTAL SERVICE MANAGEMENT

Minor editorial modifications and rule number changes in:

3700.0515 COMPUTERIZING SMALL BUSINESS  
3700.0525 ELECTRONIC SERVICE/SALES REPRESENTATIVE  
3700.0540 PREPARATION FOR SMALL BUSINESS OWNERSHIP  
3700.0545 PRODUCTIVITY TECHNICIAN/PRODUCTIVITY AND INTENTORY  
MANAGEMENT  
3700.0560 SUPERVISORY MANAGEMENT

The statutory authority for the State Board of Vocational Technical Education to promulgate these rules is contained in Minnesota Statutes section 136C.04, subd. 9 which states:

Licensure. The State Board may promulgate rules, according to the provisions of Chapter 14, for licensure of teaching, support, and supervisory personnel in postsecondary and adult vocational education. The State Board may adopt licensure rules according to Sections 14.29 to 14.36 when necessary for continuous programs approved by the Board and when the Board determines appropriate licensure standards do not exist.

### BACKGROUND INFORMATION

3700.0400 Marketing occupational licensure rules represented here focus on three processes. For the purpose of clarification each process will be defined here.

## 1. New Venture Program Licenses

The State Board of Vocational Technical Education evaluates and approves initial and annual program applications according to the State Board of Education rules 3505.6100 to 3505.6400.

Approximately ten to fifteen new venture programs receive approval annually. A new venture program is one which has not been previously offered within the technical institute system and represents an entirely new program to be delivered. The Office of the Attorney General advised the State Board of Vocational Technical Education that the emergency rulemaking power of the Board according to sections 14.29 to 14.36 no longer was in effect. The Board, therefore, is using the permanent rule process for new venture programs since no appropriate licenses for these categories exist. The new venture programs represented in this statement are:

3700.0520 CUSTOMER SERVICE  
3700.0535 POSTAL SERVICE MANAGEMENT

A notice of Intent to Solicit Outside Opinion Regarding the Proposed Rule for Licensure of Postal Service Management and Customer Service instructors was published in the State Register on October 9, 1989. A resolution to authorize rule development was passed by the State Board of Vocational Technical Education on October 10, 1989.

## 2. Revision of Existing Licenses

The State Board of Vocational Technical Education determined a need to revise postsecondary and extension vocational education licenses for instructors and support staff. A review of existing rules suggested the licensure rules needed clarification for the benefit of existing parties. The rules had not been revised for over ten years. The majority of the issues identified were related to interpretation of the terms: relevant education, relevant occupational experience, and vague or nonexistent course requirements. In addition, the technical college system is undergoing a major restructuring of programs. The restructuring effort structures programs into individual courses and identifies the course into credit hours. The State program specialists are also in the process of initiating, organizing and implementing state curriculum guides for all programs in the Technical College System. These activities have produced an added incentive for licensure revision due to the fact existing licenses restrict an instructor to remain within their program area only, thus limiting him or her from teaching a particular area of expertise to anyone other than a student within that particular program.

The licenses which are revised from 3515 rule to 3700 rule are as follows:

3700.0530. FASHION MANAGEMENT  
3700.0550. RETAIL MANAGEMENT  
3700.0555. SALES MANAGEMENT

A Notice of Intent to Solicit Outside Opinion was published in the State Register on December 8th, 1988, and Authorization from the State Board of Vocational Technical Education was received on December 13th, 1988, for the purpose of rule development in Marketing Occupations.

3. Editorial and minor rule modification.

New venture programs were developed and placed in a temporary rule number until permanent occupational block licensure revision began. The temporary rule number is 3709. The following licenses in the marketing occupational areas will be moved to the permanent marketing occupational rule numbers of 3700.0500. The language changes are editorial and represent the format used in the permanent revisions.

3700.0510 BUSINESS TO BUSINESS TELEMARKETING  
3700.0525 ELECTRONIC SERVICE/SALES REPRESENTATIVE  
3700.0540 PREPARATION FOR SMALL BUSINESS OWNERSHIP  
3700.0545 PRODUCTIVITY TECHNICIAN/PRODUCTIVITY AND INVENTORY  
MANAGEMENT.  
3700.0560 SUPERVISORY MANAGEMENT

The Notice of Intent to Solicit Outside Opinion was published in the State Register on December 5th, 1988, and Authorization from the State Board of Vocational Technical Education to begin the rule process was received on December 13th, 1989.

