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AT A GLANCE

- DEED is the state's principal economic development and workforce development agency.
- We work to attract, retain, and expand businesses and create jobs for all Minnesotans.
- We work to connect workers to jobs, prepare individuals for jobs in high-demand industries, and help people to live independently.
- We stabilize and stimulate the economy through unemployment benefit payments.
- We work to ensure that no communities are left on the economic sidelines.
- We invest in programs and policies that ensure communities of color reach their professional and personal goals and aim to eliminate economic disparities throughout the state.

PURPOSE

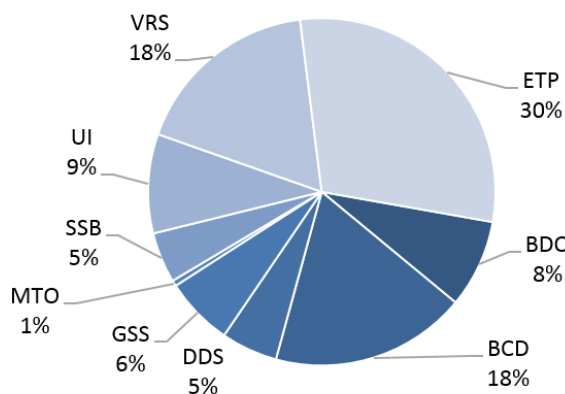
Minnesota Department of Employment and Economic Development (DEED) programs provide employment and training for individuals; provide services that help individuals with disabilities achieve personal and vocational independence; promote business recruitment, expansion, and retention; promote career and business opportunities for individuals currently underrepresented in Minnesota's economy; promote international trade; promote broadband adoption; and support community development.

We support the following statewide outcomes:

- **A thriving economy that encourages business growth and employment opportunities**
- **Minnesotans have the education and skills needed to achieve their goals**
- **Efficient and accountable government services**
- **Strong and stable families and communities**

BUDGET

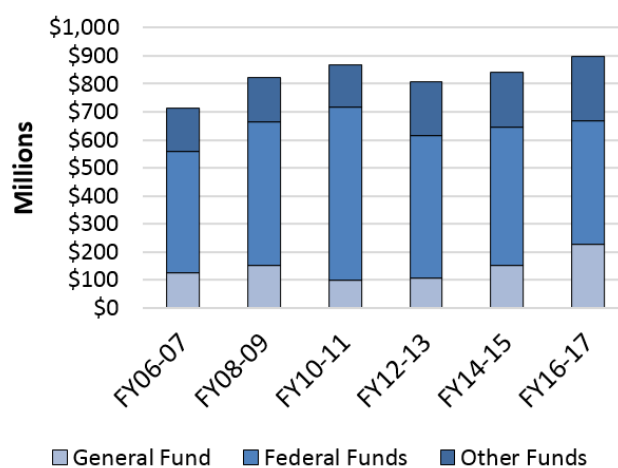
**Spending by Program
FY17 Actual**



BCD = Business and Community Development; MTO = Minnesota Trade Office; UI = Unemployment Insurance; ETP = Employment & Training Programs Division; DDS = Disability Determination Services; GSS = General Support Services; VRS = Vocational Rehabilitation Services; SSB = State Services for the Blind; BDO = Office of Broadband Development

Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement Public Facilities Authority (for FY 2006-2009) expenditure data was removed from DEED's Consolidated Fund Statement data.

Source: Consolidated Fund Statement

STRATEGIES

DEED manages many federal and state programs that support Minnesota's people, businesses, and communities. Our focus is on providing superior service, secure systems, and sustainable and equitable investment in order to combat the state's primary economic challenges: a growing labor shortage and widening economic disparities that exist for individuals with disabilities and communities of color throughout the state.

Our *Employment and Training Program* division works to ensure that businesses have the talent they need to be locally and globally competitive and that workers have the skills and opportunities they need for meaningful and family-sustaining employment. DEED delivers many of these services to Minnesotans at nearly 50 CareerForce locations (formerly WorkForce Centers), through partnerships and with grants to service providers, non-profits, colleges and universities, and Adult Basic Education programs.

- *Employment and Training Program*: Provides unemployed and underemployed Minnesotans with services such as career counseling, assessment, job seeker and placement services, education and training, and job development activities through our employment and training programs.
- *Vocational Rehabilitation*: Assists Minnesotans with disabilities to secure and retain employment, live independently, and reduce their dependence on government supports.
- *State Services for the Blind*: Facilitates the achievement of personal and vocational independence by Minnesotans who are blind, visually impaired, or DeafBlind.
- *Unemployment Insurance*: Pays unemployment benefits to workers unemployed due to no fault of their own to ensure that they are able to support themselves and their families while they search for employment.
- *Disability Determination*: Determines if Minnesota applicants meet federal criteria for disability benefits through the Social Security Administration.

Our *Economic Development* division contributes to Minnesota's economic success by providing services that support the growth of businesses and communities.

- *Business and Community Development*: Provides new and expanding businesses with various business finance incentives, while communities can receive grants, loans, and technical assistance for redevelopment and public infrastructure.
- *Minnesota Trade Office*: Provides export assistance and training for businesses and helps foreign companies invest in Minnesota through new business startups or expansions.
- *Office of Broadband Development*: Coordinates public, private, and philanthropic efforts to increase availability, speed, connectivity and use of broadband.

Our General Support Services (GSS) provides the agency with the infrastructure and leadership necessary to operate programs, develop policies, and provide assistance to individuals, businesses and communities.

- *Commissioner's Office*: Provides executive leadership through appointment by Office of the Governor of Minnesota. In addition to supervising all DEED programs, the Commissioner's Office oversees two quasi-independent agencies:
 - The *Public Facilities Authority* (PFA) is a multi-agency authority that provides municipal financing expertise and infrastructure financing programs to enhance the environmental and economic vitality of the State. The Commissioner of DEED serves as the chair and chief executive officer of the authority while day-to-day operations are managed by an executive director and staff.
 - *Explore Minnesota Tourism* is the state's tourism marketing entity and is an office in the executive branch. The director of that agency reports directly to the Commissioner of DEED.
- *Policy Office*: Oversees legislative policy planning for the agency, evaluates program performance, conducts economic analysis, and represents DEED at the Legislature.
- *Labor Market Information*: Develops and refines data on Minnesota's labor market and communicates that data to customers.

- *Communications Office*: Publicizes DEED services for customers, partners, and other stakeholders while promoting Minnesota as a place to live, work, and do business.
- *Office of Economic Equity and Opportunity*: Helps workers and businesses of color find career paths and business opportunities in Minnesota by breaking down barriers that contribute to disparities for communities of color throughout the state.
- *Office of Diversity and Equal Opportunity*: Ensures DEED's compliance with federal and state laws concerning discrimination, harassment, reasonable accommodation, site and program access and retaliation, and handles complaints of discrimination for any DEED employee, applicant, contractor, intern or customer.
- *Administrative and Financial Services*: Oversees all financial activities (including budgeting, payroll, procurement, continuity of operations and other functions) as well as managing all DEED facilities.
- *Human Resources*: Manages agency personnel, labor relations, and employee development.

State Fiscal Year" or "SFY" is used throughout DEED's program narratives to clarify the time period being referenced, since Minnesota's state government and the Federal Government use different fiscal calendars. The "Federal Fiscal Year" is noted as "FFY."

Minn. Stat. § 116L (<https://www.revisor.mn.gov/statutes/?id=116L>), Minn. Stat. § 116J (<https://www.revisor.mn.gov/statutes/?id=116J>), and Minn. Stat. § 268 (<https://www.revisor.mn.gov/statutes/?id=268A.11>) provide the legal authority for DEED.

Additional applicable 'general agency' statutes and laws: Government Data Practices, Minn. Stat. § 13 (<https://www.revisor.mn.gov/statutes/?id=13>), Official Records Act, Minn. Stat. § 15.17 (<https://www.revisor.mn.gov/statutes/?id=15.17>), Open Meeting Law, Minn. Stat. § 13D (<https://www.revisor.mn.gov/statutes/?id=13d>), Records Management, Minn. Stat. § 138.17 (<https://www.revisor.mn.gov/statutes/?id=138.17>).

Federal: Workforce Investment Act, the Workforce Investment Act (Public Law 113 – 128) <https://www.gpo.gov/fdsys/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf>, 29 U.S.C. Sec. 3101, et. seq. This is a non-state website.

Employment and Economic Development

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	106,793	119,665	91,924	119,368	92,894	107,362	164,369	136,337
2000 - Restrict Misc Special Revenue	26,033	26,887	24,928	43,080	41,384	41,231	41,669	41,516
2001 - Other Misc Special Revenue	6,385	31,316	29,231	1,885	603	613	35,603	35,613
2340 - Renewable Development			15,016	55				
2350 - Petroleum Tank Release Cleanup	7,837	9,171	4,949	12,086	6,201	6,201	6,201	6,201
2390 - Workforce Development	64,257	55,948	63,856	75,395	57,537	59,467	56,937	58,867
2403 - Gift	238	162	237	619	425	427	425	427
2801 - Remediation	797	1,340	700	731	700	700	700	700
3000 - Federal	221,748	218,521	221,777	265,133	265,485	266,388	265,485	266,388
Total	434,088	463,010	452,619	518,352	465,229	482,389	571,389	546,049
Biennial Change				73,873		(23,353)		146,467
Biennial % Change				8		(2)		15
Governor's Change from Base								169,820
Governor's % Change from Base								18

Expenditures by Program

Business and Community Development	93,203	84,503	89,537	108,923	79,330	93,778	89,840	102,288
Unemployment Insurance	45,389	42,791	41,189	59,816	60,324	59,131	60,324	59,131
Employment and Training Programs	125,387	137,916	124,782	148,866	132,660	133,105	135,060	135,505
Disability Determination Services	24,578	24,373	24,089	25,026	25,677	26,607	25,677	26,607
General Support Services	29,275	29,610	27,618	34,799	35,376	35,376	35,376	35,376
Minnesota Trade Office	2,370	2,480	1,988	2,993	2,637	2,537	2,637	2,537
Vocational Rehabilitation Services	82,128	81,509	94,350	112,607	106,546	109,074	110,546	113,074
State Services for The Blind	19,243	21,765	20,322	23,676	22,232	22,326	22,232	22,326
Broadband Development	12,514	38,064	28,744	1,646	447	455	35,447	35,455
Paid Family Medical Leave							54,250	13,750
Total	434,088	463,010	452,619	518,352	465,229	482,389	571,389	546,049

Expenditures by Category

Compensation	116,877	109,210	109,506	122,396	124,863	126,578	128,835	130,500
Operating Expenses	68,157	75,650	72,732	105,879	103,168	102,502	156,120	114,920
Grants, Aids and Subsidies	247,247	273,981	267,037	289,570	236,881	252,992	285,998	300,193

Employment and Economic Development

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Capital Outlay-Real Property	19	2	28	46	13	13	13	13
Other Financial Transaction	1,788	4,166	3,315	461	304	304	423	423
Total	434,088	463,010	452,619	518,352	465,229	482,389	571,389	546,049

Total Agency Expenditures	434,088	463,010	452,619	518,352	465,229	482,389	571,389	546,049
Internal Billing Expenditures	15,181	12,381	12,633	15,882	16,666	16,789	16,695	16,818
Expenditures Less Internal Billing	418,907	450,628	439,986	502,470	448,563	465,600	554,694	529,231

<u>Full-Time Equivalents</u>	1,456.96	1,344.50	1,307.16	1,329.77	1,329.66	1,320.37	1,340.41	1,330.37
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Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In	42,653	40,048	31,365	31,214				
Direct Appropriation	96,108	155,778	110,724	84,479	83,399	83,399	189,874	147,374
Open Appropriation			2,687	6,288	11,763	26,231	11,763	26,231
Transfers In	191	1,180	3,148	4,473	1,823	1,857	1,823	1,857
Transfers Out	1,819	51,062	24,697	6,241	4,091	4,125	39,091	39,125
Net Loan Activity		(290)	(61)	(800)				
Cancellations	188	4,497	33	45				
Balance Forward Out	30,152	21,492	31,210					
Expenditures	106,793	119,665	91,924	119,368	92,894	107,362	164,369	136,337
Biennial Change in Expenditures				(15,166)		(11,036)		89,414
Biennial % Change in Expenditures				(7)		(5)		42
Governor's Change from Base								100,450
Governor's % Change from Base								50
Full-Time Equivalents	109.94	107.63	96.55	103.43	104.16	104.11	110.16	109.36

2000 - Restrict Misc Special Revenue

Balance Forward In	9,574	17,420	21,810	28,307	20,307	13,531	20,307	13,614
Receipts	31,691	29,482	30,010	33,625	34,209	34,054	34,577	34,422
Internal Billing Receipts	17,339	14,192	14,431	18,301	18,301	18,301	18,301	18,301
Transfers In	1,170	1,454	1,190	1,125	1,125	1,125	1,125	1,125
Transfers Out		383						
Net Loan Activity	255	149	225	330	(726)	(256)	(726)	(256)
Balance Forward Out	16,657	21,235	28,307	20,307	13,531	7,223	13,614	7,389
Expenditures	26,033	26,887	24,928	43,080	41,384	41,231	41,669	41,516
Biennial Change in Expenditures				15,089		14,607		15,177
Biennial % Change in Expenditures				29		21		22
Governor's Change from Base								570
Governor's % Change from Base								1
Full-Time Equivalents	150.76	122.68	130.44	133.96	130.02	130.02	131.02	131.02

2001 - Other Misc Special Revenue

Balance Forward In	19,286	25,316	45,898	48,284	54,684	57,337	54,684	57,337
Receipts	8,101	4,578	9,744	8,301	2,533	2,458	2,533	2,458

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Transfers In	237	45,829	24,108	500	1,000	1,000	36,000	36,000
Transfers Out			1,750					
Net Loan Activity	394	1,157	(486)	(516)	(277)	(291)	(277)	(291)
Balance Forward Out	21,634	45,563	48,284	54,684	57,337	59,891	57,337	59,891
Expenditures	6,385	31,316	29,231	1,885	603	613	35,603	35,613
Biennial Change in Expenditures				(6,585)		(29,900)		40,100
Biennial % Change in Expenditures				(17)		(96)		129
Governor's Change from Base								70,000
Governor's % Change from Base								5,757
Full-Time Equivalents	1.16	3.36	5.02	4.94	4.18	4.18	7.18	7.18

2340 - Renewable Development

Balance Forward In				134				
Direct Appropriation			15,150					
Cancellations				79				
Balance Forward Out			134					
Expenditures			15,016	55				
Biennial Change in Expenditures				15,071		(15,071)		(15,071)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.08					

2350 - Petroleum Tank Release Cleanup

Balance Forward In	7,239	6,622	4,635	5,886				
Direct Appropriation	6,200	6,200	6,200	6,200	6,201	6,201	6,201	6,201
Transfers In	11							
Transfers Out	11							
Balance Forward Out	5,602	3,651	5,886					
Expenditures	7,837	9,171	4,949	12,086	6,201	6,201	6,201	6,201
Biennial Change in Expenditures				28		(4,633)		(4,633)
Biennial % Change in Expenditures				0		(27)		(27)
Governor's Change from Base								0

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Governor's % Change from Base								0
Full-Time Equivalents	1.80	1.39	1.54	1.55	1.40	1.40	1.40	1.40

2390 - Workforce Development

Balance Forward In	955	1,592	1,445	1,477	1,000	1,000	1,000	1,000
Direct Appropriation	26,506	29,964	34,985	34,034	23,237	23,237	30,159	29,662
Open Appropriation	38,014	25,713	29,107	40,884	34,300	36,230	26,778	29,205
Transfers In	9	17	17	69	55	55	55	55
Transfers Out	9	17	17	69	55	55	55	55
Cancellations	319	689	206					
Balance Forward Out	900	631	1,475	1,000	1,000	1,000	1,000	1,000
Expenditures	64,257	55,948	63,856	75,395	57,537	59,467	56,937	58,867
Biennial Change in Expenditures				19,046		(22,247)		(23,447)
Biennial % Change in Expenditures				16		(16)		(17)
Governor's Change from Base								(1,200)
Governor's % Change from Base								(1)
Full-Time Equivalents	18.84	9.28	8.30	8.81	8.57	8.57	9.32	9.32

2403 - Gift

Balance Forward In	154	167	254	329				
Receipts	217	245	312	290	425	427	425	427
Balance Forward Out	133	250	328					
Expenditures	238	162	237	619	425	427	425	427
Biennial Change in Expenditures				456		(4)		(4)
Biennial % Change in Expenditures				114		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.27	1.00	1.48	1.48	1.48	1.48	1.48	1.48

2801 - Remediation

Balance Forward In	737	640	31	31				
Direct Appropriation	700	700	700	700	700	700	700	700
Balance Forward Out	640		31					

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Expenditures	797	1,340	700	731	700	700	700	700
Biennial Change in Expenditures				(706)		(31)		(31)
Biennial % Change in Expenditures				(33)		(2)		(2)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	10,859	13,593	5,063	3,698				
Receipts	223,359	210,783	221,958	264,014	267,330	266,388	267,330	266,388
Net Loan Activity	(2,683)	(995)	(1,545)	(2,579)	(1,845)		(1,845)	
Balance Forward Out	9,787	4,859	3,698					
Expenditures	221,748	218,521	221,777	265,133	265,485	266,388	265,485	266,388
Biennial Change in Expenditures				46,641		44,963		44,963
Biennial % Change in Expenditures				11		9		9
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1,173.19	1,099.16	1,063.75	1,075.60	1,079.85	1,070.61	1,079.85	1,070.61

