



February 1, 2020

*Legislative Report:
Workforce Development Scholarship
Program*

Minnesota State



EXECUTIVE SUMMARY

- The Minnesota Legislature created the Workforce Development Scholarship program in 2017; Minnesota State piloted the program with \$1 million in funding during the 2018-19 academic year. The program was expanded in 2019-2020 to provide \$2 million in scholarships.
- The Workforce Development Scholarship program initially provided scholarships to students enrolled in high-demand educational programs leading to employment in four industries – Advanced Manufacturing, Agriculture, Health Care Services, and Information Technology. It was expanded in the 2019-20 academic year to include high-demand programs preparing students for employment in two additional industries -- Early Childhood Education and Transportation.
- In the 2018 – 2019 academic year, \$996,000 in scholarship funds were distributed to 417 students.
- During fall term 2019, a total of 650 students enrolled at all 30 Minnesota State two-year colleges received \$812,500 in Workforce Development Scholarships. This represents a 56 percent increase in the number of scholarship recipients over the prior academic year.
- Students receiving Workforce Development Scholarships during the Fall 2019 semester were enrolled in programs leading to high-demand occupations in the following industries:
 - Health Care Services – 314
 - Advanced Manufacturing – 111
 - Information Technology – 88
 - Transportation – 54
 - Early Childhood -- 35
 - Agriculture – 24
- A total of 22 Workforce Development Scholarship recipients completed a diploma, certificate, or degree from 10 Minnesota State colleges during the 2018-19 academic year. The most commonly earned credentials were in Advanced Manufacturing (11) and Health Care Services (7).
- Demand for scholarships is high, some campuses reported in excess of 200 applicants for a limited number of awards during the Fall 2019 semester.

INTRODUCTION

The Minnesota Legislature created the Workforce Development Scholarship program (Chapter 89, Article 2, Section 17 [136F.38]) in 2017 and appropriated \$1 million in FY2019 to Minnesota State to encourage students to enroll in high-demand educational programs that prepare graduates for employment in four industries – Advanced Manufacturing, Agriculture, Health Care Services, and Information Technology

The program’s funding was increased during the Legislature’s 2019 session to provide \$2 million in scholarships during the 2019-20 academic year. In addition, high-demand educational programs preparing graduates for two additional industries – Early Childhood Education and Transportation – were added to the list of eligible programs.

The 2019 legislation also provided for \$6 million in funding for academic year 2020 – 2021 (FY2022) and \$4 million in base funding thereafter. Minnesota State college students enrolled in eligible programs can now receive two years of financial support (up to \$5,000) and a third year (worth an additional \$2,500) if they complete a two-year degree and transfer to one of Minnesota State’s four-year universities.

I. FY2019: PILOT PROGRAM LAUNCHED

Minnesota State launched the Workforce Development Scholarship program as a pilot project in the 2018-19 academic year. During its first year, 417 Minnesota students at all 30 of Minnesota State’s two-year colleges received a Workforce Development Scholarship of \$2,500 (\$1,250 for each of two terms) to support their pursuit of a diploma, certificate, or associate degree in an educational program that prepared them for careers in Advanced Manufacturing, Agriculture, Health Care Services, and Information Technology.

A total of \$996,000 in Workforce Development Scholarships was distributed during the 2018-19 academic year. The number of scholarship recipients and the dollar value of those awards by institution is presented in Table 1.

Colleges were encouraged to leverage state-funded scholarships to create partnership opportunities with campus supporters, especially local chambers of commerce and employers. Colleges were able to use donor gifts to augment state funds to increase the number or size of scholarship awards.

Colleges were encouraged to identify new students or recent high school graduates to grow enrollments and recruit individuals for the four industries specified in the originating Workforce Development Scholarship legislation. Colleges were also encouraged to reach out to diverse student groups, including non-traditional students for certain career fields, e.g., females in Advanced Manufacturing or Information Technology or males in Health Care Services.