GENERAL INFORMATION

The formal rule revision occurs through a process which involves a general advisory committee. Representatives from licensed postsecondary administrators, supervisory staff, vocational instructors and support staff, and finally licensure staff from the State Board of Vocational Technical Education serve in an ex-officio status. This committee formulates general licensure guidelines and procedures for selecting individuals to serve on a specific committee. This committee then reviews and makes recommendations on the final licensure draft. As the restructuring effort on a program is completed and state guides are prepared the licensure revision for that specific area is started.

General Licensure Information

The proposed permanent rules follow the precedent set by the revised agricultural instructor requirements adopted September 12, 1987, the revised business and office rules adopted February 6, 1988, and administrative licenses adopted on November 26, 1988. There are four major changes within the previous revisions and reflected within these revisions.

1. Crossover areas. The crossover areas compliment the technical college system program restructuring. This effort converts programs to courses and then courses to credits. Thus the license allows the holder to teach a particular program and specified courses in any program throughout the college. The

courses listed as crossovers are reasonable since they are a result of the expertise acquired via the occupational and/or educational experiences specifically required of the license holder. This is needed to remove an artificial barrier which, in the past, allowed the individual to teach only within a program. This makes it possible to implement the restructured programs with appropriately credentialed staff, allowing an instructor to teach specific courses anywhere within a college.

2. Occupational experience requirements. The occupational experience requirement identifies the job titles which will be accepted to meet licensure requirements. This specificity is needed to provide both the applicant and the hiring authority with information which will be used in making application for the license. The occupational experience requirements are reasonable because they are conceptually and functionally represented in the education programs and in the occupations for which the programs prepare individuals. There is also an increase in the total number of occupational hours from current rule of 6000 hours to revised rule of 8000 hours. This is reasonable since credit is given for educational experiences which relate directly to the occupation in question. In addition, credit will be given for teaching experience as it relates directly to the occupation being taught. Since these substitutions allow for a total of 4000 hours of occupational experience, the increase to 8000 hours is reasonable. In addition, the increase to 8000 hours represents only a total of one year. Since the crossover areas require more specificity required to teach individual courses throughout the college, a greater depth and breadth of knowledge is required which is represented in the additional year of experience or education.

3. Recent occupational experience. There is an increase in recent occupational experience from "500 to 1000 hours in the last five years" to "2000 hours in the last five years". This increase is necessary so that individuals teaching programs and courses are knowledgeable about technical, economic and industrial changes as they relate to their specific occupational field. It is reasonable since it allows a five year time frame in which to acquire one year or 2000 hours of occupational experience. It would be possible, therefore, to obtain the total 2000 hours by working only four summers.

4. Substitution for occupational experience. This subpart is necessary as a means of allowing teachers to expand into new, modified or restructured programs which reflect both new content area and existing content. The utilization of teaching experience in specified programs assures that only teaching experience which is conceptually related to the new, modified, or restructured program is allowed as a substitute for recent occupational experience. This recognizes specific knowledge not in current programs as applicable to new programs which contain a major portion of the same or similar content. 500 hours of recent occupational experience is still retained for the new licensure area to assure up-to-date industrial exposure to the occupation. This amount is reasonable because it can be obtained over five years and is only 12 1/2 weeks.

3700.0500 LICENSES IN THE MARKETING OCCUPATIONAL AREA

Subpart 1. Listed Here. This subpart informs the applicant of the requirements which must be met for an instructor seeking licensure under rules 3700.0500. It also refers to 3700.0100 which contains the general licensure requirements for all instructors in the Technical Institute System.

Subpart 2. Recent Occupational Experience. Indicates to the applicant the total number of occupational recency hours required within the five years preceding the application for licensure.

Subpart 3. Does Not Apply. Repeals existing 3515 charts for the specified 3700.0500 rules and specific 3515 rules which conflict with the revised rules now numbered 3700.

3700.0510 to 3700.0560 Specific Licensure requirements. Specifies for the applicant specific authorization and requirements for each individual license.

Subpart 1. May Teach. Lists programs and courses which license holder may teach.

Subpart 2. Other Requirements. Refers to the other requirements an applicant must meet for licensure as referred to above.

Subpart 3. Occupational Experience Requirement. Specifies number of hours and specific occupational areas acceptable for instructor licensure in the specific occupational program.

Subpart 4. Substitutions for Occupational Experience. Degrees, diplomas, or coursework is identified which enables the applicant to substitute specific educational experience for a designated number of occupational hours.