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Direct				
Fund: 1000 - General				
FY2019 Appropriations	84,479	84,479	84,479	168,958
Base Adjustments				
All Other One-Time Appropriations		(2,925)	(2,925)	(5,850)
Current Law Base Change	0	1,812	1,812	3,624
Pension Allocation		33	33	66
Forecast Base	84,479	83,399	83,399	166,798
Change Items				
Community Prosperity Grants Program		2,000		2,000
Border-to-Border Broadband Development Grant Program		35,000	35,000	70,000
Minnesota Innovation Collaborative		4,500	4,500	9,000
Family and Medical Leave Insurance Placeholder		54,250	13,750	68,000
Closing the Opportunity Gap		6,225	6,225	12,450
Childcare Economic Development Grants Program		500	500	1,000
Vocational Rehabilitation Services		4,000	4,000	8,000
Total Governor's Recommendations	84,479	189,874	147,374	337,248
Fund: 2350 - Petroleum Tank Release Cleanup				
FY2019 Appropriations	6,200	6,200	6,200	12,400
Base Adjustments				
Current Law Base Change	0			
Pension Allocation		1	1	2
Forecast Base	6,200	6,201	6,201	12,402
Total Governor's Recommendations	6,200	6,201	6,201	12,402
Fund: 2390 - Workforce Development				
FY2019 Appropriations	34,034	34,034	34,034	68,068
Base Adjustments				
All Other One-Time Appropriations		(461)	(461)	(922)
Current Law Base Change		(10,340)	(10,340)	(20,680)
Pension Allocation		4	4	8
Forecast Base	34,034	23,237	23,237	46,474
Change Items				
Closing the Opportunity Gap		6,422	5,925	12,347
Nonprofit Assistance Grant Program		500	500	1,000
Total Governor's Recommendations	34,034	30,159	29,662	59,821
Fund: 2801 - Remediation				
FY2019 Appropriations	700	700	700	1,400

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Forecast Base	700	700	700	1,400
Total Governor's Recommendations	700	700	700	1,400
Open				
Fund: 1000 - General				
FY2019 Appropriations	6,288	6,288	6,288	12,576
Base Adjustments				
Forecast Open Appropriation Adjustment	219	14,329	28,036	42,365
November Forecast Adjustment	(219)	(8,854)	(8,093)	(16,947)
Forecast Base	6,288	11,763	26,231	37,994
Total Governor's Recommendations	6,288	11,763	26,231	37,994
Fund: 2390 - Workforce Development				
FY2019 Appropriations	21,375	21,375	21,375	42,750
Base Adjustments				
Forecast Open Appropriation Adjustment	19,509	12,925	14,855	27,780
Forecast Base	40,884	34,300	36,230	70,530
Change Items				
Closing the Opportunity Gap		(6,422)	(5,925)	(12,347)
Nonprofit Assistance Grant Program		(500)	(500)	(1,000)
DLI Youth Skills Training Grants		(600)	(600)	(1,200)
Total Governor's Recommendations	40,884	26,778	29,205	55,983
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	43,080	41,384	41,231	82,615
Forecast Base	43,080	41,384	41,231	82,615
Change Items				
Angel Tax Credit		285	285	570
Total Governor's Recommendations	43,080	41,669	41,516	83,185
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	1,885	603	613	1,216
Forecast Base	1,885	603	613	1,216
Change Items				
Border-to-Border Broadband Development Grant Program		35,000	35,000	70,000
Total Governor's Recommendations	1,885	35,603	35,613	71,216
Fund: 2403 - Gift				
Planned Spending	619	425	427	852

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Forecast Base	619	425	427	852
Total Governor's Recommendations	619	425	427	852
Fund: 3000 - Federal				
Planned Spending	265,133	265,485	266,388	531,873
Forecast Base	265,133	265,485	266,388	531,873
Total Governor's Recommendations	265,133	265,485	266,388	531,873
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	33,625	34,209	34,054	68,263
Change Items				
Angel Tax Credit		368	368	736
Total Governor's Recommendations	33,625	34,577	34,422	68,999
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	8,301	2,533	2,458	4,991
Total Governor's Recommendations	8,301	2,533	2,458	4,991
Fund: 2403 - Gift				
Forecast Revenues	290	425	427	852
Total Governor's Recommendations	290	425	427	852
Fund: 3000 - Federal				
Forecast Revenues	264,014	267,330	266,388	533,718
Total Governor's Recommendations	264,014	267,330	266,388	533,718
Non-Dedicated				
Fund: 2390 - Workforce Development				
Forecast Revenues	57,784	59,721	61,651	121,372
Total Governor's Recommendations	57,784	59,721	61,651	121,372
Fund: 8200 - Clean Water Revolving				
Forecast Revenues	2	1	1	2
Total Governor's Recommendations	2	1	1	2
Fund: 8350 - Ag & Econ Development Board				
Forecast Revenues	24	22	16	38

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Total Governor's Recommendations	24	22	16	38

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Community Prosperity Grants Program

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	\$2000	\$0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$2000	\$0	0	0
FTEs	.75	0	0	0

Recommendation:

The Governor recommends \$2 million in FY2020 for the Community Prosperity Grants program to provide grants to local and regional communities to engage in innovative economic development projects that will support economic growth and equitable prosperity. These grants will provide up to 85% in matching grants to local government units or 501(c)3 organizations that are partnering with one or more local government units.

Rationale/Background:

Minnesota is home to 853 cities, 87 counties, seven Ashinaabe reservations, four Dakota communities, dozens of special districts, political subdivisions, and hundreds of non-profit agencies that work, in whole or in part, to support the growth and prosperity of their communities. Despite Minnesota's state-wide economic recovery and growth since the Great Recession the benefits of that growth have not reached all communities equally.

Many communities still suffer from above average unemployment rates, lower wages, below average labor force participation, low availability and high cost of housing and child care, out-migration of prime-age workers, and difficulty attracting qualified workers to their region.

There are a wide range of existing federal, state, and local programs that assist communities in providing goods and services that, in some degree, help facilitate an economic environment to produce growth and prosperity. Community Prosperity grants will fill in where existing local and state funding sources are unavailable and will allow communities to better leverage those funding sources. Community Prosperity grants will support economic growth by providing innovative new or improved public goods and services that support the economic success of individuals, businesses, and communities by facilitating an economic environment that increases the participation and quality of their workforce and produces new jobs.

Proposal:

This program will provide grants to local and regional communities to provide innovative new or improved public goods and services that will support economic growth and equitable prosperity. Grants will be available to Tribal and community partnerships to implement new or improved innovative economic development strategies that will support economic growth and equitable prosperity. Grant funds would provide 85% of total project cost with 15% matching funds provided by private or local government sources.

Funds can be used to implement projects and programs that help (1) support private investment, business attraction, and business growth, (2) provide support for entrepreneurs and (3) provide resources to train, attract or retain workers.

Grantees will be encouraged to leverage existing local and state funding sources including but not limited to Historical and Cultural Heritage Legacy grants, Parks and Trails Legacy grants, Library Construction grants, Broadband grants, Department of Transportation grants, Small Cities Development grants, Redevelopment grants, Contamination Cleanup and Investigation Grant, Demolition Loan program, Child Care Economic Development Grants and other relevant sources.

Grants will be awarded on a competitive basis based on scoring criteria that emphasizes the potential economic development impact of the project, demonstration of the community need for the project, and the sustainability of the project beyond the initial one-time funding.

Key DEED Activities:

- Develop RFP, award, and accountability criteria related to Community Prosperity grants
- Review proposals and determine awards
- Provide outreach, technical assistance, and support to potential grantees
- Provide grant monitoring, data and outcome collection and reporting

Key Grantee Activities:

- Use data and best practices to inform program design and implementation
- Leverage additional funding sources and public and private partners to maximize impact of grant funds
- Design and implement the collection program performance data
- Support and participate in program reporting and monitoring

This proposal includes .75 FTEs over the project period to develop the RFP, review and award grants, provide accountability protocols, monitor grantee activities, provide oversight of funding, provide technical assistance to potential applicants and grantees, provide analysis of data and report on findings.

Equity and Inclusion:

Racial and Ethnic groups, Lesbian, Gay, Bisexual and Transgender groups, Persons with Disabilities and Veterans could be specifically targeted by and/or directly impacted by this proposal.

Projects that are awarded on a competitive basis will be evaluated based on scoring criteria that emphasizes demonstrating positive impact on specific targeted communities with identified needs as it relates to common measures of economic disparities such as unemployment rates, average wages, labor force participation, etc.

Results:

DEED will track performance metrics for the projects that were invested in to track how they are having a positive economic development impact on their communities. Measures might include but are not limited to: businesses assisted, jobs created/retained, average wage of jobs created/retained, number of workers trained, increase in wages of workers trained, and number of business starts.

Statutory Change(s):

TBD.

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Border-to-Border Broadband Development Grant Program

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	\$35,000	\$35,000	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$35,000	\$35,000	0	0
FTEs	3	3	0	0

Recommendation:

The Governor recommends \$35 million in FY2020 and \$35 million in FY2021 for the Border-to Border Broadband Grant Program in Minnesota. The recommendation also allows the Department of Employment and Economic Development (DEED) to reserve up to 3% of grant funds for program administration and broadband mapping.

Rationale/Background:

Access to robust broadband is now recognized as a critical factor in the economic and social sustainability of all Minnesota communities. The state has a broadband mapping program which annually gathers current information from all providers about where broadband internet is available and at what speeds. While great progress has been made over the last several years, with 91% of households and businesses having access to a moderate level of service that meets the state's 2022 goals; only 87% of rural homes and businesses have access at this minimum definition. In addition, the state as a whole has only 73.6% of homes and businesses meeting the 2026 broadband goal of access to 100Mbps/20Mbps service.

This recommendation would extend the funding of the Border-to-Border grant program, under Statute [116J.395](#), at the funding level recommended by the broadband task force. This funding level will facilitate meeting the MN statutory goal of border-to-border access of 25Mbps/3Mbps broadband service by the year 2022 ([§237.012](#)) and begin to pave the way for achieving the state's 2026 goal of reaching everyone with a service capable of delivering 100Mbps/20Mbps.

Funding for this program is comprised of a competitive matching-fund grant program designed to act as a catalyst to spur public and private investments in broadband infrastructure in unserved and underserved areas of the state.

Typical grantees include large and small telephone companies, rural cable operators, electric cooperatives, tribal entities, and local governments (in partnership with private providers). Funding at the recommended level, in partnership with private and federal investments, is anticipated to enable the state to effectively reach its 2022 goal of seeing all homes and businesses served at a level that meets the FCC's minimum definition of broadband.

Rural broadband has been a policy priority at both the national and state levels for the last several years. Minnesota is widely recognized as having one of the top broadband programs in the country. By achieving these goals set out in statute, the state puts in place critical infrastructure needed to maintain strong communities. This investment is the 21st century equivalent of extending the road network so that goods could be transported to market or bringing electricity to rural farms so they could modernize their operations and increase efficiencies. It is critical infrastructure needed so that our rural areas can continue to thrive. Ubiquitous high speed broadband

internet access provides the platform for full adoption of telehealth applications, smart farming and precision agriculture tools to boost productivity and competitiveness of our agriculture sector, and supports modern education technologies that allow rural schools to deliver education experiences on par with their urban peers.

Along with state broadband mapping information, the broadband task force and Office of Broadband Development use national studies and data from the federal government to track current and future broadband needs. These sources include the FCC's annual State of Broadband reports, Pew Research studies, the US Census - American Community Survey results and more.

Proposal:

This recommendation funds the Border-to-Border Broadband Development Grant Program \$70 million for the 2020 – 2021 biennium. This funding commitment will build on several years of public and private investments in broadband infrastructure in unserved and underserved areas of the state and will facilitate meeting the statutory goal of border-to-border access of 25Mbps/3Mbps broadband service by the year 2022 ([§237.012](#)) and begin to pave the way for achieving the state's 2026 goal of reaching everyone with a service capable of delivering 100Mbps/20Mbps.

Equity and Inclusion:

This program is largely targeted towards communities outside the metro area where broadband infrastructure is not as likely to be in place at a level that is needed to support economic equity in greater Minnesota. This program contains preference consideration for rural unserved communities and those that demonstrate low-income indicators such as poverty rate and free/reduced lunch program participation. Tribal areas are specifically called out as eligible to apply for the program and direct outreach to their representatives is conducted when funding becomes available.

Results:

This investment would expand broadband access to an estimated 25,221 households, businesses and community institutions. Less easily quantifiable is the positive impacts this program will contribute to extending and leveraging the benefits of ongoing federal Connect America Fund (CAF) II investments; in many areas, Minnesota's resources and tools will help those CAF investments go beyond the lower federal speed requirements to meet or exceed the Minnesota standards.

Type of Measure	Name of Measure	Year & Amount of Funding Appropriated			
		2014 \$20M	2015 \$10.5M	2016 \$35M	2017 \$20M
Quantity	# of Applications to Broadband Grant Program	40	44	57	70
Quantity	# of Grant Awards from the Broadband Grant Program	16	15	40	39
Quantity	# of Households, Businesses and Community Institutions Served by Broadband Grant Program	6,333	4,098	16,708	12,202
Results	Percent of Minnesota Households with High Speed Broadband Access (based on 2016 established goal of 25Mbps down/3Mbps upload)	85.83% ¹	87.72% ²	87.94% ³	90.77% ⁴

Statutory Change(s):

None

¹ Broadband access as of 2/15

² Broadband access as of 7/16

³ Broadband access as of 4/17

⁴ Broadband access as of 3/18

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Minnesota Innovation Collaborative

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	4,500	4,500	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4,500	4,500	0	0
FTEs (Temporary)	3	3	0	0

Recommendation:

The Governor recommends \$4.5 million in FY2020 and \$4.5 million in FY2021 to establish the Minnesota Innovation Collaborative (MIC). The MIC will contain a series of initiatives focused on growing Minnesota's innovation economy by accelerating the growth of the state's startup ecosystem and attracting top technology talent to the state. Comprised of a collection of new grant programs, a physical space for education and training, and a new apprenticeship program, the MIC will create a touch-stone for the state to support and enhance visibility and interest in the innovation ecosystem. It will bring together all the key players: founders, venture capitalists, researchers, academia, businesses (including Fortune-500s), and educators in one space. This initiative will be established and created for the next biennium as a pilot program. The intention is to ultimately separate major pieces of the initiative from state government as they grow. Over the biennium, staff will engage businesses, higher education, investors and communities to provide resources to match state investments to sustain and grow the locations and educational services available to entrepreneurs and startups beyond the biennium.

Rationale/Background:

In the last decade, America's economy has continued its transition from manufacturing to technology and services. States and cities that create attractive environments for startups, entrepreneurs, and innovative talent are quickly distancing their economies from those who do not. The businesses of the future are the startups of today, and our established businesses need an innovation ecosystem to provide the ideas and talent to continue to be global leaders. Currently, the innovation ecosystem in Minnesota is not well defined nor is there a central organizing body or effort that coordinates or promotes the ecosystem. The goal of this program is to make the state a top destination for homegrown and outside entrepreneurs to start, build, and grow businesses.

Proposal:

The MIC would support a series of new initiatives designed to accelerate the growth of startups. Each initiative is uniquely designed to lower the risk required to fund, start, or grow a venture-backed startup in Minnesota. The MIC will bring all of these initiatives together under a new office that acts as a touchstone for the state to support and will enhance visibility and interest in the innovation ecosystem. The initial office will be located in the Twin Cities within an existing startup co-working space, and will engage stakeholders throughout the state to build programming and eventually a footprint in Greater Minnesota markets.

MIC staff will partner with other organizations to execute programs designed for entrepreneurs and small businesses, work with Fortune 500s and Academia to co-locate their innovation labs in the space, and will run outreach campaigns to ensure all key players in MN's startup ecosystem can take advantage of a series of new

programs designed to accelerate their growth. The proposed program would provide leadership, grant funding and forward-thinking approaches to support the innovation ecosystem in Minnesota:

1. Minnesota Innovation Accelerator Space + Leadership (\$1.7 million, FY20-21 biennium)

The Minnesota Innovation Accelerator will lease space in a private co-working facility and include up to three new positions funded by DEED – a director, high-level professional staff person and an administrative staff person. These positions will be responsible for overall coordination and will serve as a resource for entrepreneurs and businesses. The space would include both a front office for engaging the community, and a classroom for startup training. Key activities of the space will include:

- **Instruction.** Classes and informal sessions on how to start a high-tech innovation business in Minnesota, giving startups an easy pathway to incorporating in the state.
- **Promotion.** Activities directed toward entrepreneurs and investors about Minnesota's growing innovation economy.
- **Events and Meetings.** Regular events and one-time meetings that bring together key players in the ecosystem and amplify their work along with supporting other organizations events.
- **Outreach.** Outreach and education on all innovation activities and related financial programs available at DEED particularly for underserved communities.
- **Partnerships.** Interaction and collaboration with the University of Minnesota, Minnesota State schools, private universities, trade organizations and the Mayo Clinic on start-ups and commercialization of technology.
- **Advisory Board.** Staff would identify and administer an advisory board to assist with direction, grant programs, evaluations and other partnerships.
- **Future of Work Research Initiative.** In conjunction with the University of Minnesota and Minnesota State Colleges and Universities, MIC leadership will work to commission research on the impacts of the fast-evolving economy on Minnesota's labor market. (\$500,000, FY20-21 biennium)

2. Minnesota Innovation Grants (\$5.8 million, FY20-21 biennium)

DEED will award grants to eligible Minnesota startups involved in developing or producing products or services in Minnesota that will provide quality jobs for Minnesotans for the next generation. The grants will be targeted to the most promising technology businesses in the early stages of development that are generally not yet able to attract adequate private sources of capital, such as commercial bank loans and angel or venture investment funding. Third party evaluations will assist in determining funding levels and recipients. Some of these funds will require matching from non-DEED sources of funding and may be used for the following activities:

- **Research and Development Grants.** New innovative ideas require research & development (R&D) to increase their commercial feasibility including proof of concept, IP protection, and prototype design. The most commercially viable projects from eligible businesses could receive a one-time award of up to \$50,000 for these activities. (\$750,000 in FY 20, \$750,000 in FY 21)
- **Business Liquidity Grants.** Whether it is space, equipment, staffing contracts or supplier costs there are a variety of business-related non-R&D expenses faced by start-ups. The most commercially viable projects from eligible businesses could receive a one-time award of up to \$25,000 for these expenses (\$500,000 in FY 20, \$500,000 in FY 21)
- **Entrepreneur Benefits Packages.** One of the biggest impediments for leaving existing jobs to start a company is the prospect of not having health insurance. Entrepreneurs often need financial assistance to cover costs associated with healthcare, or housing and child-care costs. Eligible entrepreneurs could receive a one-time award of up to \$7,500 to help cover these costs. (\$1 million in FY20, \$1 million in FY21)
- **Small Business Innovation Research (SBIR) Match Funding.** This financial support is a match for businesses who are new recipients of SBIR/Small Business Technology Transfer (STTR) phase I and phase II federal awards. The business may use funds to support commercialization activities and related costs associated with the project not covered under the federal grant. Eligible entrepreneurs could receive funding of up to \$50,000. (\$500,000 in FY 20, \$500,000 in FY 21)

- **Innovation Vouchers.** This program would provide \$5,000 to \$25,000 awards to assist small businesses purchase technical assistance and services from qualified public universities, colleges, technical schools and non-profits in Minnesota to advance their technology. This initiative would build on the successful program operated by DEED since 2014. (\$150,000 in FY 20 and \$150,000 in FY 21)

Eligible innovative start-ups must work with third-party technology counseling services in Minnesota such as the MIC to develop applications that will be accepted by DEED on a rolling basis. Applications that reflect past or potential investment by outside investors including Fortune 500-type businesses will be encouraged. Grantees will be required to show proof of investment from the private sector to unlock the assistance and will be provided with ongoing mentoring support from the MIC and other private sector organizations throughout the grant period. DEED staff outside of MIC would provide administrative support and a 3% administrative fee would cover administrative expenses. Entrepreneurs seeking assistance must demonstrate income in the previous year of less than \$150,000.