Table 1: Academic year 2018 – 2019 (FY2019) Workforce Development Scholarship recipients and dollars awarded, by institution

Institution	Scholarship Recipients	Total Dollars Awarded
Alexandria Technical and Community College	16	\$35,000
Anoka Technical College	18	\$35,750
Anoka-Ramsey Community College	16	\$38,750
Central Lakes College	14	\$32,500
Century College	17	\$45,000
Dakota County Technical College	5	\$14,500
Fond du Lac Tribal and Community College	11	\$27,500
Hennepin Technical College	21	\$47,000
Hibbing Community College	5	\$12,500
Inver Hills Community College	2	\$2,500
Itasca Community College	5	\$8,750
Lake Superior College	14	\$35,000
Mesabi Range College	5	\$11,250
Minneapolis Community and Technical College	14	\$29,500
Minnesota State College Southeast	21	\$40,500
Minnesota State Community and Technical College	28	\$64,500
Minnesota West Community and Technical College	22	\$54,250
Normandale Community College	14	\$32,500
North Hennepin Community College	14	\$33,750
Northland Community and Technical College	15	\$30,000
Northwest Technical College - Bemidji	11	\$26,250
Pine Technical and Community College	17	\$37,500
Rainy River Community College	2	\$5,000
Ridgewater College	17	\$41,750
Riverland Community College	23	\$98,500
Rochester Community and Technical College	19	\$37,000
Saint Paul College	15	\$37,500
South Central College	16	\$32,500
St. Cloud Technical and Community College	16	\$39,000
Vermilion Community College	4	\$10,000
TOTAL	417	\$996,000

II. Academic Year 2019 – 2020 (FY2020): PROGRAM EXPANSION

Based on the Workforce Development Scholarship program’s results during its pilot phase, the Minnesota Legislature increased funding for the program to \$2 million for the 2019-20 academic year, \$6 million for the 2020-21 academic year, and \$4 million in annual funding thereafter. The Workforce Development Scholarship program was also expanded to support students in two additional fields – Early Childhood Education and Transportation, both industries where Minnesota employers report talent shortages.

The increase in funding and the expansion of eligible educational programs resulted in a 56 percent increase in scholarship recipients in the 2019-20 academic year. And because the Workforce Development Scholarship program has entered its second year, students can now receive a second-year scholarship for the first time, thereby supporting their persistence to completion of their educational program.

Detailed data on Workforce Development Scholarship recipients during the Fall 2019 term is reported in Table 2.

During the 2019-2020 academic year, Workforce Development Scholarship recipients attended all 30 Minnesota State colleges and enrolled in high-demand educational programs aligned with the following industries:

- Health Care Services – 314 (48%)
- Advanced Manufacturing – 111 (17%)
- Information Technology – 88 (14%)
- Transportation – 54 (8%)
- Early Childhood Education – 35 (5%)
- Agriculture – 24 (4%)

2019-20 Scholarship Eligibility Requirements

- Students must be enrolled or declared into a high-demand educational program leading to employment in one of six industries: (1) Advanced Manufacturing; (2) Agriculture; (3) Health Care Services; (4) Information Technology; (5) Early Childhood; or (6) Transportation
- Identification of specific educational programs within the six industries was left to each college’s discretion
- Students must be enrolled in a minimum of 9 credits per term
- Students must maintain a 2.0 cumulative Grade Point Average
- Distribution of scholarship funds shall be split evenly between two terms (\$1,250 per term)
- Financial need is not an eligibility requirement, but campuses may give preference to students with financial need
- Scholarship recipients must be Minnesota residents
- Recent high-school graduates and adult learners are eligible to receive scholarships

Table 2: Fall 2019 Workforce Development Scholarship recipients by institution, industry, and award year.