Subpart 5. Substitution for Recent Occupational Experience. Identifies relevant current teaching experience which can substitute for a portion of the recency requirement of 3700.0500, subpart 2.

The 3700.0500 rules will be implemented using current processes and should not incur additional expense.

SPECIFIC LICENSURE REQUIREMENTS

License Revision

3700.0530 FASHION MANAGEMENT

Subpart 1. May teach. The experience as required in subpart 3 is the basis for the teaching authorization of this subpart. Since the experience as described is essentially the same in the Retail Management program, this program is also authorized for instruction under this license. The marketing career core is common to all marketing areas which includes the Fashion

Management program. The other areas of crossover are the fashion specific content and specific crossover areas to other marketing programs and finally other vocational programs. Items A through E are limited to crossover in the marketing occupational area only. Interpersonal relations, human resource management, applied oral communications, professional self development, business ethics and legal issues are topics which within the realm of marketing differ considerably from the area of health, trade and industry or other occupational areas. The profit motive in marketing necessitates a different aspect of interpersonal relationships for example then that which might be found in a human service area such as nursing. It therefore is necessary to restrict items A to E to the marketing areas only. Items 1 through 11 are items unique to the marketing area and deal primarily with marketing, retail, sales and basic supervision principles. The experience as listed in subpart 3 allows the applicant the experience which should give them the basis for this content. This experience will be described in detail under subpart 3.

#### 3700.0550 RETAIL MANAGEMENT

Subpart 1. May teach. The crossover areas in Retail Management are essentially the same as in Fashion Management and for the rationale as described above. The exceptions are the lack of crossover in the Fashion Management program in total and the crossover in fashion specific content. While fashion merchandising is retail it does not follow that retail is necessarily fashion. In fact the retail experience may be in any retail area. For example hardware, paint, etc. While the business and marketing principles are essentially the same the application to fashion necessary for the fashion program would not be there. Therefore, it is necessary and reasonable to restrict this crossover area to the general retail content.

#### 3700.0555 SALES MANAGEMENT

Subpart 1. May teach. This license also allows crossover in the marketing careers core, specific marketing occupational content and content for other occupational areas within the technical college system. The rationale for the crossover is listed under Fashion Management, subpart 1 in this statement. These programs are programs which teach professional selling skills for the purpose of selling products or services to other business-industrial people as well as non-profit and social service organizations and agencies. For this reason this individual may not have retail experience. Therefore it is necessary to eliminate all fashion or retail crossover areas from this license. However, due to the specific hours of experience required in a nonretail setting in multilevel marketing sales, which include time and territory management, trade show presentation, bid and proposal writing, sales contract negotiations, account management, and sales and personal records it is reasonable to allow this instructor to crossover in the specific content area. These areas are territory management, record management, negotiation sales, and wholesale buying techniques.

Subpart 2. Other requirements. This subpart informs the applicant of other rule numbers which contain criteria of significance. In this instance this rule refers to current licensure criteria standard for all applicants. There is no change in this criteria.

Subpart 3. Occupational experience requirement. The first portion of this subpart, Items A to D are common to all three of the revised licenses. Therefore, this need and rationale will apply to Retail, Fashion and Sales Management. The experience which is unique to each license will be so stated. There is a common knowledge and experience base to which all sales and marketing programs look for expertise. This base includes product presentation, supervision of human resources, advertising and actual business operations. All three programs require principles of marketing, sales techniques, business operations, supervision fundamentals, inventory planning, and merchandising. The activities as listed requirements relate directly to the base content knowledge for the marketing careers programs. Product and/or customer service presentation sales: principles of marketing, sales techniques, and merchandising. Supervision/management of human resources, and store or business operations: business operations, and supervision fundamentals. Promotion or advertising with intent to sell the product or service: sales techniques and merchandising. Business operations planning, forecasting, and analysis: business operations, inventory planning and merchandising. These are the broad areas of content and do not contain each specific course which addresses these issues within all the programs. It is necessary therefore to have instructors with this base of knowledge to teach the foundation content. It is a reasonable requirement since marketing is a widely available field and the experiences as listed would frequently be acquired in complement to each other. The ratio of total hours as required are the same as previously revised licenses and there is no change in this ratio. The total hours of this part of the experience is 6000 hours. An additional 2000 hours to make up the required 8000 will be required in the specificity of the program.