3. Entrepreneurship Education Grants (\$1.5 million, FY20-21 biennium)

DEED will issue a Request for Proposals to award competitive grants to organizations throughout the state that can deliver best-in-class educational programming to entrepreneurs and provide outreach on the state's innovation ecosystem. Local match and involvement with the MIC would be required. DEED staff outside of MIC would provide administrative support and a 3% administrative fee would cover administrative expenses. Organizations would be required to provide the following types of services to support and enhance Minnesota's innovation ecosystem.

- **Outreach.** Outreach and education on programs available including the Angel Tax Credit program, to support technology business creation particularly in underserved communities.
- **Mentorship** for individual technology based businesses and assistance for entrepreneurs seeking federal grant funding.
- **Creation** of consistent programs for technology based entrepreneurs and businesses outside of the 7-county metro area, in partnership with MNSCU or other local educational partners.
- **Promotion.** Activities directed toward entrepreneurs and investors about Minnesota's growing innovation economy.
- **Event and Meetings.** Regular events and one-time meetings that bring together key players in their area ecosystem and amplify their work along with supporting other organizations events.

Equity and Inclusion:

This proposal seeks to grow Minnesota's innovation economy and provides the kinds of wrap around programming and supports necessary for communities who are less able to become entrepreneurs to grow their businesses. The groups most likely to benefit from this intense programming are low-wealth communities. The MIC is expected to grow Minnesota's economy and will spur increased technological innovation and long-term, high-wage job growth. Outcome measurement strategies are described below. This program would be re-evaluated after the upcoming biennium to determine whether any changes are needed.

Results:

In evaluating the results of the MIC, DEED will track the following measures:

- Classes offered and attendees
- Events
- New partnership development
- Grantees served with the new grant programs
- Job creation
- New businesses established or grown
- Research projects undertaken for the Future of Work Research initiative

This program would be re-evaluated after the upcoming biennium to determine whether any changes are needed.

Statutory Change(s):

TBD.

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Angel Tax Credit

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Tax Aids, Credits and Refunds				
General Fund				
Expenditures	0	0	0	0
Revenues	(10,000)	(10,000)	0	0
Employment and Economic Development				
Other Funds				
Expenditures	285	285	47	47
Revenues	368	368	127	127
Net Fiscal Impact = (Expenditures – Revenues)	9,917	9,917	(80)	(80)
FTEs	1	1	0.25	0.25

Recommendation:

The Governor recommends \$10 million in FY 2020 and \$10 million in FY 2021 for the Angel Tax Credit Program.

These funds provide a tax credit to investors or investment funds that put money into early stage companies focused on high technology, a new proprietary technology, or a new proprietary product, process, or service in specified fields. The program was funded at \$15 million in calendar years 2015 and 2016, \$10 million in calendar year 2017, and was not funded in 2018.

Other funds in this program include fees collected for applications and report filing as well as expenditures for Department of Employment and Economic Development (DEED) program staff to certify participating businesses.

Rationale/Background:

The Angel Tax Credit program is Minnesota's primary economic development tool for assisting early stage businesses and is part of DEED's commitment to fostering innovation in the state. Minnesota has earned its reputation as one of the best states for business by encouraging the growth and economic competitiveness of businesses of all sizes. As high-tech startups look outside the confines of traditional hubs like Silicon Valley, Minnesota has the opportunity to provide incentives that will encourage job growth and technical expertise here in the state. The Angel Tax Credit program has resulted in over \$421 million in private investment in Minnesota startups, leveraged by the state's issuance of \$101 million in tax credits to angel investors. The program spurs economic growth and builds on Minnesota's existing ecosystem of high tech, high innovation companies, including the state's clean energy technology companies.

The program is also an important tool for wealth creation in communities across the state. Since its inception, DEED has sought to broaden the base of individuals, communities, and businesses that benefit from the program. DEED believes it is critical that all qualifying businesses in Minnesota have access to the benefits of the program. The policy changes included in this proposal will increase utilization of the program among targeted group businesses, including those owned by people of color, women-owned businesses, veteran-owned businesses, businesses owned by people with disabilities, and/or businesses in Greater Minnesota.

Proposal:

The Governor recommends \$10 million in FY 2020 and \$10 million in FY 2021 for the Angel Tax Credit Program.

The Governor recommends that the Angel Tax Credit program be modified to better serve targeted group businesses. These modifications include:

- *Adjust the minimum employee compensation requirement to better serve Greater Minnesota:* This proposal revises the minimum employee compensation so rather than applying to every employee of the business, it applies to at least 51% of a business's employees. This requirement has been especially problematic in Greater Minnesota, where wage levels are lower than the metro area. The 2017 requirement was \$20.70 per hour or \$43,050 per year.
- *Lower minimum investment thresholds for investors of targeted business:* This proposal reduces the minimum investment for individuals from \$10,000 to \$7,500 to increase the pool of potential investors in targeted businesses. Targeted businesses typically raise smaller amounts from each investor than non-targeted businesses.
- *Reduce disincentives to annual report filing:* Modify the late filing penalty to \$100 from \$500, an amount that has proven to be a substantial disincentive to filing and providing the program with needed information. This proposal also adds authority for the Commissioner of DEED to revoke any credit allocated and certified for investors, funds, and businesses who fail to file.

Equity and Inclusion:

This proposal specifically targets businesses owned and managed by minorities, women and businesses located in Greater Minnesota, reserving credits for investments in these business and modifying certain program requirements to better enable them to benefit from the program.

Results:

	CY 2014	CY 2015	CY 2016	CY 2017
Number of businesses receiving investments	183	182	187	163
Number of businesses in which investments were made	110	114	105	101
Investment made in businesses qualifying for credit	\$59,783,632	\$70,411,833	\$58,894,095	\$44,474,766
Credit issued for these investments	\$13,841,673	\$15,542,608	\$14,723,711	\$10,723,963
Number of Greater MN businesses receiving investment	8	13	10	10
Women owned & managed businesses	15	10	12	11
Minority owned	8	13	7	5

Statutory Change(s):

Minnesota Statutes, Section 116J.8737

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Family and Medical Leave Insurance Placeholder

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	54,250	13,750	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	54,250	13,750	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$68 million to establish a Paid Family and Medical Leave Insurance program.

This proposal is a placeholder. It is intended to fund the development of an IT system for collecting premiums and paying benefits, staffing and administrative resources at DEED and other state agencies, and an actuarial study to support program development.

Rationale/Background:

According to the “Paid Family & Medical Leave Insurance: Options for Designing and Implementing a Minnesota Program” released in February 2016, Minnesota workers take an estimated 459,259 leaves (some workers take more than one leave annually). Around 10% of Minnesota workers take a family or medical leave in any given year. Fifty-nine percent (59%) of current leaves in Minnesota are for own-health reasons (other than pregnancy), 17 percent are for bonding/parental leave (including pregnancy disability), and 24 percent of leaves are for caretaking a seriously ill family member.

Currently 26 to 28 percent of all family and medical leaves are without any wage replacement. However, low-wage employees, certain minority groups, younger workers, and less educated populations are much more likely to experience leaves without any pay. Minnesota workers are less likely to receive compensation during leave for their own serious health condition or family care than for pregnancy or parental (bonding/maternity/paternity) leave. For many low income Minnesotans, taking leave with little or no pay can create significant economic instability for their families, often during some of the most challenging times they can experience.

Similar programs in other states have shown improvements in economic stability for families and employers alike. Societal benefits include more women in the labor force, reductions in the need and associated costs for nursing home and other institutional care, reductions in the need for public assistance when a new baby arrives, and less infant care shortages.

Proposal:

The Governor recommends a total of \$68 million to support the creation of a new Minnesota Family and Medical Leave Program administered by DEED. Funding in FY 2020 and FY 2021 will support the creation of a premium collection system, benefits payment system, and user interface development for the program. This program will provide wage replacement for family and medical leaves and will provide job protections for recipients so they are assured of continued employment with their employer upon their return.

The placeholder also includes funding for other agencies, such as the Department of Labor and Industry or the Department of Human Services, which is dependent upon ultimate program design.

Equity and Inclusion:

According to the 2016 report, while almost three-quarters of Minnesota workers receive at least some pay when they were out of work for family or medical reasons, low-wage (46%); black (42%); or Hispanic (39%); younger (39%); part-time (38%) or less educated (38%) workers are much more likely to experience leaves without any pay. This proposal is intended to help address that inequality and the economic impacts that that inequality has on these workers.

Results:

DEED will track the following:

- Amount of leave taken
- Amount of benefit payments made to recipients
- Employer opt-outs
- Employee opt-ins
- Program tax collections and balance
- Customer satisfaction

Statutory Change(s):

TBD.

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Closing the Opportunity Gap

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	6,225	6,225	0	0
Revenues	0	0	0	0
Workforce Development Fund				
Expenditures	6,422	5,925	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	12,647	12,150	0	0
FTEs	2	2	0	0

Recommendation:

The Governor recommends \$24.797 million over the FY 2020-21 biennium to make workforce training and entrepreneurship investments intended to help close the state's opportunity gaps for Minnesotans of color. To that end, the Governor proposes continuing the direct appropriations made in the FY 2018 -19 biennial budget that were set to expire in the FY 2020-21 biennium. The Governor further proposes additional funding for youth employment competitive grants targeting at-risk youth, grants to organizations serving Somali youth and increased grantee support from the department to ensure successful program delivery and improved program outcome analysis.

Rationale/Background:

The legislature appropriated funding in 2017 to reduce economic disparities and prepare Minnesotans to meet the future labor market needs. For DEED, those amounted to investments into employment and training programs, minority business enterprises, capacity building for nonprofits and support services for program participants. The state's business community, state and local governments and the nonprofit community have taken further steps in recent years to begin addressing economic inequalities and expanding economic opportunity. In many ways there has been a recognition that Minnesota's future labor market will need all its workers to be skilled participants in the workforce.

Recent U.S. Census figures show income gains and lower unemployment rates for Minnesotans of color. However, there is still drastic inequality - median incomes of white Minnesotans remain almost twice that of American Indian/Alaskan Native Minnesotans and Black/African American Minnesotans and about \$18,000 more than Latino Minnesotans. The same holds true for the unemployment rate, which remains more than twice as high for Black/African American Minnesotans compared to white Minnesotans.

Proposal:

In recognition of Minnesota's deep and persistent disparities and the momentum that has been created around addressing those disparities, the Governor recommends \$24.797 million over the 2020-2021 biennium to continue the direct appropriations made in the FY 2018-19 biennial budget that were set to expire through the FY 2020-21 biennium as well as additional strategic investments. The Governor proposes funding \$12.450 million from the general fund and \$12.347 million from the workforce development fund. The Governor proposes funding the following direct appropriations at their FY 2018-19 biennial appropriation levels:

- Neighborhood Development Center
- YWCA St. Paul
- YWCA Minneapolis

- EMERGE Community Development
- Metropolitan Economic Development Association (MEDA)
- Minneapolis Foundation
- Twin Cities RISE
- Latino Communities United in Service (CLUES)
- American Indian Opportunities and Industrialization Center
- White Earth Nation Integrated Business Development System
- Grants for community-based organizations serving Somali youth (FY 2017 appropriation)
- Ujamaa Place
- Enterprise Minnesota, Inc.
- Construction Careers Foundation

The Governor further proposes an increase of \$3 million over the biennium to the Youth-at-work competitive grant program and \$500,000 over the biennium for additional grantee support from the department to ensure successful program delivery and improved program outcome analysis.

Equity and Inclusion:

This proposal invests in employment training programs targeting communities of color and people with disabilities, the development of minority business enterprises, capacity building for nonprofits serving communities of color and people with disabilities, and support services for program participants to better prepare Minnesota's talent pool.

Results:

Measurable results for these investments include:

Minnesotans of color and Minnesotans with disabilities access the education, training and support services needed to participate in the labor force and obtain in-demand and high-paying jobs.

Number of clients with positive employment outcomes (employment in 6 months, credential attained, change in income)

- Increase in the labor force participation rate for targeted populations
- Decrease in the unemployment rate for targeted populations
- Increase in the median income for targeted populations
- Decrease in the poverty rate for targeted populations
- Increase in capacity of the nonprofit sector to deliver high-quality culturally-specific services to Minnesotans of color

Ensure that disadvantaged businesses can obtain the capital, management skills and market opportunities necessary for success.

- Increase in number of disadvantaged business enterprises in Minnesota
- Increase in number of people employed by disadvantaged business enterprises in Minnesota
- Increase in average sales by disadvantaged business enterprises in Minnesota

Statutory Change(s):

None.

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Childcare Economic Development Grants Program

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	\$500	\$500	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$500	\$500	0	0
FTEs	0.25	0.25	0	0

Recommendation:

The Governor recommends \$500,000 in FY20 and \$500,000 in FY21 for the Childcare Economic Development Grants program to provide grants to communities to increase the supply of quality child care in order to reduce regional child care shortages, support increased workforce participation, business expansion and retention and new business development.

Rationale/Background:

There is a large and growing shortage in access to child care across the state. The large gap between the supply of licensed child care capacity and the demand for services is creating a crisis in access and affordability. Based on research by the Center for Rural Policy and Development there is a shortfall of 82,000 licensed child care spaces needed to accommodate the estimated number of children under 6 with both parents working.

Lack of affordable, quality child care is a significant barrier to the participation of women, single parents, low income parents, and rural parents in the workforce. That barrier then creates further spillover barriers to job creation, wealth creation, business expansion and retention, and new business location. Lack of child care is also a major factor in employee absenteeism resulting in adverse effects for both employers and employees.

Proposal:

This program will provide grant funds to communities to implement innovative solutions to reduce regional child care shortages, including, but not limited to, funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. These investments will lower the barriers for child care providers to start new operations or expand the capacity of existing operations resulting in more families being able to access child care which in turn allows more parents to pursue job opportunities in their communities.

Priority will be given to communities that have a documented shortage of child care providers in their area, are experiencing above average workforce shortages and experiencing lower than average prime-age workforce participation rates.

Communities throughout Minnesota have expressed strong demand for these funds and have demonstrated that there are a large number of projects ready to go in order to expand child care capacity should additional funding be made available. Based on the past two appropriations it is estimated that an additional \$1 million would leverage over \$2 million in local matching funds, result in 14-20 new projects as well as the ability serve an additional 1,600-2,400 children and their families throughout Minnesota.

This program alone cannot solve the child care crisis but it can be used to make targeted investments to help solve acute shortages in specific communities with the highest need.

Equity and Inclusion:

Racial and Ethnic groups, Lesbian, Gay, Bisexual and Transgender groups, Persons with Disabilities and, Veterans are not specifically targeted by or directly impacted by this proposal. Access to affordable, quality child care affects all Minnesotans but especially low-income people and people in rural communities.

Results:

Over the course of the two previous appropriations funding in FY 2017 and FY 2018, DEED received 39 proposals totaling \$3 million in requests for \$1 million in available funds. A total of 15 awards were made, leveraging a total local match of \$2.6 million. Awards ranged from \$1,500 to \$150,000 with \$75,000 as the average sized award. These projects are projected to provide child care services to an additional 2,131 children when facilities reach their full licensed capacity.

<i>Type of Measure</i>	<i>FY2017</i>	<i>FY2018</i>
Projects Funded	8	7
Funding Leveraged	\$2,341,221	\$ 2,337,591
Children Served	972	1082

Statutory Change(s):

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Nonprofit Assistance Grant Program

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	500	500	500	500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	500	500	500
FTEs	.75	.75	.75	.75

Recommendation:

The Governor recommends \$500,000 each year in 2020 – 2021 for Propel Nonprofits' Nonprofit Assistance Grant Program. This program is intended to support the infrastructure of small nonprofit organizations that serve historically underserved cultural communities. The Governor recommends including this funding in the base budget.