2019-2020 Workforce Development Scholarships Awarded (by Institution and Program Group)										(Based on Fall 2019 Awards)		
College	Advanced Manufacturing	Agriculture	Healthcare Services	Information Technology	Early Childhood	Transportation	Liberal Arts	Other Technical	TOTAL	First Year Award	Second Year Award	TOTAL
Alexandria Technical & Community College	8	0	9	2	3	4	0	0	26	24	2	26
Anoka Ramsey Community College	0	0	25	1	0	0	0	0	26	17	9	26
Anoka Technical College	13	0	9	0	0	0	0	0	22	19	3	22
Central Lakes College	7	2	10	3	1	3	0	0	26	26	0	26
Century College	3	0	19	1	1	1	0	0	25	25	0	25
Dakota County Technical College	8	0	5	3	0	4	0	5	25	23	2	25
Fond du Lac Tribal & Community College	0	0	9	0	0	0	0	0	9	9	0	9
Hennepin Technical College	7	0	10	8	0	0	0	2	27	20	7	27
Hibbing Community College	0	0	1	2	0	0	0	3	6	6	0	6
Inver Hills Community College	0	0	21	2	1	0	0	0	24	22	2	24
Itasca Community College	0	0	4	0	3	0	0	0	7	7	0	7
Lake Superior College	2	0	11	1	0	4	0	0	18	18	0	18
Mesabi Range College	4	0	2	0	0	0	0	0	6	6	0	6
Minneapolis Community & Technical College	1	0	18	6	0	0	0	3	28	24	4	28
Minnesota State College Southeast	7	2	17	3	1	6	0	0	36	36	0	36
Minnesota State Community & Technical College	5	1	10	2	0	2	0	7	27	8	19	27
Minnesota West Community & Technical College	5	2	13	2	2	4	0	0	28	28	0	28
Normandale Community College	0	0	17	6	0	0	0	0	23	20	3	23
North Hennepin Community College	0	0	3	19	0	0	0	0	22	19	3	22
Northland Community & Technical College	3	2	14	0	0	4	1	2	26	25	1	26
Northwest Technical College	0	0	8	0	5	2	0	0	15	15	0	15
Pine Technical & Community College	6	0	8	6	3	2	0	0	25	24	1	25
Rainy River Community College	0	0	3	0	0	0	0	0	3	3	0	3
Ridgewater College	6	4	8	1	5	2	0	0	26	26	0	26
Riverland Community College	4	1	15	2	0	4	0	1	27	20	7	27
Rochester Community & Technical College	0	1	18	3	1	2	0	0	25	22	3	25
St. Paul College	10	0	7	11	2	2	0	0	32	22	10	32
South Central College	6	3	12	1	5	3	0	0	30	26	4	30
St. Cloud Technical & Community College	6	0	8	3	2	5	0	0	24	24	0	24
Vermilion Community College	0	6	0	0	0	0	0	0	6	6	0	6
	<u>Adv. Mfg</u>	<u>Ag</u>	<u>H/C Svcs</u>	<u>IT</u>	<u>E/C</u>	<u>Trans</u>	<u>Lib Arts</u>	<u>Other</u>	<u>Total</u>	<u>1st Yr</u>	<u>2nd Yr</u>	<u>Total</u>
TOTAL	111	24	314	88	35	54	1	23	650	570	80	650
% of Awards by Program Group & Year	17%	4%	48%	14%	5%	8%	0%	4%		88%	12%	

Notes:

DCTC -- 2 student enrolled in Electrical Construction, 1 student enrolled in Architecture, 1 student enrolled in Civil Engineering, 1 student enrolled in HVAC categorized as "Other Technical"

HTC -- 1 student enrolled in Carpentry, 1 student enrolled in Electrical categorized as "Other Technical"

Hibbing CC -- 3 students enrolled in Heating, A/C & Refrigeration program categorized as "Other Technical" but College reports that grads often work for Adv. Mfg. companies

MCTC -- 3 students enrolled in HVACR program categorized as "Other Technical"

M-State -- 6 students enrolled in Electrical Tech, Electrical Line Worker & Architectural Drafting programs categorized as "Other Technical"; 1 student enrolled in Construction Mgmt categorized as "Other Technical"

Riverland -- 1 student enrolled in Electrical Construction program classified as "Other Technical" but student is transferring to Welding (Adv. Mfg.) in spring 2020

While most scholarship recipients declared a program of study in one of the six target industries, some students were enrolled as “pre”-majors, typically in a health care-related field, e.g., pre-nursing or pre-dental technician. In cases where students’ long-term educational goals were clearly aligned with a Health Care Services field they were categorized accordingly even if they were enrolled in general education courses during a term.

A total of 23 scholarship recipients were enrolled in technical fields of study that were deemed closely related to one of the Workforce Development Scholarship program groups; these students are accounted for in a general category called “Other Technical.” Examples of these technical fields include heating/ventilating/air conditioning, construction management, electrical line worker, etc. Colleges determined that these high-demand programs met an employment need in their region or were closely related to one of the six Workforce Development Scholarship industry groups, most commonly Advanced Manufacturing.

In a single case, a student enrolled in a Liberal Arts program could not be clearly identified as intending to pursue education in one of the six Workforce Development Scholarship program groups; in this case, the student was categorized as pursuing a “Liberal Arts” program.