Specific Occupational Experiences.

3700.0530 FASHION MANAGEMENT.

Subp.3. Occupational experience requirement.

2000 hours of the total experience must be fashion specific retail experience. This is necessary since a portion of this program has fashion specific application. The content is in fashion orientation, fashion marketing, fashion trend and fashion show production. Although the general retail experience is applicable some fashion experience is necessary to teach the 9 fashion specific credits. 2000 hours or 1 year of experience is a reasonable amount of time since it represents only one fourth of the total experience.

3700.0550 RETAIL MANAGEMENT

2000 hours of the experience must be retail specific since this marketing program is retail focused. It is not reasonable to specify the specific retail area since there are so many applications of retail sales. To assure the applications would be broad enough to encompass the retail content of the program the activities included inventory, pricing, floor layout, and retail sales. Unlike fashion the retail setting was not specified so as to allow all retail experience which meets the criteria to qualify. This is reasonable since the principles are the same and only the applications may vary.

#### 3700.0555 SALES MANAGEMENT

Subpart 3. Occupational experience requirement. Since this program deals with wholesale and business sales it is necessary to have the experience specific to this field to teach the content which would not be part of a retail program. The content of this program includes territory management, negotiation sales, and wholesale buying and selling techniques. In order to have the skills and knowledge to instruct in this area it is reasonable to require a minimum of 2000 hours of business to business sales which would contain the experiences necessary to have this knowledge base. The multilevel marketing experience is a process whereby no middle person is involved. The distributors sell the product and create more networks. The experiences must be in a non-retail setting to assure the activities of territory management, trade shows, bid and proposal writing and sales contract negotiations are part of the knowledge base of the applicant. This base is needed to teach the unique aspect of wholesale and professional sales not in the retail programs and is therefore reasonable.

Subpart 4. Substitution for occupational experience. The substitutions allowed for occupational experience are the same for all three revised licenses. This is reasonable since the substitutions are only for the 6000 hours of common experience for all three licenses. There is no substitution for the experiences which are unique to each program. The substitution ratio is the same as for previously revised licenses. There is no change in these ratios. The degrees, diplomas and courses allowed are in business administration, business management, accounting, entrepreneurship, microcomputer sales and service, small business ownership, computerizing small business or in specific courses which are in the primary program content of these studies. The areas were chosen for their direct applicability to core content, specific sales and marketing content, business application and accounting and record keeping skills. These are therefore reasonable substitutions.

Subpart 5. Substitution for recent occupational experience. The substitutions allowed are the same for all three revised marketing licenses and are allowed only in the 6000 hours of experience common to all three licenses. It is therefore reasonable to allow the same substitution for all three licenses. The substitutions follow the precedent and ratio set by previously revised licenses and there is no change in this ratio. The experiences allowed are only in primary program content in specific teaching areas directly related to core and common



program content. It is reasonable to assume an applicant would have recent experiences by virtue of advisory committee contact, business and industrial visits and up to date computer and office equipment. In addition the ratio requires two hours of teaching for one hour of occupational experience and requires at least 500 hours of actual working recency. This is therefore a reasonable substitution.

#### NEW VENTURE PROGRAMS

##### 3700.0520 CUSTOMER SERVICE

Subpart 1. May teach. The only content which the customer service instructor may teach is customer service specific. This is a reasonable limitation since the experience required in subpart 3 is only within the customer service area and an applicant may not have the skills and knowledge required to teach any other content.

Subpart 2. Other requirements. Refers to existing rule requirements an applicant must meet. There are no changes in this subpart.

Subpart 3. Occupational experience requirement. The applicant is required to have 8000 hours with a minimum of 4000 at a supervisory level. The experiences as described are customer specific. To teach the program content of consumer behavior, credit and collections, customer service technology and proactive activities as well as handle the data equipment necessary for implementing good customer service the activities which may best give an applicant that experience are described. The supervisory experience is mandated at a higher level to assure the applicant will have experienced the full operations of a customer service department or agency. Customer satisfaction is the primary outcome of a good employee and a supervisory level individual would be in a position to assess that outcome. Therefore it is reasonable to require some of the experience at this level. The range of activities as listed represent the breadth and depth required to teach the total customer service content in this program.

Subpart 4. Substitution for occupational experience. The substitutions allowed in this subpart follow the precedent and ratio of previously revised licenses. There is no change in these ratios. The degrees, diplomas, and courses in marketing, management, business, supervision or customer service are chosen for the content which is similar or the same as offered within the customer service program and are therefore reasonable substitutions.