Rationale/Background:

The Nonprofit Assistance Grant Program was a direct appropriation made to the Nonprofit Assistance Fund (now Propel Nonprofits) in the 2018-2019 biennial budget. This recommendation continues funding for this program.

To be eligible for a grant, a nonprofit organization must be led by a member of an indigenous community or community of color, and at least 51 percent of the organization's staff or board must be a member of such a group.

75 percent of the organizations that have received grants are led by women of color, and all of the organizations are dedicated to serving people of color and/or indigenous communities. Additionally, 75 percent of previous grantees used their investment to establish financial and administrative systems for managing internal operations that make them ready to apply for other grants and contracts with government and other funders. This includes using accounting software, developing financial procedures, and creating databases to track program work. Other grantees have focused on technology infrastructure purchases to bring efficiencies to their work, through the purchase of electronic records systems, cloud-based software solutions, or other technologies.

Nonprofit organizations play an important role in Minnesota's economy and workforce – they provide essential services, employ local residents, and improve the quality of life. Culturally specific nonprofits play a key role in building strong and vibrant communities. They connect ethnic minorities, who are often isolated and marginalized, to culturally and linguistically needed services and help them to prepare for the workforce.

Proposal:

The Governor proposes continuing this direct appropriation to Propel Nonprofits for the Nonprofit Assistance Fund at \$1 million in the 2020-21 biennium and recommends including this funding appropriation in the base.

Equity and Inclusion:

The primary focus of this grant program is to improve the capacity of nonprofits lead by a member of an indigenous community or community of color with at least 51 percent of the organization's staff or board who are a member of such a group.

Results:

The following were the program's results from the 2018-19 biennium

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of Grantees Funded	N/A	21	FY 2018-19
Quality	Percent of grantees headed by women of color	N/A	75%	FY 2018-19
Results	Percent of grantees who established financial and administrative systems	N/A	75%	FY 2018-19

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Vocational Rehabilitation Services

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	4,000	4,000	4,000	4,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4,000	4,000	4,000	4,000
FTEs	0	0	0	0

Recommendation:

The Governor recommends adding \$4 million each year for the Vocational Rehabilitation (VR) program. Absent this proposal, the Vocational Rehabilitation program will be required to establish a wait list for Minnesotans with the most significant disabilities to receive services, and those individuals will be unable to access timely competitive, integrated employment opportunities. This is ongoing funding.

Rationale/Background:

People with disabilities in Minnesota are about 43% less likely than their non-disabled counterparts to have a job. The Vocational Rehabilitation program helps remedy this disparity by helping people with disabilities get and keep a job in a competitive, integrated setting. The Vocational Rehabilitation program provides specialized, one-on-one employment services for individuals with disabilities such as job counseling, job search assistance, training, and job placement services. We know that Minnesota businesses need talented workers to fill jobs in demand given the labor shortage. We also know engaging in productive employment is important for Minnesotans to have the opportunity to live close to their families and friends, to live more independently, and to participate in community life. The Vocational Rehabilitation program is Minnesota's most effective strategy to increase competitive, integrated employment for individuals living with disabilities.

In recent years, major systems changes dramatically transformed and disrupted the nationwide network of disability employment services, including those in Minnesota. These changes are driven by a national commitment to achieving the primary objective of the Americans with Disabilities Act: full inclusion of people with disabilities. The Vocational Rehabilitation program is accountable to Congress and federal agencies to implement requirements stemming from the reauthorization of Title I of the Rehabilitation Act under the Workforce Innovation and Opportunity Act (WIOA).

Two unfunded mandates imposed by WIOA – pre-employment transition services to youth with disabilities (starting in 2014) and services related to the subminimum wage required under Section 511 (starting in 2016) – placed significant financial pressure on the Vocational Rehabilitation program. Even before the WIOA mandates took effect, the Vocational Rehabilitation program was operating with waiting lists for three of its four service categories. In response to this situation, the 2017 Legislature made a one-time increase to the base appropriation of \$7 million (\$3.5 million for each year of the 2018-2019 biennium).

Category 1: The Vocational Rehabilitation program is required by federal law to allocate resources to customers based on the severity of their disability and the number of barriers related to employment experienced by that

individual because of their disability. This process establishes “Priority for Service” categories based on the number of functional areas in which a person has significant limitations to employment.

Priority for Service Category 1 is for individuals with the most significant limitations to employment. This category is currently open. Categories 2-4 have had waiting lists since October 2014. By early 2019, more than 2,000 people in categories 2-4 had been placed on an indefinite waiting list for services, and that waiting list will continue to grow as long as those categories remain closed.

Unless the one-time state appropriation for the next biennium is made a permanent part of the state funding base and increased by an additional \$500,000 in each year, it is likely that Category 1 will have to be closed as early as July 1, 2019, the start of the 2020-2021 biennium, but certainly no later than October 1, 2019, the start of the new federal fiscal year. When that happens, the Vocational Rehabilitation program will only be able accept new participants when other participants exit service, and hundreds of people who are eligible for Vocational Rehabilitation services will be placed on indefinite waiting lists.

If Category 1 is closed, only those individuals who are currently enrolled in the Vocational Rehabilitation program will continue to receive services and the program will be forced to place all eligible new applicants, about 6,500 individuals, on indefinite waiting lists until Category 1 can be reopened.

Maintenance of Effort Penalty: Under federal law, any reduction in state funding from one year to the next would trigger a so-called “maintenance of effort” penalty, resulting in the loss of millions of dollars in federal funding. The Rehabilitation Act requires state Vocational Rehabilitation programs to maintain at least the same level of funding from year to year – to maintain the effort in a long-term and consistent manner. If non-federal funding for the program drops, the law requires that a maintenance of effort penalty be imposed. If the 2017 one-time state biennial appropriation of \$3.5 million per year is not made a part of the permanent base, Minnesota would be out of compliance with the maintenance of effort requirement and the federal maintenance of effort penalty, approximately \$1.7 million, would be imposed at the start of the federal fiscal year on October 1, 2020. The penalty would rise to approximately \$2.5 million on October 1, 2021.

Potential Impact on the Vocational Rehabilitation program: The closure of all priority for service categories (1-4) would have an immediate impact on individuals who apply for and are found eligible to receive services. All new eligible participants would be placed on a waiting list and denied services for an indefinite period of time. Similarly, if all categories are closed the Vocational Rehabilitation program would be compelled to implement a series of cost-saving measures, including likely eliminating nearly 50 Vocational Rehabilitation program staff positions.

Proposal:

The Governor recommends \$4,000,000 per year in FY20 and FY21, and in the base, for the Vocational Rehabilitation program to provide services for individuals with the most significant disabilities to obtain or advance in competitive, integrated employment.

Equity and Inclusion:

There is a strong correlation between disability and poverty. Historically, people with the most significant disabilities have a much higher unemployment rate than people without disabilities. The proposal is designed to increase the access to competitive, integrated employment. The Vocational Rehabilitation program seeks to provide services and supports to individuals with disabilities to obtain, maintain, and advance in competitive, integrated employment – thereby reducing the historic employment disparities for people with disabilities.

Results:

- The overall success of this proposal would be measured by keeping Service Category 1 open indefinitely. Previous years' outcome metrics are below:

	SFY 2015	SFY 2016	SFY 2017	SFY 2018
New participants accepted for service	6,650	6,638	7,176	6,584
New employment plans	5,336	5,522	6,219	5,656
Participants completing an employment plan and attaining employment	2,945	2,947	2,807	2,701
Participating employers	2,041	2,025	1,951	1,945

Statutory Change(s):

None.

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Job Creation Fund

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends a technical change to the Job Creation Fund to ensure consistency with statutory changes made during the 2017 legislative session.

Rationale/Background:

In 2017, the legislature made several changes to the Job Creation Fund program to enhance the ability of targeted businesses to utilize the program. Changes were made throughout the statute but one change that was consistent with the other revisions was not captured in the final version of the legislation. This change would make the statute internally consistent.

Proposal:

Modify Minn. Stat. 116J.8748, Subd. 4(d) to reference the capital investment requirements provided in subdivision 3, paragraph 3 clause (i). These requirements were revised in 2017 to better promote greater economic development and job growth in Greater Minnesota and for businesses owned by minorities and women, and this revision will ensure that this section of the statute is consistent with those changes.

Equity and Inclusion:

Business in the targeted groups benefit from the initial changes by providing a lower threshold to participate in the program and a higher job creation award. Lower eligibility thresholds and higher award levels will increase investment and expansion by the affected groups.

Results:

Job Creation Fund	FY 2017	FY 2018
State Dollars Awarded*	\$4.1M	\$9.8M
Projected Private Sector Investments Leveraged	\$288.1M	\$228M
Projected Job Creation	720	1,381
Number of Projects Enrolled	13	27
Enrolled Projects in Greater MN	7	19

*No funding is disbursed until a business submits evidence of qualifying capital investment and job creation

Statutory Change(s):

Minn. Stat. 116J.8748

Employment and Economic Development

FY 2020-21 Biennial Budget Change Item

Change Item Title: Minnesota Investment Fund

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends modifying the Minnesota Investment Fund (MIF) to enable existing local funds the expanded ability to use those funds for other community and economic development purposes. The Governor further recommends adding language that would continue DEED's limited authority to transfer appropriations between economic development programs for job creation and economic enhancement opportunities in Minnesota.

Rationale/Background:

The MIF is a loan program used to encourage business investment and job creation in Minnesota. Current law allows local communities and Indian tribal governments to retain up to \$100,000 of a MIF grant when it is repaid to the local community or tribal government. Current law limits the use of those funds use to the allowed uses for the state MIF program uses (with one exception for dairy modernization). With more than \$20 million held in local funds that is often unused, there is significant local interest to allow communities to use the revolving loan funds for other community and economic development purposes, including retail development and economic development planning.

The 2017 legislature granted DEED the ability to transfer funds from the Minnesota Investment Fund to the redevelopment grant program. Under this authority, the agency was able to transfer \$2 million over the 2018 – 2019 biennium to the redevelopment grant program when the program would otherwise be out of funding. DEED received requests-for-proposals of almost twice the available balance in the redevelopment grant program, indicating strong demand for this program and warranting a policy change to support ongoing funding.

Proposal:

This proposal would allow local governments to use MIF repayments for community and economic development purposes as evidenced by a resolution to this effect from the local community.

Continuing DEED's transfer authority from the MIF to the redevelopment grant program will better enable the agency to respond to the changing needs of communities in the state while not negatively impacting the state's economic development tools.

Equity and Inclusion:

This proposal promotes greater economic development and job growth, benefiting all groups throughout Minnesota.

Results:

Minnesota Investment Fund	FY 2015	FY 2016	FY 2017	FY 2018
Projected State Investment	\$5.8 million	\$17.9 million	\$4.8 million	\$11.2 million
Projected Private Sector Investments	\$185.0 million	\$455.8 million	\$110.8 million	\$372.3 million
Projected Number of Jobs Created	749	2,027	557	1,258
Projects in Greater MN	7	11	11	10
Number of Projects	14	24	10	19

Statutory Change(s):

Minn. Stat. 116J.8731

Program: Business and Community Development

mn.gov/deed/business/

AT A GLANCE

- Administers financing programs to help businesses retain existing jobs and create new high-quality jobs.
- Administers financing programs and special appropriations to support community development.
- Provides information and access to resources to help entrepreneurs and small businesses.
- Funds cooperative training projects involving partnerships between businesses and educational institutions that build the skills of new employees and/or retrain existing employees.
- In SFY 2018, across all programs both federal and state, DEED awarded \$178 million for 530 projects resulting in a minimum of \$2.1 billion in leveraged investment, the creation of 6,250 new jobs and the retention of 12,100 jobs.

PURPOSE & CONTEXT

DEED's Business and Community Development (BCD) division contributes to Minnesota's economic success by providing services that support the growth of businesses and communities.

We provide financial and technical services to businesses and communities to support the creation, expansion, attraction, and retention of businesses in and to Minnesota. We also work to help communities become affordable, quality places for people and businesses to locate, grow, and prosper.

SERVICES PROVIDED

We accomplish our mission via the following activities:

- *Business Finance:* We administer financing programs that provide capital to growing businesses in Minnesota. Some key programs include the Minnesota Job Creation Fund, which provides performance-based awards to new and expanding businesses after they meet job creation and capital investment targets; the Minnesota Investment Fund, which provides upfront financing that targets job creation in industrial, manufacturing and high-tech industries; and the Emerging Entrepreneur Program, which provides loans targeted toward Minnesota small businesses owned by women, veterans, people with disabilities, people from communities of color and/or low-income individuals.
- *Brownfields and Redevelopment:* We manage grant and loan programs that assist local units of government with the investigation and cleanup of contamination and the redevelopment of underutilized properties. The Contamination Cleanup and Investigation Grant Program helps pay for assessing and cleaning contaminated sites for private or public redevelopment. The Redevelopment Grant Program helps communities with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use. The Demolition Loan Program helps with the costs of demolishing blighted buildings on sites that have future development potential but no current plans.
- *Business Development:* Our regional business development representatives assist businesses and communities to access DEED services and other available resources to support the growth, retention and attraction of workforce and businesses. The office also promotes specific industry sectors where Minnesota has strength and/or potential for growth.
- *Community Finance:* We administer programs that assist local governments in attracting and keeping businesses and jobs in their communities. Key programs include the Small Cities Development Program, Business Development Public Infrastructure Program, Innovative Business Development Public Infrastructure Program, and the Transportation Economic Development Infrastructure Program. Through financial assistance for housing, the development of commercial and industrial property, and

improvements to public infrastructure, we help communities prosper and position themselves for future economic growth.

- *Minnesota Job Skills Partnership (MJSP)*: Our Minnesota Job Skills Partnership program provides funding for cooperative training projects that build the skills of new employees and/or retrain a company's existing employees. These grants are awarded to educational institutions with businesses as partners. This program can also provide training to low-income individuals to help them advance their career, achieving higher paying jobs and economic self-sufficiency.
- *Small Business Assistance Office (SBAO)*: Our Small Business Assistance Office works to reduce costs for small businesses by providing timely, accurate, and comprehensive information and technical assistance on all aspects of the start-up, operation, or expansion of a small business. The SBAO complements the work of the Small Business Development Center network (SBDCs), which aids in the development of new and existing businesses through a statewide network of offices offering entrepreneurs business consulting, training services and assistance in locating and securing capital.

RESULTS

Type of Measure	Name of Measure	Previous	Current	Dates
Quality	Leveraged private investment through all programs	\$3.8B	\$3.3B	SFY 2017 & SFY 2018
Results	# of jobs to be created/retained through all programs	47,700	31,850	SFY 2017 & SFY 2018
Results	# of jobs to be created through the Minnesota Job Creation Fund	3,555	2,415	SFY 2017 & SFY 2018
Quantity	Number of loans to underserved Minnesotans through Emerging Entrepreneur Loan program	44	87	SFY 2017 & SFY2018
Quantity	# of workers trained through the Minnesota Job Skills Partnership Program	17,959	18,177*	SFY 2017 & SFY 2018
Quantity	# of small business clients assisted by the SBDC and SBAO	64,038	63,162	SFY 2017 & SFY 2018
Quality	Leveraged private investment through the Contamination Investigation and Cleanup Grant Program	\$685M	\$838M	SFY 2017 & SFY 2018
Quality	Leveraged private investment through the Redevelopment Grant Program	\$80M	\$133M	SFY 2017 & SFY 2018
Quality	Leveraged non state investment through the Business Development Public Infrastructure program & Innovative Business Development Public Infrastructure program	\$18M	\$157.5M	SFY 2017 & SFY 2018
Quality	Leveraged non state investment through the Transportation Economic Development Infrastructure Program	\$11M	\$42M	SFY 2017 & SFY 2018

* SFY17 and SFY18 MJSP grants are currently open, so total number of workers is the "planned number of trainees" the employer indicated they would serve in their grant application.

Minn. Stat. § 116J (<https://www.revisor.mn.gov/statutes/?id=116J>) provides the legal authority for DEED's Business and Community Development program.

