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## **Certification Incentive Revenue**

Report to the Legislature

As Required by Minnesota Statutes, House File 2749, Article 25, section 61, subdivision 4

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As requested by Minnesota Statutes, section 3.197: This report cost approximately \$850 to prepare, including staff time, printing and mailing expenses.

*Upon request, this material will be made available in an alternative format such as large print, braille or audio recording. Printed on recycled paper.*

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## Legislative Charge

The 2016 Legislature directed the Minnesota Department of Education (MDE) to consult with the Governor's Workforce Development Council established under Minnesota Statutes, section 1161.665, and the P-20 education partnership operating under Minnesota Statutes, section 127A.70, to establish a list of qualifying career and technical certificates and post the names of those certificates on the Department of Education's website. The certificates are required to be in fields where occupational opportunities exist.

A school board may adopt a policy authorizing students in grades 9 through 12, including students enrolled in postsecondary enrollment option courses under Minnesota Statutes, section 124D.09, the opportunity to complete a qualifying certificate. The certificate may be complete as part of a regularly scheduled course. A school district may also register a student for any assessment necessary to complete a qualifying certificate and pay any associated registration fees for its students.

The incentive funding for a school district's career and technical certification aid equals \$500 times the district's number of students enrolled during the current fiscal year who have obtained one or more qualifying certificates during the fiscal years 2018 through 2020. The statewide total certificate revenue must not exceed \$1,000,000. The commissioner shall reduce the initial aid under this subdivision to ensure the statewide aid cap is not exceeded.

The Minnesota Department of Education is submitting this report to the committees of the Legislature with jurisdiction over kindergarten through grade 12 education and higher education on the number and types of certificates authorized for school years 2018-20.

## Executive Summary

This legislative report identifies school districts who submitted information to MDE on the types of certificates earned by Minnesota students during the school years 2018 through 2020 and the amount of incentive revenue paid to those districts.

In collaboration with the Governor's Workforce Development Council and the P-20 education partnership, 109 Industry-Recognized Certificates were identified for reimbursement which spanned all six available career fields and included 11 Career Clusters.

A total of 1,118 industry-recognized credentials have been earned by 260 ninth-grade students and 858 twelfth-grade students. The combined revenue paid through the Certificate Incentive Revenue legislation pilot project in support of students' career preparation is \$559,000.

## Introduction

Currently many career fields within Minnesota are facing a skills gap. That is, the gap between skills needed on a job as compared with the skills upon entry into that job. The intent of the revenue was to incentivize school districts, specifically within their Career and Technical Education courses, toward offering industry-recognized credentials in order to assist in reducing in the occupational skills gaps currently seen within high-skill, high-demand, and high-wage industries. Given that young workers can obtain a credential and readily transition into the workforce, school districts offering the opportunity for students to earn professional certificates supports career readiness and regional workforce needs. Students earning an industry-recognized credential are able to advance into a career field and begin to contribute to Minnesota's labor market.

The Minnesota Department of Education, in partnership with representatives of the Governor's Workforce Development Council and the P-20 education partnership, established a list of qualifying career and technical credentials. The Industry-Recognized Credentials included in this pilot project represent Professional Certificates and Licenses which are recognized by multiple employers across an industry and are endorsed by a nationally recognized trade association or organization. The skills assessed within a credential, as well as the final credential itself, represent standard knowledge and proficiencies which are a significant part of the industry.

## Analysis

There were 109 qualifying certificates identified by the Governor's Workforce Development Council and the P-20 education partnership. A full list of those certificates can be retrieved from the Minnesota Department of Education website [within the Certification Incentive Revenue Program Reimbursement Form](#).

Once the list of qualifying certificates were finalized, staff in the Career and Technical Education (CTE) division of MDE collaborated with finance and MN.IT staff in order to determine necessary information to be collected and the most efficient way in which to collect the information. Because an individual student results and count was needed, a secure SharePoint site was created specifically for the project in order to ensure student data privacy.

The opportunity to participate was announced within MDE's Superintendent's memo which is a mass broadcast system. Information was also communicated during a roundtable event during an annual CTE professional association meeting, as well as being communicated specifically to CTE Consortium Leaders via a listserv announcement.

A total of 1,118 qualifying industry-recognized certificates/credentials were awarded to individual students supported by the Certificate Incentive Revenue legislation. There have been 9<sup>th</sup>-10<sup>th</sup>-graders = 260 and, 11<sup>th</sup>-12<sup>th</sup>-graders = 858 who earned a score of proficient on qualifying certification assessments.