Subpart 5. Substitution for recent occupational experience.

This subpart follows the precedent and ratio set by previously revised licenses. There is no change in this ratio. The substitution allowed is only in customer service and is reasonable by virtue of an applicant's exposure to advisory committees and business and industrial visits. There is no

substitution for 500 hours of recent occupational experience to assure a minimum of recency in the work world. This experience can be obtained in only one summer and is therefore reasonable.

3700.0535 POSTAL SERVICE MANAGEMENT

Subpart 1. May Teach. This license will allow the individual to teach in postal service content within the postal service management program and postal service courses to other programs which may have a need for that content. This is a reasonable crossover authorization by virtue of the total 8000 hours of experience as described in subp. 3.

Subpart 2. Listed here. Refers to the general requirements as specified in 3700.0100.

Subpart 3. Occupational experience requirement. Individuals graduating from this program are expected to have a base knowledge of postal service and the beginning capabilities of management in the U. S. Postal Service. Items A, B, and C all allow 3000 of the hours to be as a bargaining unit employee. An initial employee of the postal service would begin at this level. The bargaining units referred to are clearly classified as CRAFT: maintenance, clerk, and carrier, and training technician. Since management in the service implies supervision of bargaining unit employees it is reasonable to allow a portion of the occupational experience to be at that level.

5000 hours is described in item A as supervisory level or above. The positions are classified at this level and above as initial level supervisor, support management, administrative management and Postmaster General. The content in this program includes employee service, labor relations, postal economics, finance and problem analysis. Bargaining unit employees would not have this level of service in their position and it is therefore reasonable to require this level of experience.

Item B allows a bargaining unit employee at the level of training technician responsible for training in an office of 200 or more employees. This is a reasonable option since a training technician in an office environment of that size will encompass many of the activities associated with supervision. Whereas a smaller operation may train only one classification of employee a larger operation would be responsible for all of the CRAFT classification. This involves a broader and more complex responsibility which includes record maintenance, training, supervision, and possible termination of postal service employee candidates. This individual has the authority to do the assessment and evaluation of these individuals.

Item C allows an applicant to acquire this license with a combination of education and occupational experience. The education if given the equivalency of 2000 hours of occupational experience is set in precedence by previously revised rules. There is no change in this ratio. The substitution is only allowed with postal service management which is reasonable since that is the exact content to be taught in the program. The

occupational experience substituted for a portion of the management level experience since the focus of this program is postal service management. This is therefore a reasonable substitution.

Subp. 4. Substitution for recent occupational experience. The substitutions allowed in this subpart are the same ratio as allowed in previously revised licenses. There is no change in this ratio. The only substitutions allowed are in postal service management education. The individual teaching in postal service management would be cognizant of current postal service training and methods due to the constant interaction with the advisory committees and field training. Therefore this is a reasonable substitution.

#### MODIFICATIONS OF EXISTING MARKETING LICENSES

3700.0515 (3709.0330) COMPUTERIZING SMALL BUSINESS  
3700.0525 (3709.0110) ELECTRONIC SERVICE/SALES REPRESENTATIVE  
3700.0540 (3709.0150) PREPARATION FOR SMALL BUSINESS OWNERSHIP  
3700.0545 (3709.0340) PRODUCTIVITY TECHNICIAN/PRODUCTIVITY AND  
INVENTORY MANAGEMENT  
3700.0560 (3709.0320) SUPERVISORY MANAGEMENT

These licenses were originally adopted under rule numbers 3709. and are now changed to 3700. 3700.0500 represents the revised Marketing area licenses.

Subp. 2. Other requirements. The only changes in this subpart are the references to the appropriate new rule numbers and modification of the text to correspond to the 3700 rule. There are no substantive changes in this subpart.

Subp 3. Occupational experience requirement. The changes represented here are editorial in context and represent no significant change in the license. These changes correspond to the permanently revised licenses now in rule. There are no significant changes.

Subp 4. Substitution for occupational experience. The changes represented here include addition of the word "major" to more accurately describe an academic credential and the addition of programs to correspond to credits so as to compliment the Technical College restructuring. These changes are already in place for revised licenses and there are no substantial changes.

Subp. 5. Substitution for occupational recency. The changes here are editorial in nature to correspond to existing revised rules. There are no significant changes.