Business and Community Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	66,322	55,185	47,887	71,343	47,320	61,788	57,545	70,013
2000 - Restrict Misc Special Revenue	1,163	1,226	379	791	598	543	883	828
2001 - Other Misc Special Revenue	358	(79)	622	321	307	309	307	309
2340 - Renewable Development			15,016	55				
2350 - Petroleum Tank Release Cleanup	7,837	9,171	4,949	12,086	6,201	6,201	6,201	6,201
2390 - Workforce Development	581	1,310	1,856	1,811	1,350	1,350	1,350	1,350
2403 - Gift	16	4	35	98	41	41	41	41
2801 - Remediation	797	1,340	700	731	700	700	700	700
3000 - Federal	16,128	16,347	18,093	21,687	22,813	22,846	22,813	22,846
Total	93,203	84,503	89,537	108,923	79,330	93,778	89,840	102,288
Biennial Change				20,754		(25,352)		(6,332)
Biennial % Change				12		(13)		(3)
Governor's Change from Base								19,020
Governor's % Change from Base								11

Expenditures by Activity

Business Development-DEED	1,581	2,049	3,485	2,045	1,598	1,564	6,098	6,064
Community Finance	32,177	39,121	46,880	51,055	45,044	59,515	48,344	60,815
Entrepreneurship & Sm Bus Dev	5,020	9,471	8,336	6,956	4,834	4,843	7,259	7,268
Business Finance	47,278	29,096	24,178	41,658	22,301	22,303	22,586	22,588
Job Skills Partnership	7,147	4,766	6,658	7,209	5,553	5,553	5,553	5,553
Total	93,203	84,503	89,537	108,923	79,330	93,778	89,840	102,288

Expenditures by Category

Compensation	4,503	4,567	4,505	5,194	5,300	5,373	5,795	5,818
Operating Expenses	1,910	2,440	1,950	2,892	1,876	1,870	2,722	2,706
Grants, Aids and Subsidies	86,647	77,439	81,564	100,718	72,154	86,535	81,204	93,645
Capital Outlay-Real Property			1					
Other Financial Transaction	143	57	1,517	119			119	119
Total	93,203	84,503	89,537	108,923	79,330	93,778	89,840	102,288

Business and Community Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Total Agency Expenditures	93,203	84,503	89,537	108,923	79,330	93,778	89,840	102,288
Internal Billing Expenditures	649	560	568	733	754	764	754	764
Expenditures Less Internal Billing	92,554	83,943	88,969	108,190	78,576	93,014	89,086	101,524
 <u>Full-Time Equivalents</u>	 48.37	 47.53	 45.25	 50.45	 50.45	 50.45	 55.45	 54.70

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In	40,697	30,821	29,356	27,830				
Direct Appropriation	49,194	58,307	43,663	38,124	36,111	36,111	46,336	44,336
Open Appropriation			2,687	6,288	11,763	26,231	11,763	26,231
Transfers In	72	621	2,946	2,469	518	552	518	552
Transfers Out	237	13,892	2,876	2,523	1,072	1,106	1,072	1,106
Net Loan Activity		(290)	(61)	(800)				
Cancellations	12	406		45				
Balance Forward Out	23,392	19,977	27,828					
Expenditures	66,322	55,185	47,887	71,343	47,320	61,788	57,545	70,013
Biennial Change in Expenditures				(2,277)		(10,122)		8,328
Biennial % Change in Expenditures				(2)		(8)		7
Governor's Change from Base								18,450
Governor's % Change from Base								17
Full-Time Equivalents	37.65	37.14	35.34	40.79	41.42	41.37	45.42	44.62

2000 - Restrict Misc Special Revenue

Balance Forward In	5,331	5,419	5,363	7,896	8,072	7,306	8,072	7,389
Receipts	895	949	2,687	637	558	501	926	869
Net Loan Activity	255	149	225	330	(726)	(256)	(726)	(256)
Balance Forward Out	5,318	5,292	7,895	8,072	7,306	7,008	7,389	7,174
Expenditures	1,163	1,226	379	791	598	543	883	828
Biennial Change in Expenditures				(1,218)		(29)		541
Biennial % Change in Expenditures				(51)		(3)		46
Governor's Change from Base								570
Governor's % Change from Base								50
Full-Time Equivalents	3.81	3.16	1.77	1.40	1.75	1.75	2.75	2.75

2001 - Other Misc Special Revenue

Balance Forward In	11,853	20,177	36,637	46,806	54,091	56,761	54,091	56,761
Receipts	7,898	4,061	8,919	7,622	2,254	2,333	2,254	2,333
Transfers In	237	10,829	4,108	500	1,000	1,000	1,000	1,000
Transfers Out			1,750					
Net Loan Activity	394	1,157	(486)	(516)	(277)	(291)	(277)	(291)

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Balance Forward Out	20,024	36,302	46,806	54,091	56,761	59,494	56,761	59,494
Expenditures	358	(79)	622	321	307	309	307	309
Biennial Change in Expenditures				664		(327)		(327)
Biennial % Change in Expenditures				238		(35)		(35)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.93	2.25	3.00	2.51	1.75	1.75	1.75	1.75

2340 - Renewable Development

Balance Forward In				134				
Direct Appropriation			15,150					
Cancellations				79				
Balance Forward Out			134					
Expenditures			15,016	55				
Biennial Change in Expenditures				15,071		(15,071)		(15,071)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.08					

2350 - Petroleum Tank Release Cleanup

Balance Forward In	7,239	6,622	4,635	5,886				
Direct Appropriation	6,200	6,200	6,200	6,200	6,201	6,201	6,201	6,201
Transfers In	11							
Transfers Out	11							
Balance Forward Out	5,602	3,651	5,886					
Expenditures	7,837	9,171	4,949	12,086	6,201	6,201	6,201	6,201
Biennial Change in Expenditures				28		(4,633)		(4,633)
Biennial % Change in Expenditures				0		(27)		(27)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.80	1.39	1.54	1.55	1.40	1.40	1.40	1.40

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
2390 - Workforce Development								
Direct Appropriation	900	1,650	1,861	1,811	1,350	1,350	1,350	1,350
Cancellations	319	340	5					
Expenditures	581	1,310	1,856	1,811	1,350	1,350	1,350	1,350
Biennial Change in Expenditures			1,776		(967)		(967)	
Biennial % Change in Expenditures			94		(26)		(26)	
Governor's Change from Base							0	
Governor's % Change from Base							0	
Full-Time Equivalents		0.03						

2403 - Gift

Balance Forward In	2	25	56	57				
Receipts	40	33	36	41	41	41	41	41
Balance Forward Out	25	55	57					
Expenditures	16	4	35	98	41	41	41	41
Biennial Change in Expenditures				113		(51)		(51)
Biennial % Change in Expenditures				558		(38)		(38)
Governor's Change from Base								0
Governor's % Change from Base								0

2801 - Remediation

Balance Forward In	737	640	31	31				
Direct Appropriation	700	700	700	700	700	700	700	700
Balance Forward Out	640		31					
Expenditures	797	1,340	700	731	700	700	700	700
Biennial Change in Expenditures				(706)		(31)		(31)
Biennial % Change in Expenditures				(33)		(2)		(2)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	7,486	5,459	4,473	1,508				
Receipts	16,784	16,355	16,674	22,758	24,658	22,846	24,658	22,846
Net Loan Activity	(2,683)	(995)	(1,545)	(2,579)	(1,845)		(1,845)	

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Balance Forward Out	5,459	4,473	1,508					
Expenditures	16,128	16,347	18,093	21,687	22,813	22,846	22,813	22,846
Biennial Change in Expenditures				7,305		5,879		5,879
Biennial % Change in Expenditures				22		15		15
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.18	3.56	3.52	4.20	4.13	4.18	4.13	4.18

Program: Unemployment Insuranceuimn.org/uimn/**AT A GLANCE**

- Pays eligible workers up to 50 percent of their average weekly wage (subject to a state maximum) for up to 26 weeks.
- Collaborates with CareerForce locations to ensure workers have the assistance they need to quickly return to employment.
- Paid \$810 million in unemployment benefits to 150,829 Minnesotans in 2017.
- Minnesota UI regularly ranks among the top 5 states in the country in achieving federal performance standards.

PURPOSE & CONTEXT

The Unemployment Insurance (UI) program's mission is to enhance workforce development and the economic strength of Minnesota by providing unemployment insurance for individuals and employers. The program provides a temporary, partial wage replacement to workers who become unemployed through no fault of their own.

Unemployment insurance benefits provide stability to local economies by helping to maintain spending during prolonged economic downturns; support dislocated workers while they obtain training so they may re-enter the labor market; and ensure that skilled workers do not leave an area in search of other work during periods of short-term unemployment.

SERVICES PROVIDED

We accomplish our mission through a variety of advanced technological and management approaches, including:

- Ensuring the prompt and accurate payment of benefits to eligible unemployed workers.
- Reducing administrative burdens as much as possible for employers who pay unemployment insurance taxes.
- Using human resources as cost-effectively as possible.
- Collaborating with CareerForce partners (formerly WorkForce Centers) to ensure workers obtain the assistance needed to quickly return to employment that makes the best possible use of the worker's skills and abilities (a state and federal requirement of UI).

We achieve these goals through several different activities:

- *Appeals Operations and Legal Affairs:* We conduct appeal hearings and Workers' Compensation interventions to ensure that all legal standards are properly applied.
- *Audits and Special Accounts:* We ensure compliance through field audits and manage special programs such as Disaster Unemployment Insurance; Interstate, Federal and Military Claims; the Shared Work Program; and Trade Readjustment Allowances.
- *Customer Service Center:* We work to make the program easy to understand by providing fast, responsive applicant and employer unemployment insurance account support.
- *Program Performance and Outreach:* We focus on operational improvement through informational/outreach programming, benefit accuracy measurements, profiling, program budget evaluation, reemployment assistance, and training.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Timely First Payment of Benefits (Federal goal: 87% in 14 days)	93.1%	93.0%	SFY2017 & SFY2018
Quantity	# New initial applications (new and reactivated) for benefits	223,169	202,820	SFY2017 & SFY2018
Quality	Avg. telephone wait time to speak to UI representative	50 Seconds	45 Seconds	SFY2017 & SFY2018
Quality	Timely Eligibility Determinations (Federal goal: 80% in 21 days)	88.0%	88.0%	SFY2017 & SFY2018
Results	Timely Appeal Decisions (Federal goal: 60% in 30 days)	76.6%	81.0%	SFY2017 & SFY2018

Minn. Stat. § 268 (<https://www.revisor.mn.gov/statutes/?id=268A.11>), U.S. Code, Title 42, Chapter 7 (<http://www.law.cornell.edu/uscode/text/42/chapter-7>), and U.S. Code, Title 26, Chapter 23 (<http://www.law.cornell.edu/uscode/text/26/subtitle-C/chapter-23>) provide the legal authority for DEED's Unemployment Insurance program.

Unemployment Insurance

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

2000 - Restrict Misc Special Revenue	107	467	772	12,009	12,010	12,010	12,010	12,010
3000 - Federal	45,283	42,323	40,417	47,807	48,314	47,121	48,314	47,121
Total	45,389	42,791	41,189	59,816	60,324	59,131	60,324	59,131
Biennial Change				12,825		18,450		18,450
Biennial % Change				15		18		18
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Unemployment Insurance	45,389	42,791	41,189	59,816	60,324	59,131	60,324	59,131
Total	45,389	42,791	41,189	59,816	60,324	59,131	60,324	59,131

Expenditures by Category

Compensation	26,588	23,968	23,060	26,412	27,939	27,172	27,939	27,172
Operating Expenses	18,698	18,845	18,113	33,400	32,381	31,955	32,381	31,955
Grants, Aids and Subsidies	(39)	(27)						
Capital Outlay-Real Property			0	1	1	1	1	1
Other Financial Transaction	142	5	16	3	3	3	3	3
Total	45,389	42,791	41,189	59,816	60,324	59,131	60,324	59,131

Total Agency Expenditures	45,389	42,791	41,189	59,816	60,324	59,131	60,324	59,131
Internal Billing Expenditures	3,795	2,939	2,867	3,732	3,979	3,858	3,979	3,858
Expenditures Less Internal Billing	41,595	39,852	38,322	56,084	56,345	55,273	56,345	55,273

Full-Time Equivalents

	357.82	321.78	297.95	298.32	315.63	308.07	315.63	308.07
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Unemployment Insurance

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
2000 - Restrict Misc Special Revenue								
Balance Forward In		6,422	12,819	18,029	12,020	6,010	12,020	6,010
Receipts	6,529	6,859	5,982	6,000	6,000	6,000	6,000	6,000
Balance Forward Out	6,422	12,814	18,029	12,020	6,010		6,010	
Expenditures	107	467	772	12,009	12,010	12,010	12,010	12,010
Biennial Change in Expenditures				12,207		11,239		11,239
Biennial % Change in Expenditures				2,127		88		88
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	597	2,679	191	830				
Receipts	47,118	39,703	41,056	46,977	48,314	47,121	48,314	47,121
Balance Forward Out	2,431	59	830					
Expenditures	45,283	42,323	40,417	47,807	48,314	47,121	48,314	47,121
Biennial Change in Expenditures				617		7,211		7,211
Biennial % Change in Expenditures				1		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	357.82	321.78	297.95	298.32	315.63	308.07	315.63	308.07

Program: Employment and Training Programs Division

mn.gov/deed/job-seekers

AT A GLANCE

- Provides skill development and training programs for Minnesotans including career seekers with barriers to employment or who are unemployed.
- Helps career seekers develop and improve job readiness for in-demand occupations that pay family sustaining wages.
- Partners, collaborates, and engages with employers to find and train workers.
- Provides innovative online resume and job-matching system for employers and career seekers through MinnesotaWorks.net.

PURPOSE & CONTEXT

The Employment and Training (ETP) Division supports Minnesotans seeking new employment through policy guidance, program administration and direct services. ETP supports local and statewide partnerships designed to develop and improve career skills and obtain employment at family sustaining wages. Division activities also support the needs of businesses in recruiting and training their current and future workforces to ensure that no Minnesotan is left on the economic sidelines.

SERVICES PROVIDED

DEED is committed to providing high quality workforce development services, solutions, and expertise for diverse populations through the ETP Division to advance Minnesota's economy. From laid-off workers to at-risk youth, ETP programs are designed to intentionally reach diverse communities across the state to ensure that all Minnesotans have access to DEED's services. Many of these programs include partnerships with Local Workforce Development Boards, nonprofit service providers, educational institutions, businesses and other stakeholders; a full list of services can be found on the DEED website (<https://mn.gov/deed/job-seekers>).

- **Career Force:** The state's unified public workforce system; combining state and federal funding to support the work of the 16 local Workforce Development Boards, the Governor's Workforce Development Board and various non-profit partners into one system. CareerForce seeks to unify an inclusive service delivery system for workforce development in the state of Minnesota that includes services in-person at our almost 50 CareerForce locations (formerly Workforce Centers) and online.
 - **Career seekers** can access job-seeking services, free of charge, to search for career opportunities in any industry, discover diverse apprenticeship programs, create practical search steps for successful career paths, access support programs, tap into services and training resources, respond to and manage career referrals as well as build career dashboards.
 - **Employers** can use CareerForce to promote career opportunities, pathways and apprenticeship programs, access talent programs, access services and training resources, find valuable labor market information, find information relative to recruitment needs, and collaborate in community forums. Employers can also access tools and resources created by DEED's Regional Workforce Strategy Consultants, who provide innovative workforce solutions by aligning resources, facilitating collaboration, and leveraging expertise in targeted industry sectors to drive economic equity and growth.
- **Laid-Off Workers:** Workers who lost their jobs through no fault of their own – that is, neither quit nor were fired – can receive assistance to find a new career. The Dislocated Worker Program, funded jointly by the federal government and the State, assists laid-off workers in returning to work with comparable

wages and benefits. Participants enrolled in the program can access career planning and counseling; job search and placement services; short-term training upon counselor approval; and support services for expenses such as family care and transportation upon counselor approval. The related Trade Adjustment Assistance Program (TAA) assists workers who lose their jobs, hours, or income specifically as a result of increased foreign trade activity. Available benefits may include special extensions to unemployment insurance, assistance with training costs, job search allowances, relocation allowances, and similar costs for finding a new job.

- **Adults:** Adults who face any number of barriers to employment can access services to help them succeed in well-paying careers. The state-funded Career Pathway programs integrate basic skills education, career-specific training, support services, and employment placement and retention to meet the needs of our customers. DEED administers federal and state fund grants along with direct legislative appropriations, such as: Pathways to Prosperity, Southeast Asian Economic relief, Capacity Building, Support Services, Women in High-wage, High-demand, Nontraditional Jobs, and several other adult competitive grant programs focused on meeting the needs of different communities across the state.
- **Veterans:** DEED administers the federally funded Jobs for Veterans State Grant (JVSG) program that provides employment and training services for eligible current and former military members. All DEED employees on the Veterans Employment Services team are veterans themselves. Services include job-readiness assessment, job preparation, and job placement assistance.
- **At-Risk Youth:** The youth and young adults who are eligible for DEED services come from low-income families, have severe barriers to employment, and are under-represented in the workforce.
 - The state funded **Youthbuild** program offers a construction career pathway for at-risk youth and young adults who have dropped out of school or experienced repeated failure in school. It provides youth with industry-recognized credentials and pre-apprenticeship training in residential construction; and contextual basic skills and soft skills in work readiness, career counseling, and leadership skills.
 - The state funded **Minnesota Youth at Work Competitive Grants** provides funding to organizations offering workforce development and training opportunities to economically disadvantaged or at-risk youth, ages 14-24, with special consideration to youth from communities of color and youth with disabilities. Services include connecting classroom skills to work-based settings, exposing youth to work settings that offer direct employer/supervisor feedback, and youth engagement while exploring interests and abilities.
 - The state funded **Minnesota Youth Program (MYP)** provides summer and year-round employment and training services to low-income and at-risk youth, ages 14 to 24, through a partnership with the Local Workforce Development Boards (LWDBs) and Youth Committees. This program reaches every single county in Minnesota. At-risk youth can earn academic credit for their participation; and worksite supervisors evaluate (pre and post) work readiness skill attainment on the worksite.

RESULTS

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	# of job seekers registered and receiving a reportable service	161,309	154,233	SFY 2016 & SFY 2017
Quantity	# of employers who list their job vacancies on http://www.minnesotaworks.net	93,083	94,684	SFY 2016 & SFY 2017
Quality	Job seeker customer satisfaction using the Net Promoter Score (-100 to 100; a score of 50 is excellent)	43	40	CY 2016 & CY 2017

Type of Measure	Name of Measure	Previous	Current	Dates
Results	Percentage of Dislocated Worker program participants entering employment after exit	85.9%	86.8%	SFY 2016 & SFY 2017
Results	Percentage of Pathways to Prosperity program participants retaining employment for three quarters after exit	N/A*	69%	SFY 2016 & SFY 2017
Results	Percentage of Minnesota Youth Program, Youthbuild and Youth at Work participants who attained work readiness or education goals	86.1%	91.3%	SFY 2016 & SFY 2017
Results	Percentage of Veterans Program participants receiving intensive services who completed all program goals or exited the program into employment	67.0%	77.0%	SFY 2016 & SFY 2017

*The Pathways to Prosperity program folded the former Fast TRAC program into a more comprehensive workforce development and training program in SFY 2016.

Minn. Stat. § 116L (<https://www.revisor.mn.gov/statutes/?id=116L>), Minn. Stat. § 116J (<https://www.revisor.mn.gov/statutes/?id=116J>), and the Workforce Investment Act, the Workforce Investment Act (Public Law 113 – 128) <https://www.gpo.gov/fdsys/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf>, 29 U.S.C. Sec. 3101, *et. seq.* provide the legal authority for DEED's Employment and Training Programs Division.