**Table 1. Summary Certifications Awarded**

<b>Certifications, by Career Cluster</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Grand Total</b>
<b>Agriculture Science: Animal</b>				
Veterinary Assistant	21			21
<b>Architecture and Construction</b>				
OSHA 10-hour Construction Certification	5		66	71
OSHA 10-hour General Industry Certification	44	10	142	196
OSHA 10-hour General Industry Certification (Ag)			14	14
<b>Business, Management, and Administration</b>				
Microsoft Office Specialist Certification: Excel	3	1	10	14
Microsoft Office Specialist Certification: Microsoft Office Word	3		24	27
Microsoft Office Specialist Certification: Microsoft Office PowerPoint	8	9	4	21
Microsoft Office Specialist Certification: Microsoft Office Word	11	4		15
<b>Health Science Technology Education</b>				
Home Health Aide	3	54	21	78
Preparing for College and Careers	13			13
Nursing Assistant Registered	112	161	65	338
<b>Manufacturing</b>				
AC/DC Electrical Systems	2			2
Basic Hydraulics	1			1
Certified Production Technician (CPT) Certification	9			9
Certified Welder	9	22	6	37
<b>Marketing</b>				
Customer Service and Sales			50	50
<b>Restaurant/Food and Beverage Services</b>				
National Restaurant Association – Prostart Certificate of Achievement	16			16
ServSafe Food Handler			169	169

<b>Certifications, by Career Cluster</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Grand Total</b>
<b>Transportation, Distribution and Logistics</b>				
ASE Certification in Automobile: Automobile Service Technology	1			1
ASE Certification in Automobile: Electrical/Electronic Systems	1	1		2
ASE Certification in Automobile: Engine Performance	1			1
ASE Certification in Automobile: Maintenance and Light Repair	5	4	2	11
ASE Certification in Automobile: Suspension and Steering	1	2		3
Engine Technician: 2-Stroke, 4-Stroke, Compact Diesel Engine Tests	11			11
<b>Total =</b>	<b>277</b>	<b>268</b>	<b>573</b>	<b>1,118</b>

**Table 2. Summary of Participating Districts.**

District Number	District Name	2018 Students	2018 Incentive Amount	2019 Students	2019 Incentive Amount	2020 Students	2020 Incentive Amount
0241	Albert Lea					195	\$97,500
0031	Bemidji	53	\$26,500				
0891	Canby	11	\$5,500				
0728	Elk River	47	\$23,500	62	\$31,000	137	\$68,500
0831	Forest Lake					20	\$10,000
0014	Fridley	34	\$17,000				
0413	Marshall	26	\$13,000	68	\$34,000	29	\$14,500
0625	Saint Paul	72	\$36,000	138	\$69,000	192	\$96,000
0991	SWWC Service Cooperative	34	\$17,000				
	<b>Grand Total =</b>	<b>277</b>	<b>\$138,500</b>	<b>268</b>	<b>\$134,000</b>	<b>573</b>	<b>\$286,500</b>

**Table 3. Summary of Participating Students, by Grade.**

Grade Level	2018	2019	2020	Total
9-10th	39	3	218	260
11-12th	238	265	355	858
Total=	277	268	573	1,118



## Conclusion

This certification incentive program has brought to light important aspects of feasible strategies to successfully implement the certification incentive revenue. Implementing this in a system in which the timing of certification exams this report generally takes place at the end of a school year creates unintended implications. As this report points out, incentive revenue as a reimbursement system, versus a direct allocation, creates barriers to payment. Challenges for educators to access incentive funds due to timeline requirements in the legislation have been a consistent theme throughout the pilot project. Additionally, schools and educators plan courses and curriculum well in advance of the upcoming school year, which makes it difficult to implement the education and technical skills content into courses being offered, or to develop new courses, to meet the timeline. Schools have expressed that they need more time to fully integrate curriculum and instruction aligned with the assessment criteria in certification exams they may consider for implementation in their Career and Technical Education programs. This timeline impediment was highlighted during a school year of distance learning brought about by the COVID-19 pandemic, for which many educators were seeking certification opportunities for students in place of in-person, laboratory demonstrations of technical proficiency. The limited ability to update the list of industry certifications eligible for incentive revenue reimbursement was also a barrier throughout the project. Educators who sought to provide students with opportunities to earn credentials of value to industry found many examples of outdated certifications or an absence of current certifications. The pilot project demonstrated great value despite these limitations. The availability of an annual allocation of funds to be used as payment of exams registered for, a flexible timeline that recognizes the curriculum development cycle, and greater flexibility in maintaining a list of current, modern certifications valued by industry, would result in a substantial increase in future utilization of industry certifications and success by Minnesota students. The barriers to payment outlined in the report could be addressed by changing the payment to an allocation process based on exams taken, versus exams passed would eliminate the barriers to investing these funds to incentivize certification attainment. Ultimately, a change in how these funds were dispersed would increase support of career readiness and credential attainment through Minnesota's High School Career and Technical Education programs.