Promotion and Scholarship Awarding Process

The Workforce Development Scholarship program was widely promoted in July, 2019 in advance of fall term commencement. Chancellor Devinder Malhotra visited 20 cities in four days to encourage students and families to consider applying to college programs in industries and occupations eligible for scholarship awards. The tour resulted in significant media coverage, support from employers and student interest in the program. See:

[Promotion of Workforce Development Scholarships July 2019](#)

Based on the available funding during the 2019-20 academic year, each of Minnesota State’s 30 two-year institutions was allocated a prescribed number of Workforce Development Scholarships to award. Scholarships were allocated based on campus enrollment and the availability of educational programs in one or more of the six program groups. Each campus identified a program coordinator, most commonly the leader of the college’s foundation or financial-aid office, to administer the process of awarding scholarships.

Campuses were delegated the authority to define an awarding process that best served students at each institution. In most but not all instances, campuses promoted the availability of Workforce Development Scholarships and solicited applications from both incoming and returning students. Not surprisingly, student interest in these scholarships was high, with some campuses receiving several hundred applications for a limited number of awards.

Table 3 describes the number and dollar value of Workforce Development Scholarships distributed by each college within the Minnesota State system during the Fall 2019 semester.

Table 3: Fall 2019 Workforce Development Scholarships, number and dollar value awarded, by institution

Short Formal Name	Received Workforce Development Scholarship 1st Year Award (10289)		Received Workforce Development Scholarship 2nd Year Award		Received Any Workforce Development Scholarship Award	
	Count of Students Receiving Award	Total Dollars Awarded	Count of Students Receiving Award	Total Dollars Awarded	Count of Students Receiving Award	Total Dollars Awarded
Alexandria Technical and Community College	24	\$30,000	2	\$2,500	26	\$32,500
Anoka Technical College	19	\$23,750	3	\$3,750	22	\$27,500
Anoka-Ramsey Community College	17	\$21,250	9	\$11,250	26	\$32,500
Central Lakes College	26	\$32,500	0	\$0	26	\$32,500
Century College	25	\$31,250	0	\$0	25	\$31,250
Dakota County Technical College	23	\$28,750	2	\$2,500	25	\$31,250
Fond du Lac Tribal and Community College	9	\$11,250	0	\$0	9	\$11,250
Hennepin Technical College	20	\$25,000	7	\$8,750	27	\$33,750
Hibbing Community College	6	\$7,500	0	\$0	6	\$7,500
Inver Hills Community College	22	\$27,500	2	\$2,500	24	\$30,000
Itasca Community College	7	\$8,750	0	\$0	7	\$8,750
Lake Superior College	18	\$22,500	0	\$0	18	\$22,500
Mesabi Range College	6	\$7,500	0	\$0	6	\$7,500
Minneapolis Community and Technical College	24	\$30,000	4	\$5,000	28	\$35,000
Minnesota State College Southeast	36	\$45,000	0	\$0	36	\$45,000
Minnesota State Community and Technical College	8	\$10,000	19	\$23,750	27	\$33,750
Minnesota West Community and Technical College	28	\$35,000	0	\$0	28	\$35,000
Normandale Community College	20	\$25,000	3	\$3,750	23	\$28,750
North Hennepin Community College	19	\$23,750	3	\$3,750	22	\$27,500
Northland Community and Technical College	25	\$31,250	1	\$1,250	26	\$32,500
Northwest Technical College - Bemidji	15	\$18,750	0	\$0	15	\$18,750
Pine Technical and Community College	24	\$30,000	1	\$1,250	25	\$31,250
Rainy River Community College	3	\$3,750	0	\$0	3	\$3,750
Ridgewater College	26	\$32,500	0	\$0	26	\$32,500
Riverland Community College	20	\$25,000	7	\$8,750	27	\$33,750
Rochester Community and Technical College	22	\$27,500	3	\$3,750	25	\$31,250
Saint Paul College	22	\$27,500	10	\$12,500	32	\$40,000
South Central College	26	\$32,500	4	\$5,000	30	\$37,500
St. Cloud Technical and Community College	24	\$30,000	0	\$0	24	\$30,000
Vermilion Community College	6	\$7,500	0	\$0	6	\$7,500
Total	570	\$712,500	80	\$100,000	650	\$812,500

Footnote: Total scholarship funds available to colleges in academic year 2019 – 2020 is \$1,670,000 or \$835,000 per term (\$2,000,000 less \$200,000 hold back for match to private funds and balance for program administration per 2019 legislation).