Employment and Training Programs

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	2,486	26,843	6,243	5,889	8,289	8,289	11,289	11,289
2000 - Restrict Misc Special Revenue	6,708	6,998	7,858	8,931	8,612	8,612	8,612	8,612
2390 - Workforce Development	55,569	44,491	54,263	64,330	48,357	50,287	47,757	49,687
3000 - Federal	60,624	59,584	56,417	69,716	67,402	65,917	67,402	65,917
Total	125,387	137,916	124,782	148,866	132,660	133,105	135,060	135,505
Biennial Change				10,344		(7,883)		(3,083)
Biennial % Change				4		(3)		(1)
Governor's Change from Base								4,800
Governor's % Change from Base								2
<u>Expenditures by Activity</u>								
Adult Services	105,720	109,828	100,642	124,501	110,742	111,184	108,292	108,734
Youth Programs	19,667	28,088	24,140	24,365	21,918	21,921	26,768	26,771
Total	125,387	137,916	124,782	148,866	132,660	133,105	135,060	135,505
<u>Expenditures by Category</u>								
Compensation	20,829	19,245	18,675	21,699	20,239	20,093	20,416	20,270
Operating Expenses	10,511	12,711	13,205	21,250	22,265	21,589	22,821	22,121
Grants, Aids and Subsidies	92,719	104,312	91,401	105,860	90,099	91,366	91,766	93,057
Capital Outlay-Real Property	0	0	1					
Other Financial Transaction	1,328	1,648	1,499	57	57	57	57	57
Total	125,387	137,916	124,782	148,866	132,660	133,105	135,060	135,505
<u>Expenditures by Activity</u>								
Total Agency Expenditures	125,387	137,916	124,782	148,866	132,660	133,105	135,060	135,505
Internal Billing Expenditures	3,001	2,353	2,353	3,222	3,032	2,995	3,061	3,024
Expenditures Less Internal Billing	122,387	135,562	122,428	145,644	129,628	130,110	131,999	132,481
<u>Full-Time Equivalent</u>								
	279.20	250.54	233.56	235.55	224.90	221.90	227.65	224.65

Employment and Training Programs

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In	315	17	20					
Direct Appropriation	2,189	26,969	6,239	5,889	8,289	8,289	11,289	11,289
Cancellations		123	16					
Balance Forward Out	17	20	0					
Expenditures	2,486	26,843	6,243	5,889	8,289	8,289	11,289	11,289
Biennial Change in Expenditures				(17,197)		4,446		10,446
Biennial % Change in Expenditures				(59)		37		86
Governor's Change from Base								6,000
Governor's % Change from Base								36
Full-Time Equivalents	0.76	3.58	2.49	2.16	2.29	2.29	4.29	4.29

2000 - Restrict Misc Special Revenue

Balance Forward In	613	993	1,631	910				
Receipts	5,548	6,394	5,947	6,896	7,487	7,487	7,487	7,487
Transfers In	1,170	1,071	1,190	1,125	1,125	1,125	1,125	1,125
Balance Forward Out	624	1,461	911					
Expenditures	6,708	6,998	7,858	8,931	8,612	8,612	8,612	8,612
Biennial Change in Expenditures				3,083		435		435
Biennial % Change in Expenditures				23		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	33.09	32.26	36.08	34.56	30.17	30.17	30.17	30.17

2390 - Workforce Development

Balance Forward In	49	211	32	35	1,000	1,000	1,000	1,000
Direct Appropriation	17,567	18,667	25,259	24,342	14,002	14,002	20,924	20,427
Open Appropriation	38,014	25,713	29,107	40,884	34,300	36,230	26,778	29,205
Transfers In	9	17	17	69	55	55	55	55
Cancellations	0	85	119					
Balance Forward Out	69	32	34	1,000	1,000	1,000	1,000	1,000
Expenditures	55,569	44,491	54,263	64,330	48,357	50,287	47,757	49,687
Biennial Change in Expenditures				18,533		(19,949)		(21,149)
Biennial % Change in Expenditures				19		(17)		(18)

Employment and Training Programs

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Governor's Change from Base								(1,200)
Governor's % Change from Base								(1)
Full-Time Equivalents	17.96	8.82	8.27	8.78	8.54	8.54	9.29	9.29

3000 - Federal

Balance Forward In	273	2,349	211	240				
Receipts	61,105	57,440	56,446	69,476	67,402	65,917	67,402	65,917
Balance Forward Out	754	204	240					
Expenditures	60,624	59,584	56,417	69,716	67,402	65,917	67,402	65,917
Biennial Change in Expenditures				5,925		7,186		7,186
Biennial % Change in Expenditures				5		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	227.39	205.88	186.72	190.05	183.90	180.90	183.90	180.90

Program: Disability Determination Services

mn.gov/deed/programs-services/dds/

AT A GLANCE

- Serves Minnesota residents who file applications for disability benefits and Minnesotans who are reviewed for continuing eligibility.
- Refers disability applications for individuals who may benefit from rehabilitation services to other state agencies.
- Reviewed 50,055 new claims in 2017.
- Program is funded 100% by federal dollars.

PURPOSE & CONTEXT

Disability Determination Services (DDS) evaluates claims for disability benefits using Social Security Administration (SSA) guidelines and Federal Regulations. The Social Security program provides benefits to persons with disabilities who are not able to work. When Social Security added protection for individuals with disabilities in 1954, the Congress wrote into the law that the disability decision for an individual had to be made by a state agency and not by a federal office. Social Security pays Minnesota to run the office and make the disability decisions.

SERVICES PROVIDED

We accomplish our mission by making eligibility decisions regarding disability and blindness applications on behalf of the federal SSA. Our activities include:

- Reviewing disability applications and requesting medical records from claimants' medical sources.
- Corresponding by phone or letter with claimants, family members, legal representatives, and others to obtain additional information necessary for claims.
- Reviewing and analyzing evidence, applying SSA regulations and policy, and writing comprehensive assessments (including medical evidence, vocational factors, educational background, and other collateral information) to reach an eligibility determination.

In addition to providing eligibility determinations for disability payments, we also refer disability applicants who may benefit from rehabilitation services to Vocational Rehabilitation Services, State Services for the Blind, and the Department of Health's section of Children with Special Health Needs.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	# of new determinations reviewed	50,441	50,055	FFY 2016 & FFY 2017
Quality	Days in decision-making	77.7 days	81.8 days	FFY 2016 & FFY 2017
Quality	Accuracy of determination decisions (assessed through a review by SSA.)	96.2%	99.3%	FFY 2016 & FFY 2017

Social Security Act; U.S. Code, Title 42, Chap. 421 (<http://www.law.cornell.edu/uscode/text/42/421>) provides the legal authority for Disability Determination Services.

Disability Determination Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

3000 - Federal	24,578	24,373	24,089	25,026	25,677	26,607	25,677	26,607
Total	24,578	24,373	24,089	25,026	25,677	26,607	25,677	26,607
Biennial Change				164		3,169		3,169
Biennial % Change				0		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Disability Determination	24,578	24,373	24,089	25,026	25,677	26,607	25,677	26,607
Total	24,578	24,373	24,089	25,026	25,677	26,607	25,677	26,607

Expenditures by Category

Compensation	10,614	9,849	9,726	11,043	11,072	11,698	11,072	11,698
Operating Expenses	7,090	7,292	7,595	6,971	7,482	7,608	7,482	7,608
Grants, Aids and Subsidies	6,873	7,232	6,768	7,011	7,122	7,300	7,122	7,300
Other Financial Transaction	1	0	0	1	1	1	1	1
Total	24,578	24,373	24,089	25,026	25,677	26,607	25,677	26,607

Total Agency Expenditures	24,578	24,373	24,089	25,026	25,677	26,607	25,677	26,607
Internal Billing Expenditures	1,533	1,207	1,227	1,030	1,300	1,300	1,300	1,300
Expenditures Less Internal Billing	23,045	23,166	22,862	23,996	24,377	25,307	24,377	25,307

Full-Time Equivalents

	149.83	134.40	126.04	134.00	134.00	134.00	134.00	134.00
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Disability Determination Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
3000 - Federal								
Balance Forward In	760	489						
Receipts	23,858	23,884	24,089	25,026	25,677	26,607	25,677	26,607
Balance Forward Out	40							
Expenditures	24,578	24,373	24,089	25,026	25,677	26,607	25,677	26,607
Biennial Change in Expenditures				164		3,169		3,169
Biennial % Change in Expenditures				0		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	149.83	134.40	126.04	134.00	134.00	134.00	134.00	134.00

Program: General Support Services

mn.gov/deed

AT A GLANCE

- Provides leadership and infrastructure for the agency.
- Includes the Commissioner's Office and other offices which support DEED's core program work.
- Produces economic analysis and labor market information.
- Serves 404,729 subscribers to DEED's email communications.

PURPOSE & CONTEXT

General Support Services (GSS) directly supports the agency with infrastructure and leadership necessary to operate programs, develop policies, and provide assistance to individuals, businesses, and communities. These divisions provide operational and resource support and provide the technical expertise to ensure our programs are effective and efficient.

SERVICES PROVIDED

General Support Services (GSS) includes the following core functions:

- *Commissioner's Office*: provides executive leadership through appointment by Office of the Governor of Minnesota. In addition to supervising all DEED programs, the Commissioner's Office oversees two quasi-independent agencies:
 - The *Public Facilities Authority* (PFA) is a multi-agency authority that provides municipal financing expertise and infrastructure financing programs to enhance the environmental and economic vitality of the State. The Commissioner of DEED serves as the chair and chief executive officer of the authority while day-to-day operations are managed by an executive director and staff.
 - *Explore Minnesota Tourism* is the state's tourism marketing entity and is an office in the executive branch. The director of that agency reports directly to the Commissioner of DEED.
- *Policy Office*: Oversees legislative policy planning for the agency, evaluates program performance, conducts economic analysis, and represents DEED at the Legislature.
- *Labor Market Information*: Develops and refines data on Minnesota's labor market and communicates that data to customers via funding from the federal Bureau of Labor Statistics and the General Fund.
- *Communications Office*: Publicizes DEED services for customers, partners, and other stakeholders while promoting Minnesota as a place to live, work, and do business.
- *Office of Economic Equity and Opportunity*: Helps workers and businesses of color find career paths and business opportunities in Minnesota by breaking down barriers that contribute to disparities for communities of color throughout the state.
- *Office of Diversity and Equal Opportunity*: Ensures DEED's compliance with federal and state laws concerning discrimination, harassment, reasonable accommodation, site and program access and retaliation, and handles complaints of discrimination for any DEED employee, applicant, contractor, intern or customer.
- *Administrative and Financial Services*: Oversees all financial activities (including budgeting, payroll, procurement, continuity of operations and other functions) as well as managing all DEED facilities.
- *Human Resources*: Manages agency personnel, labor relations, and employee development.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Percentage of Invoices Paid Promptly	98.49%	99.18%	SFY 2017 & SFY 2018
Quantity	Number of Labor Market Information (LMI) Office Presentations/Trainings	304	363	SFY 2017 & SFY 2018
Quantity	Subscribers of DEED's GovDelivery Email Communications	312,866	404,729	SFY 2017 & SFY 2018
Quality	Recipients of Economic Analysis projects satisfaction	100% satisfied or very satisfied	100% satisfied or very satisfied	CY 2016 & CY 2017
Quality	Product prepared by an LMI Office regional analyst was useful to client/organization	97% satisfied or very satisfied	99% satisfied or very satisfied	SFY 2016 & SFY 2017
Results	Percentage of Workforce Injury Incidents	1.17%*	1.9%*	CY 2017 & CY 2018

*Data comes from 3rd quarter year-to-date injuries each year.

Minn. Stat. § 116J (<https://www.revisor.mn.gov/statutes/?id=116J>) provides the legal authority for DEED.

Minn. Stat. § 12A.14 (<https://www.revisor.mn.gov/statutes/?id=12A.14>) provides the legal authority for the Public Facilities Authority.

Minn. Stat. § 116U (<https://www.revisor.mn.gov/statutes/?id=116U>) provides the legal authority for Explore Minnesota.

General Support Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
<i>Expenditures by Fund</i>								
1000 - General	1,171	1,518	1,595	3,485	2,786	2,786	2,786	2,786
2000 - Restrict Misc Special Revenue	17,213	17,606	15,123	19,313	19,028	19,028	19,028	19,028
2001 - Other Misc Special Revenue	84	80	93	191	99	99	99	99
2390 - Workforce Development	187							
3000 - Federal	10,619	10,407	10,807	11,810	13,463	13,463	13,463	13,463
Total	29,275	29,610	27,618	34,799	35,376	35,376	35,376	35,376
Biennial Change				3,533		8,335		8,335
Biennial % Change				6		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
<i>Expenditures by Activity</i>								
General Support Services	29,275	29,610	27,618	34,799	35,376	35,376	35,376	35,376
Total	29,275	29,610	27,618	34,799	35,376	35,376	35,376	35,376
<i>Expenditures by Category</i>								
Compensation	15,389	12,399	12,972	15,418	15,895	15,909	15,895	15,909
Operating Expenses	12,974	15,880	13,218	18,885	18,985	18,971	18,985	18,971
Grants, Aids and Subsidies	860	1,280	1,409	495	495	495	495	495
Capital Outlay-Real Property			27					
Other Financial Transaction	52	51	(7)	1	1	1	1	1
Total	29,275	29,610	27,618	34,799	35,376	35,376	35,376	35,376
Total Agency Expenditures	29,275	29,610	27,618	34,799	35,376	35,376	35,376	35,376
Internal Billing Expenditures	567	475	518	612	619	622	619	622
Expenditures Less Internal Billing	28,708	29,135	27,101	34,187	34,757	34,754	34,757	34,754
<i>Full-Time Equivalents</i>	159.09	131.09	135.75	143.06	143.07	142.27	143.07	142.27

General Support Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In		328		732				
Direct Appropriation	3,059	3,424	4,122	4,638	4,671	4,671	4,671	4,671
Transfers In	16	362	31	1,813	1,114	1,114	1,114	1,114
Transfers Out	1,582	2,171	1,821	3,698	2,999	2,999	2,999	2,999
Cancellations		426	5					
Balance Forward Out	322		732					
Expenditures	1,171	1,518	1,595	3,485	2,786	2,786	2,786	2,786
Biennial Change in Expenditures			2,391		492		492	
Biennial % Change in Expenditures			89		10		10	
Governor's Change from Base							0	
Governor's % Change from Base							0	
Full-Time Equivalents	9.61	9.87	8.78	8.46	8.45	8.45	8.45	8.45

2000 - Restrict Misc Special Revenue

Balance Forward In	2,669	3,570	846	400	115	115	115	115
Receipts	17,874	14,555	14,678	19,028	19,028	19,028	19,028	19,028
Internal Billing Receipts	17,339	14,192	14,431	18,301	18,301	18,301	18,301	18,301
Balance Forward Out	3,329	519	401	115	115	115	115	115
Expenditures	17,213	17,606	15,123	19,313	19,028	19,028	19,028	19,028
Biennial Change in Expenditures				(383)		3,620		3,620
Biennial % Change in Expenditures				(1)		11		11
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	111.76	85.19	90.50	96.00	96.00	96.00	96.00	96.00

2001 - Other Misc Special Revenue

Balance Forward In	68	81	88	92				
Receipts	96	86	97	99	99	99	99	99
Balance Forward Out	80	87	92					
Expenditures	84	80	93	191	99	99	99	99
Biennial Change in Expenditures				120		(86)		(86)
Biennial % Change in Expenditures				73		(30)		(30)
Governor's Change from Base								0

General Support Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Governor's % Change from Base								0
Full-Time Equivalents	0.20	0.14	0.43	0.43	0.43	0.43	0.43	0.43

2390 - Workforce Development

Balance Forward In		15		18				
Direct Appropriation	209	17	35	51	55	55	55	55
Transfers Out	9	17	17	69	55	55	55	55
Cancellations		15						
Balance Forward Out	13		18					
Expenditures	187							
Biennial Change in Expenditures				(187)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.87	0.34						

3000 - Federal

Balance Forward In		472	5					
Receipts	10,706	9,940	10,803	11,810	13,463	13,463	13,463	13,463
Balance Forward Out	87	5						
Expenditures	10,619	10,407	10,807	11,810	13,463	13,463	13,463	13,463
Biennial Change in Expenditures				1,592		4,309		4,309
Biennial % Change in Expenditures				8		19		19
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	36.65	35.55	36.04	38.17	38.19	37.39	38.19	37.39

Program: Minnesota Trade Office

mn.gov/deed/business/exporting/

AT A GLANCE

- Works to increase the number of Minnesota companies exporting into foreign markets.
- Helps foreign companies explore the advantages of expanding or relocating in Minnesota and operates trade offices located in Canada, Mexico, EU, UK/Ireland, Japan, ASEAN and Australia/New Zealand.
- Provides technical assistance and financial resources for companies seeking to expand exporting.
- Recruits new and additional foreign direct investment from foreign-owned enterprises.

PURPOSE & CONTEXT

The Minnesota Trade Office (MTO) seeks to increase the number of exports and the amount of foreign direct investment that contribute to the growth of the Minnesota economy.

MTO provides export assistance to Minnesota's manufacturers and service providers. Programs and services focus primarily on assisting small and medium-sized companies. We also have offices and staff in key foreign markets to help overseas companies explore business startup, expansion and relocation opportunities in Minnesota.

SERVICES PROVIDED

The Minnesota Trade Office (MTO) provides:

- *Export counseling and assistance:* Our International Trade Representatives guide Minnesota companies through the challenges of conducting international business. Services include exporting guidance, market research, reviewing regulatory requirements, providing advice on international logistics, and evaluating market entry strategies.
- *Export financing programs:* We provide grants and guide companies on obtaining private financial assistance like loans, working capital, credit, and insurance to help new and current exporters. For instance, the STEP Grant Program provides financial and technical assistance to Minnesota small businesses with an active interest in exporting products or services to foreign markets. Small businesses may also apply for reimbursements of between \$500 and \$5,000 for export-training and export-development related activities.
- *Foreign direct investment assistance:* We work with foreign companies exploring the advantages of expanding or relocating in Minnesota. To facilitate this work, we operate trade offices in Canada, Mexico, EU, UK/Ireland, Japan, the ASEAN region (Indonesia, Thailand, Vietnam, Singapore, Malaysia, Philippines, Myanmar, Cambodia, Laos, and Brunei) and Australia/New Zealand.
- *Protocol Office for the State:* We provide leadership and expertise on international relations and international affairs for the State of Minnesota. We ensure the state's interactions with foreign delegations and dignitaries are conducted with appropriate diplomatic etiquette and cultural practices. We are also the state's liaison to the local diplomatic community – the Minnesota Consular Corp.

We sponsor and coordinate trade missions to foreign countries with delegations of business, education, and government officials, to showcase Minnesota as a superior place to do business, raise the profile of Minnesota companies, and provide important networking opportunities to the delegates.

We also organize reverse missions from foreign countries with delegation of business, education, and government officials to showcase the state and create business opportunities for Minnesota companies.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Annual total exports from Minnesota	\$19B	\$21B	SFY 2016 & SFY 2017
Quantity	Number of organizations receiving export assistance	912	864	SFY 2017 & SFY 2018
Quantity	Number of attendees at MTO training seminars	1,142	1,285	SFY 2017 & SFY 2018
Quantity	Number of Foreign companies requesting information on Minnesota	114	120	SFY 2017 & SFY 2018
Quantity	Number of protocol requests for assistance with diplomatic interactions	30	54	FFY 2017 & FFY 2018
Quantity	Diplomatic visit protocol meetings & events for the State of Minnesota	26	49	FFY 2017 & FFY 2018

Minn. Stat. § 116J.966 (<https://www.revisor.mn.gov/statutes/?id=116J.966>) and the Federal Trade Act of 1974, Public Law 93-618, as amended; U.S. Code, Title 19 (<http://www.law.cornell.edu/uscode/text/19/chapter-12>) provide the legal authority for DEED's Trade Office.

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

1000 - General	2,063	2,458	1,912	2,712	2,317	2,317	2,317	2,317
2000 - Restrict Misc Special Revenue	176		76	136	170	70	170	70
3000 - Federal	132	22		145	150	150	150	150
Total	2,370	2,480	1,988	2,993	2,637	2,537	2,637	2,537
Biennial Change				131		193		193
Biennial % Change				3		4		4
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Minnesota Trade Office	2,370	2,480	1,988	2,993	2,637	2,537	2,637	2,537
Total	2,370	2,480	1,988	2,993	2,637	2,537	2,637	2,537

Expenditures by Category

Compensation	1,256	1,177	1,000	1,368	1,366	1,389	1,366	1,389
Operating Expenses	813	878	688	1,325	966	843	966	843
Grants, Aids and Subsidies	301	420	289	300	305	305	305	305
Other Financial Transaction	0	4	11					
Total	2,370	2,480	1,988	2,993	2,637	2,537	2,637	2,537

Total Agency Expenditures	2,370	2,480	1,988	2,993	2,637	2,537	2,637	2,537
Internal Billing Expenditures	181	144	126	181	179	182	179	182
Expenditures Less Internal Billing	2,189	2,335	1,862	2,812	2,458	2,355	2,458	2,355

Full-Time Equivalent

	12.52	11.46	9.82	12.00	12.00	12.00	12.00	12.00
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In		190		395				
Direct Appropriation	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292
Transfers In	29	45	25	25	25	25	25	25
Cancellations	74	69	11					
Balance Forward Out	184		394					
Expenditures	2,063	2,458	1,912	2,712	2,317	2,317	2,317	2,317
Biennial Change in Expenditures				104		10		10
Biennial % Change in Expenditures				2		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	12.24	11.39	9.73	12.00	11.90	11.90	11.90	11.90

2000 - Restrict Misc Special Revenue

Balance Forward In	108	87	136	166	100	100	100	100
Receipts	155	49	106	70	170	70	170	70
Balance Forward Out	87	136	166	100	100	100	100	100
Expenditures	176		76	136	170	70	170	70
Biennial Change in Expenditures				36		28		28
Biennial % Change in Expenditures						13		13
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.10	0.07	0.09		0.10	0.10	0.10	0.10

3000 - Federal

Receipts	132	22		145	150	150	150	150
Expenditures	132	22		145	150	150	150	150
Biennial Change in Expenditures				(8)		155		155
Biennial % Change in Expenditures				(5)				
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.18							

Program: Vocational Rehabilitation Services

mn.gov/deed/job-seekers/disabilities/

AT A GLANCE

- Provides employment-related services to approximately 20,000 Minnesotans with disabilities each year who seek competitive, integrated employment.
- Provides career counseling, information and referral services regarding competitive, integrated employment to individuals with disabilities who currently earn less than minimum wage.
- Provides pre-employment transition services to high school students with disabilities.
- Assists Minnesotans with disabilities to live independently and secure their basic rights in areas such as housing, transportation, education and employment.

PURPOSE & CONTEXT

Our purpose is to assist Minnesotans with disabilities to find and keep jobs and live independently in their communities. Vocational Rehabilitation Services helps remedy the disparity between the percentage of working-age Minnesotans with disabilities who have jobs - 48.0 percent - and those with no disability - 83.8 percent (2016)¹.

The programs in Vocational Rehabilitation Services serve:

- Minnesotans with disabilities who face significant barriers to achieving competitive, integrated employment and independence in their communities.
- Students and young adults with significant disabilities who are making the transition from school to work.
- Employers who seek qualified candidates for job openings

SERVICES PROVIDED

We accomplish our mission via three distinct programs; Vocational Rehabilitation Services, Independent Living programs and the Extended Employment program. Vocational Rehabilitation Services and Independent Living programs are operated and funded as federal/state partnerships. The Extended Employment program is funded solely by the state.

- *Vocational Rehabilitation Services (VRS):* We assist people with disabilities to find jobs through employment services such as job counseling, job search assistance, training, and job placement services.
- *Extended Employment:* We work with people with disabilities to keep their jobs and advance in their careers by providing long-term employment support services. Those services typically include assistance in training or retraining job tasks, scheduling changes, adjusting to new supervisors, advancement to new job tasks or positions, and managing changes in non-work environments or life activities that affect work performance.
- *Independent Living:* We provide resources to Minnesotans with disabilities to live and function independently at home, at work, in their communities, and/or relocate out of nursing homes, by collaborating with the state's eight regional centers for independent living to provide services and training.

Our staff provide individualized assessments, evaluations, counseling, training, assistive technologies, job placement, and retention services. Through coordinated partnerships, we work closely with nonprofit community

¹ Data Source: Employment Status by Disability Status and Type, American Community Survey 2016.

rehabilitation providers, county service agencies, regional centers for independent living, secondary and post-secondary educational institutions, businesses, and other public and private organizations.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of individuals new to the program / Number of people receiving services	7,176 / 11,776	6,579 / 11,381	SFY 2017 & SFY 2018
Result	Number of individuals attaining employment	2,807	2,688	SFY 2017& SFY 2018

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of individuals	4,205	3,822	SFY 2017 & SFY 2018
Result	Total wages earned by individuals	\$31.8M	\$30.5M	SFY 2017 & SFY 2018

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Total number of individuals served	7,000	6,903	SFY 2017 & SFY 2018
Quantity	Total instances of service (Information and Referral, Skills Training, Peer Counseling, Advocacy)	52,825	64,347	SFY 2017 & SFY 2018

Minn. Stat. § 268A (<https://www.revisor.mn.gov/statutes/?id=268A.11>), Federal Rehabilitation Act of 1973 as amended, U.S. Code, Title 29, Chapter 16 (<http://www.law.cornell.edu/uscode/text/29/chapter-16>), provides the legal authority for DEED's Vocational Rehabilitation Services.

Minn. Stat., Chap. 268A.15 (<https://www.revisor.mn.gov/statutes/cite/268A>) et. seq. provides the statutory authority for the Extended Employment Program. Minn. Stat., Chap. 268A.11

(<https://www.revisor.mn.gov/statutes/?id=268a.11>); U.S. Code, Title 29, Chap. 16, Sect. 796

(<https://www.law.cornell.edu/uscode/text/29/chapter-16/subchapter-VII>) et seq., provides the statutory authority for the Independent Living Program.

Vocational Rehabilitation Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

1000 - General	22,180	19,862	27,508	29,115	25,381	25,381	29,381	29,381
2390 - Workforce Development	7,919	10,147	7,737	9,254	7,830	7,830	7,830	7,830
2403 - Gift				65	100	100	100	100
3000 - Federal	52,029	51,500	59,105	74,173	73,235	75,763	73,235	75,763
Total	82,128	81,509	94,350	112,607	106,546	109,074	110,546	113,074
Biennial Change				43,320		8,663		16,663
Biennial % Change				26		4		8
Governor's Change from Base								8,000
Governor's % Change from Base								4

Expenditures by Activity

Vocational Rehabilitation	61,504	58,741	69,712	83,027	80,439	82,754	84,439	86,754
Extended Employment	15,371	16,658	16,154	20,016	18,400	18,400	18,400	18,400
Independent Living	5,253	6,111	8,485	9,564	7,707	7,920	7,707	7,920
Total	82,128	81,509	94,350	112,607	106,546	109,074	110,546	113,074

Expenditures by Category

Compensation	28,523	28,896	30,180	31,181	32,128	33,739	32,128	33,739
Operating Expenses	11,248	12,123	13,055	14,512	14,551	15,162	14,551	15,162
Grants, Aids and Subsidies	42,341	40,434	51,089	66,889	59,830	60,136	63,830	64,136
Capital Outlay-Real Property	0	1			1	1	1	1
Other Financial Transaction	16	56	26	25	36	36	36	36
Total	82,128	81,509	94,350	112,607	106,546	109,074	110,546	113,074

Total Agency Expenditures	82,128	81,509	94,350	112,607	106,546	109,074	110,546	113,074
Internal Billing Expenditures	4,132	3,554	3,792	4,964	5,367	5,590	5,367	5,590
Expenditures Less Internal Billing	77,996	77,955	90,558	107,643	101,179	103,484	105,179	107,484

Full-Time Equivalents

339.38	336.34	346.82	344.05	344.13	344.13	344.13	344.13
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Vocational Rehabilitation Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In	1,642	2,199	1,989	2,234				
Direct Appropriation	22,611	22,611	27,733	26,861	25,361	25,361	29,361	29,361
Transfers In		19	19	40	40	40	40	40
Transfers Out				20	20	20	20	20
Cancellations	103	3,473	1					
Balance Forward Out	1,970	1,495	2,233					
Expenditures	22,180	19,862	27,508	29,115	25,381	25,381	29,381	29,381
Biennial Change in Expenditures				14,582		(5,861)		2,139
Biennial % Change in Expenditures				35		(10)		4
Governor's Change from Base								8,000
Governor's % Change from Base								16
Full-Time Equivalents	5.08	4.16	3.77	3.62	3.70	3.70	3.70	3.70

2390 - Workforce Development

Balance Forward In	906	1,366	1,412	1,424				
Direct Appropriation	7,830	9,630	7,830	7,830	7,830	7,830	7,830	7,830
Cancellations		249	82					
Balance Forward Out	817	599	1,424					
Expenditures	7,919	10,147	7,737	9,254	7,830	7,830	7,830	7,830
Biennial Change in Expenditures				(1,076)		(1,331)		(1,331)
Biennial % Change in Expenditures				(6)		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.01	0.09	0.03	0.03	0.03	0.03	0.03	0.03

2403 - Gift

Balance Forward In	24	24	24	45				
Receipts	0	0	21	20	100	100	100	100
Balance Forward Out	24	24	45					
Expenditures				65	100	100	100	100
Biennial Change in Expenditures				65		135		135
Biennial % Change in Expenditures								
Governor's Change from Base								0

Vocational Rehabilitation Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	1,571	1,992	47	1,006				
Receipts	51,390	49,508	60,064	73,167	73,235	75,763	73,235	75,763
Balance Forward Out	933		1,006					
Expenditures	52,029	51,500	59,105	74,173	73,235	75,763	73,235	75,763
Biennial Change in Expenditures				29,750		15,720		15,720
Biennial % Change in Expenditures				29		12		12
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	334.29	332.09	343.02	340.40	340.40	340.40	340.40	340.40

Program: State Services for the Blind

mn.gov/deed/job-seekers/blind-visual-impaired/

AT A GLANCE

- The State Services for the Blind (SSB) Workforce Development Unit supports blind, visually impaired, and DeafBlind Minnesotans in becoming independent, self-sufficient, and employed by providing career counseling, career-driven training, technology, and employment services.
- The SSB Communication Center Unit provides Minnesotans with braille, audio, large print, and e-text to learn and excel in school, get jobs, increase job skills, and be vital neighbors and community members.
- The SSB Senior Services Unit provides direct services and uses local partnerships across Minnesota to enable seniors to continue living independently in their homes and actively engaging in their communities.

PURPOSE & CONTEXT

The achievement-focused programs of State Services for the Blind (SSB) assist customers with the tools they need to succeed in work, school, and life. Designed to address needs not met by other programs, SSB builds value by investing in young adults, leveling the employment playing field, keeping seniors engaged, safe, and at home, and by transforming print into accessible media.

SERVICES PROVIDED

Workforce Development:

State Services for the Blind receives 78.7 percent of its funding through a grant from the U.S. Department of Education. For Federal fiscal year 2017, the total amount of grant funds awarded were \$9,005,850. The remaining 21.3 percent of the costs \$2,502,083 were funded by a state appropriation to SSB.

Vocational Rehabilitation: A Workforce Innovation and Opportunity Act Core Partner

We assist students in preparing for life after high school by ensuring they have the skills, training, and technology necessary to be a part of a highly skilled, highly trained workforce. We help individuals choose careers that align with today's economic trends and provide them with the necessary training and technology so they have a competitive edge in the labor market.

We help individuals avoid or leave sheltered workshops that pay subminimum wage and instead assist them in finding high quality, good paying jobs in the community. We partner with businesses by assisting them with recruitment, employee retention, disability training, and job accommodations.

Business Enterprises: Providing Entrepreneurial Opportunities

We provide vending business job opportunities for blind, visually impaired, and DeafBlind entrepreneurs within state and federal buildings at 160 locations, 29 entrepreneurs in this program generate \$6.4 million in annual sales, pay \$420,000 in state sales taxes, pay over \$643,000 in employee wages, and pay \$250,000 in funds to support the program.

Senior Services: Many of the people we work with have age-related macular degeneration, diabetic retinopathy, glaucoma, or other vision-related conditions that are often a part of aging. Our goal is to help customers meet the challenges of vision loss based on their own particular needs and circumstances. Services range from teaching simple techniques for managing household activities to comprehensive training that can include learning to use a white cane, how to continue to use technology, and more complex personal independence skills.

The Senior Services Aging Eyes Initiative is an additional program within senior services that leverages community partnerships throughout Minnesota to reach additional seniors in need.

Communication Center: We keep Minnesotans reading so that all can learn and excel in school, get jobs, increase job skills, and be vital neighbors and members of our communities. We provide equal access to information (newspapers, books, magazines, community, religious, and family materials) through braille, audio books, podcasts, large print, and e-text. We partner with the Minnesota Braille and Talking Book Library and are part of the National Library Service program. We provide braille school materials for Minnesota's K-12 children and we produce braille and audio textbooks for Minnesota's higher educational students. Our radio reading service, the Radio Talking Book, broadcasts new books, magazines, and daily newspapers. Dial-In News and NFB-NEWSLINE present audio newspapers and magazines from around the world, as well as job postings. We also produce life-skill podcasts for youth in partnership with Blind Abilities. Government agencies, businesses, and schools rely on us and our 615 volunteers for their braille, audio, large print, and e-text needs.