Completion & Employment

The Workforce Development Scholarship program was piloted during the 2018-19 academic year and expanded in the 2019-20 academic year. Given the infancy of the program, relatively few scholarship recipients have completed their program of study and secured employment.

An analysis of scholarship recipients during the first 18 months of the program's existence indicates that a total of 22 students earned 23 credentials (one student earned two credentials) from 10 Minnesota State colleges during the 2018-19 academic year. The distribution of earned credentials is described in Table 4.

Table 4: FY2019 earned credentials by industry

Program Group	Diploma	Certificate	Associate Degree
Advanced Manufacturing	0	9	2
Agriculture	0	1	0
Health Care Services	2	4	1
Liberal Arts	0	0	1
Other Technical	3	0	0

Note: No students completed a credential in an Information Technology program during the 2018-19 academic year; the Liberal Arts graduate pursued a transfer curriculum leading to further enrollment in a high-demand educational program aligned with one of the six industry groups.

Minnesota State expects that a larger number of Workforce Development Scholarship recipients will complete their program of study by the end of the 2019-20 academic year. Consequently, more data about students' completion and employment will be available in the 2021 Legislative Report.

Private Support

Based on the very successful impact of funds donated two years ago by the Minnesota Precision Manufacturing Association Education Foundation, directors for this organization overwhelmingly supported a second donation of \$30,000 to support students in the Advanced Manufacturing program area. These funds will be available in early 2020 and distributed to 15 colleges in the amount of \$2,000 each to supplement scholarships provided by the state.

Adding to the initial funding from the Legislature, colleges are leveraging private contributions from business, industry, and other partners to increase the value of the scholarships. For example, Century College increased each scholarship to \$3,000 using funds contributed by the Century College Foundation and various employers, trade associations and chambers of commerce. Four employer partners of St. Cloud Technical & Community College showed their

commitment to meeting workforce shortages by supplementing the scholarships to \$3,500 and by making additional contributions to other scholarships.

The 2019 legislation required that 10 percent of the annual scholarship fund be held as a matching fund and distributed upon receipt of privately raised funds 1:1 with state funds. This year, \$200,000 (10 percent of \$2,000,000) was held in a match fund. Each college is required to raise the equivalent of its 10 percent of its Workforce Development Scholarship funds by June 30, 2020 for academic year 2019 – 2020. Assuming colleges raise their 10 percent share, \$200,000 in state funds will be released and distributed to colleges that have met this requirement on July 1, 2020.

III. TESTIMONIALS

A number of Minnesota State college students provided testimonials on the value of the Workforce Development Scholarship program:

“The scholarship notification email I received came at such a great time. I was busy working and trying to save money for the school year, yet a bit worried that I wasn’t going to have enough to afford everything comfortably. My parents are helping me, but I know it’s ultimately my responsibility to pay for college. This scholarship will allow me some breathing room financially, which is so appreciated.”

“This award will not only help me with the cost of school, but I will be able to help myself and my daughter by gaining a little bit of financial stability as I finish school. I can worry less about money and more about making those that have kept believing in me proud. I appreciate this more than words can say, and it has given me that little extra push to make you proud of supporting me as well.”

“I want to extend my sincerest gratitude for receiving the Workforce Development Scholarship to help further my education. This scholarship award is helping me tremendously by guaranteeing my ability to work towards my future without worrying so much about how I am going to afford it.”

“I want to thank you for selecting me to receive a Workforce Development Scholarship. I am honored to receive this scholarship and it would not be possible without your generous support. I will be earning a welding degree. With this degree I will be able to come back to my family’s farm and weld/fix things in the shop. This scholarship will lighten the financial burden of college.”

IV. FUTURE ANNUAL REPORTS

As the Workforce Development Scholarship program matures, future Legislative Reports will provide additional information, including:

1. Data on scholarship recipients who complete a program of study or certification;
2. Data on scholarship recipients who secure employment by or within three months of their graduation date;
3. Data on the occupations scholarship recipients are entering;
4. Data on private funds secured to support student scholarships, including the effectiveness of the match fund as an incentive for Minnesota State colleges and universities to obtain private funds to augment the state's investment in the Workforce Development Scholarship program; and
5. Initial data on the number of scholarship recipients who transfer to a four-year university and who receive additional scholarships to complete a baccalaureate degree

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