RESULTS

Workforce Development:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Customers' average hours worked per week	28	27	FFY 2016 & FFY 2017
Result	Customers' average hourly wage	\$16.75	\$20.52	FFY 2016 & FFY 2017

Senior Services:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Total customers served	3,750	4,203	FFY 2016 & FFY 2017
Quantity	Customers enrolled through Aging Eyes	450	654	FFY 2016 & FFY 2017
Result	Community partnerships formed	179	457	FFY 2016 & FFY 2017

Communication Center:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Total customers served	13,000	13,801	FFY 2016 & FFY 2017

Minnesota Rules 3325 (BEP) (<https://www.revisor.mn.gov/rules/?id=3325>), Chapter 248. Blind; Education, Rehabilitation (<https://www.revisor.mn.gov/statutes/?id=248>) provides the legal authority for State Services for the Blind, Rehabilitation Act of 1973 as amended (<http://www.law.cornell.edu/uscode/text/29/chapter-16>), CFR 361 and 363 (<http://www.law.cornell.edu/cfr/text/34/part-361>, <http://www.law.cornell.edu/cfr/text/34/part-363>)

State Services for The Blind

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

1000 - General	5,999	7,052	6,551	6,551	6,551	6,551	6,551	6,551
2000 - Restrict Misc Special Revenue	666	589	719	1,900	966	968	966	968
2403 - Gift	222	158	202	456	284	286	284	286
3000 - Federal	12,355	13,966	12,849	14,769	14,431	14,521	14,431	14,521
Total	19,243	21,765	20,322	23,676	22,232	22,326	22,232	22,326
Biennial Change				2,990		560		560
Biennial % Change				7		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Services for The Blind	19,243	21,765	20,322	23,676	22,232	22,326	22,232	22,326
Total	19,243	21,765	20,322	23,676	22,232	22,326	22,232	22,326

Expenditures by Category

Compensation	8,898	8,812	9,110	9,769	10,602	10,877	10,602	10,877
Operating Expenses	4,703	5,115	4,809	6,210	4,537	4,377	4,537	4,377
Grants, Aids and Subsidies	5,518	5,492	6,151	7,397	6,876	6,855	6,876	6,855
Capital Outlay-Real Property	19	1		45	11	11	11	11
Other Financial Transaction	105	2,345	252	255	206	206	206	206
Total	19,243	21,765	20,322	23,676	22,232	22,326	22,232	22,326

Total Agency Expenditures	19,243	21,765	20,322	23,676	22,232	22,326	22,232	22,326
Internal Billing Expenditures	1,284	1,113	1,146	1,363	1,390	1,431	1,390	1,431
Expenditures Less Internal Billing	17,959	20,652	19,175	22,313	20,842	20,895	20,842	20,895

<u>Full-Time Equivalents</u>	107.95	108.30	109.34	109.34	102.48	104.55	102.48	104.55
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State Services for The Blind

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In		1						
Direct Appropriation	5,925	6,925	6,425	6,425	6,425	6,425	6,425	6,425
Transfers In	74	126	126	126	126	126	126	126
Balance Forward Out			0					
Expenditures	5,999	7,052	6,551	6,551	6,551	6,551	6,551	6,551
Biennial Change in Expenditures				51		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	41.83	39.40	35.40	35.40	35.40	35.40	35.40	35.40

2000 - Restrict Misc Special Revenue

Balance Forward In	853	928	1,015	906				
Receipts	690	675	610	994	966	968	966	968
Transfers In		383						
Transfers Out		383						
Balance Forward Out	877	1,014	905					
Expenditures	666	589	719	1,900	966	968	966	968
Biennial Change in Expenditures				1,364		(685)		(685)
Biennial % Change in Expenditures				109		(26)		(26)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

2403 - Gift

Balance Forward In	128	117	174	227				
Receipts	177	212	255	229	284	286	284	286
Balance Forward Out	83	170	226					
Expenditures	222	158	202	456	284	286	284	286
Biennial Change in Expenditures				278		(88)		(88)
Biennial % Change in Expenditures				73		(13)		(13)
Governor's Change from Base								0
Governor's % Change from Base								0

State Services for The Blind

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Full-Time Equivalents	1.27	1.00	1.48	1.48	1.48	1.48	1.48	1.48

3000 - Federal

Balance Forward In	172	153	137	114				
Receipts	12,267	13,932	12,826	14,655	14,431	14,521	14,431	14,521
Balance Forward Out	84	120	114					
Expenditures	12,355	13,966	12,849	14,769	14,431	14,521	14,431	14,521
Biennial Change in Expenditures				1,297		1,334		1,334
Biennial % Change in Expenditures				5		5		5
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	62.85	65.90	70.46	70.46	63.60	65.67	63.60	65.67

Program: Broadband Developmentmn.gov/deed/programs-services/broadband/**AT A GLANCE**

- Works to ensure that the state's Internet service is among the nation's best and can keep pace with the growing demands of businesses and individual Minnesotans.
- Coordinates public, private, and philanthropic efforts to increase availability, speed, and use of broadband.
- Administers the state competitive grant fund for broadband infrastructure.
- Conducts research, data collection, and mapping to inform policy and improve access to underserved and unserved communities.

PURPOSE & CONTEXT

The Office of Broadband Development (OBD), created in 2013, is charged with improving broadband access and use. OBD is housed in the Business and Community Development Division. Our purpose is to drive job creation, promote innovation and expand markets for Minnesota businesses by increasing the deployment and use of broadband technologies. We also encourage investment in broadband infrastructure to achieve equal access to opportunities in economic development, education, healthcare, public safety and social well-being throughout the state. Our work ensures that unserved and underserved communities gain access to the broadband infrastructure they need to remain economically competitive and to have digitally literate Minnesotans.

SERVICES PROVIDED

The Office of Broadband Development (OBD) accomplishes its mission through the following activities:

- *Community Planning:* We work with communities, broadband providers, and local units of government to provide technical assistance and consultation services for broadband development and related planning. We also work to ensure these stakeholders are aware of both federal and state policies and programs, including financial resources.
- *Broadband Infrastructure:* We manage the competitive Border-to-Border Broadband Development Grant program to build broadband infrastructure in areas of the state where conventional business models have been unable to meet connectivity needs. Applicants are typically one partner among several in a community initiative, such as an existing broadband provider, a cooperative, township, city, or tribe.
- *Research and Data Collection:* Through the coordination of data collection, mapping, and analysis, we measure progress toward state broadband goals.
- *Adoption and Use:* We study and work to improve low broadband adoption and use rates among identified population groups.
- *Collaboration and Engagement:* We provide support and input to the Governor's Task Force on Broadband to develop, implement and promote state broadband policy, planning and initiatives to achieve State broadband needs and goals.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Year & Amount of Funding Appropriated</i>			
		<i>2014 \$20M</i>	<i>2015 \$10.5M</i>	<i>2016 \$35M</i>	<i>2017 \$20M</i>
Quantity	# of Applications to Broadband Grant Program	40	44	57	70
Quantity	# of Grant Awards from the Broadband Grant Program	16	15	40	39
Quantity	# of Households, Businesses and Community Institutions Served by Broadband Grant Program	6,333	4,098	16,708	12,202
Results	Percent of Minnesota Households with High Speed Broadband Access (based on 2016 established goal of 25Mbps down/3Mbps upload)	85.83% ¹	87.72% ²	87.94% ³	90.77% ⁴

Minn. Stat., Chap. 116J.39 (<https://www.revisor.mn.gov/statutes/?id=116J.39>) provides the legal authority for DEED's Broadband Development program.

¹ Broadband access as of 2/15

² Broadband access as of 7/16

³ Broadband access as of 4/17

⁴ Broadband access as of 3/18

Broadband Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
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Expenditures by Fund

1000 - General	6,571	6,748	227	273	250	250	250	250
2001 - Other Misc Special Revenue	5,943	31,316	28,516	1,373	197	205	35,197	35,205
Total	12,514	38,064	28,744	1,646	447	455	35,447	35,455
Biennial Change				(20,188)		(29,488)		40,512
Biennial % Change				(40)		(97)		133
Governor's Change from Base								70,000
Governor's % Change from Base								7,761

Expenditures by Activity

Broadband Dev Office	12,514	38,064	28,744	1,646	447	455	35,447	35,455
Total	12,514	38,064	28,744	1,646	447	455	35,447	35,455

Expenditures by Category

Compensation	277	296	278	312	322	328	622	628
Operating Expenses	210	367	99	434	125	127	425	427
Grants, Aids and Subsidies	12,028	37,399	28,366	900			34,400	34,400
Other Financial Transaction	0	0	0					
Total	12,514	38,064	28,744	1,646	447	455	35,447	35,455

Total Agency Expenditures	12,514	38,064	28,744	1,646	447	455	35,447	35,455
Internal Billing Expenditures	40	36	35	45	46	47	46	47
Expenditures Less Internal Billing	12,474	38,027	28,709	1,601	401	408	35,401	35,408

Full-Time Equivalents

2.80	3.06	2.63	3.00	3.00	3.00	6.00	6.00
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Broadband Development

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In		6,492		23				
Direct Appropriation	10,838	35,250	20,250	250	250	250	35,250	35,250
Transfers In		6						
Transfers Out		35,000	20,000				35,000	35,000
Cancellations		0						
Balance Forward Out	4,267		23					
Expenditures	6,571	6,748	227	273	250	250	250	250
Biennial Change in Expenditures				(12,819)		0		0
Biennial % Change in Expenditures				(96)		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.77	2.09	1.04	1.00	1.00	1.00	1.00	1.00

2001 - Other Misc Special Revenue

Balance Forward In	7,365	5,058	9,174	1,386	593	576	593	576
Receipts	108	432	728	580	180	26	180	26
Transfers In		35,000	20,000				35,000	35,000
Balance Forward Out	1,531	9,174	1,386	593	576	397	576	397
Expenditures	5,943	31,316	28,516	1,373	197	205	35,197	35,205
Biennial Change in Expenditures				(7,369)		(29,487)		40,513
Biennial % Change in Expenditures				(20)		(99)		136
Governor's Change from Base								70,000
Governor's % Change from Base								17,413
Full-Time Equivalents	0.03	0.97	1.59	2.00	2.00	2.00	5.00	5.00

B22 - Employment and Economic Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General							54,250	13,750
Total							54,250	13,750
Biennial Change				0		0		68,000
Biennial % Change								
Governor's Change from Base								68,000
Governor's % Change from Base								
Paid Family Medical Leave							54,250	13,750
Total							54,250	13,750
Compensation							3,000	3,000
Operating Expenses							51,250	10,750
Total							54,250	13,750
Total Agency Expenditures							54,250	13,750
Expenditures Less Internal Billing							54,250	13,750

Paid Family Medical Leave

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
1000 - General								
Direct Appropriation							54,250	13,750
Expenditures							54,250	13,750
Biennial Change in Expenditures				0		0		68,000
Biennial % Change in Expenditures								
Governor's Change from Base								68,000
Governor's % Change from Base								

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
US HUD 14.228	Small Cities Community Development Block Grants For the benefit of eligible non-entitlement local units of government for community development needs.		14,488	19,510	20,550	20,596	Match	3.9
ENVIRONMENTAL PROTECTION AGENCY 66.818	Brownfield/Petroleum Cleanup Provide loans to public or private entities for clean-up of contaminated property.		8	12	13	-		-
	Budget Activity Total: Community Finance		14,496	19,522	20,563	20,596		3.9
SMALL BUSINESS ADMINISTRATION 59.037	Small Business Development Centers Financing small business development center services.		2,124	2,068	2,150	2,150	Match	-
SMALL BUSINESS ADMINISTRATION 59.037	Small Business Portable Assistance Program Technical assistance and/or training services to small businesses in communities that are economically impacted as a result of a recent business or government facility downsizing or closing	Yes	53	50	100	100		-
	Budget Activity Total: Entrepreneurship & Small Business Development		2,177	2,118	2,250	2,250		-
US Treasury - No CFDA	State Small Business Credit Initiative To provide portfolio insurance for business loans also collateral support programs, loan participations programs, venture capital programs, and loan guarantee programs		1,419	47	-	-		0.4
	Budget Activity Total: Business Finance		1,419	47	-	-		0.4
	Program Total: Business and Community Development		18,093	21,687	22,813	22,846		4.2
US DEPARTMENT OF LABOR 17.225	Unemployment Insurance Provides a temporary, partial wage replacement to those who become unemployed through no fault of their own.		40,417	47,807	48,314	47,121		298.3
	Program Total: Unemployment Insurance		40,417	47,807	48,314	47,121		298.3
US DEPARTMENT OF LABOR 17.207	Employment Services Wagner-Peyser Provides labor exchange services to individuals seeking employment and to businesses seeking workers.		10,541	11,816	12,380	12,511		95.5
NO CFDA	Subgrant agreements		3,802	4,805	4,100	4,150		24.8

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
US DEPARTMENT OF LABOR 17.273	Foreign Labor Provides federal tax credit to employers hiring members of targeted groups who have difficulty finding jobs. Enables businesses to hire foreign workers. Provide analysis of job market conditions and outlook, economic indicators and workforce trends.		134	80	80	80		0.5
US DEPARTMENT OF LABOR 17.235	Senior Community Service Employment Program Provides people age 55 and older to receive on the job training and current work experience they need to return to work.		1,819	2,857	2,925	2,925		0.3
US DEPARTMENT OF LABOR 17.245	Trade Adjustment Assistance Serves workers displaced by foreign trade and provides workers reentering the workforce with work search, relocation, job training and weekly cash benefits		5,440	12,298	12,298	12,298		7.5
US DEPARTMENT OF LABOR 17.258	Workforce Innovation and Opportunity Act (WIOA) Adult Programs Provides year round employment training services to adults.		7,154	9,040	9,700	9,700		20.3
US DEPARTMENT OF LABOR 17.278	Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker Programs Provides employment and training services to workers who have been laid off through no fault of their own.		7,488	9,949	9,953	9,955		
US DEPARTMENT OF LABOR 17.271	Work Opportunity Tax Credit (WOTC) Provides federal tax credit to employers hiring members of targeted groups who have difficulty finding jobs. Enables businesses to hire foreign workers. Provide analysis of job market conditions and outlook, economic indicators and workforce trends.		194	232	240	240		2.7
US DEPARTMENT OF LABOR 17.801	Veterans Programs Provide specialized employment and training services to veterans using the workforce center system.		2,646	2,773	2,517	2,473		23.3
US DEPARTMENT OF LABOR 17.277	National Emergency Grants - Workforce Innovation and Opportunity Act Programs Provides assistance to mass layoffs or plant closings and other events that cause increases in the number of unemployed.		749	-	-	-		-

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
US DEPARTMENT OF LABOR 17.720	RETAIN Demonstration Projects will test the impact of early intervention strategies that improve stay-at-work/return-to-work (SAW/RTW) outcomes of individuals who experience an injury or illness while employed. RETAIN projects will address both on-the-job and off-the-job injuries and illnesses. Individuals participating in RETAIN must be employed, or at a minimum in the labor force, at the time of the injury or illness onset.		-	2,000	500	-	-	-
US DEPARTMENT OF LABOR 17.207	Adult DEI Career Pathways To increase participation in existing job training and career pathways programs by all Minnesotans including adult learners and job seekers with disabilities and other with unique career development needs.		687		-	-		-
US DEPARTMENT OF LABOR 17.283	Workforce Innovation Fund An award to promote system reforms and innovations that facilitate cooperation across programs to improve employment outcomes, cost effectiveness, and delivery of customer-centered services to job seekers, youth and employers.	Yes	1,822	2,000	1,127	-		4.3
US DEPARTMENT OF LABOR 17.268	Apprenticeship Initiative An award to develop innovative approaches to expand apprenticeship into more industries, sectors, and occupations.	Yes	3,135	902	60	60		1.5
	Budget Activity Total: Adult Services		45,611	58,752	55,880	54,392		180.6
US DEPARTMENT OF LABOR 17.207	Youth Disability Employment Initiative (DEI) Program Provides expansion of employment opportunities for youth people with disabilities.	Yes	1,705	500	522	525		1.5
US DEPARTMENT OF LABOR 17.259	Workforce Innovation and Opportunity Act (WIOA) Youth Programs Provides year round employment training services to disadvantaged youth.		9,101	10,464	11,000	11,000		8.0
	Budget Activity Total: Youth Services		10,806	10,964	11,522	11,525		9.5
	Program Total: Workforce Development		56,416	69,716	67,402	65,917		190.0
Social Security Administration 96.001	Disability Determination Provides determinations on social security disability insurance eligibility, verification information to rehabilitation agencies and resources for customers eligible for Ticket to Work program.		24,089	25,026	25,677	26,607		134.0

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
	Program Total: Disability Determination		24,089	25,026	25,677	26,607		134.0
US DEPARTMENT OF LABOR 17.002	Labor Force Statistics Collects, edits analyze and disseminate employment and economic data.		1,407	1,400	1,400	1,400		14.7
US DEPARTMENT OF LABOR 17.207	Analyst Resource Center Development, maintenance and dissemination of the Workforce Information Database to all states for mandated use as the repository of labor marker data.		1,221	1,215	1,215	1,215		3.5
US DEPARTMENT OF LABOR 17.207	Workforce Information Grant Provide analysis of job market conditions and outlook, economic indicators and workforce trends.		522	848	848	848		4.6
US DEPARTMENT OF LABOR 17.207	Career One-Stop Provides a wide array of information and interactive tools for job seekers, students and other career planners.		7,657	8,347	10,000	10,000		15.4
	Program Total : General Support Services		10,807	11,810	13,463	13,463		38.2
SMALL BUSINESS ADMINISTRATION 59.061	State Trade and Export Promotion (STEP) A pilot program of the SBA to provide grants to states to carry out export programs that assist eligible small businesses.		-	145	150	150	Match	
	Program Total: Minnesota Trade Office		-	145	150	150		-
US DEPARTMENT OF EDUCATION 84.187	Basic Supported Employment Provides assessment, vocational evaluations, counseling, training, and job placement services for persons with significant disabilities.		319	330	319	319	Match	
US DEPARTMENT OF EDUCATION 84.126	Basic Employment Provides assessment, vocational evaluations, counseling, training, and job placement services for persons with significant disabilities.		53,232	66,284	68,220	70,535	Both	339.0
Interagency agreement No CFDA	VR Special Projects		80	1,006	-	-		-
	Budget Activity Total: Vocational Rehabilitation		53,631	67,620	68,539	70,854		339.0
HEALTH & HUMAN SERVICES 93.369	Independent Living Services B Provides independent living skills training, information and referral, systems advocacy, and peer support services to persons with disabilities.		4,126	5,343	3,329	3,365	Match	1.4
HEALTH & HUMAN SERVICES 93.432	Independent Living Services C To support a network of centers for independent living (centers or CILs)		1,349	1,210	1,367	1,544		
	Budget Activity Total: Independent Living		5,475	6,553	4,696	4,909		1.4

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
	Program Total: Vocational Rehabilitation		59,105	74,173	73,235	75,763		340.4
US DEPARTMENT OF EDUCATION 84.187	Basic Supported Employment Provides assessment, vocational evaluations, counseling, training, Braille, and job placement services.		6	54	54	54	Match	-
US DEPARTMENT OF EDUCATION 84.126	Basic Employment Provides assessment, vocational evaluations, counseling, training, Braille, and job placement services.		11,172	12,678	12,600	12,678	Both	58.4
HEALTH & HUMAN SERVICES 93.369	Independent Living Services B Provides assistance to older blind persons with disabilities to live independently.		61	87	87	87	Match	0.7
US DEPARTMENT OF EDUCATION 84.177	Older Blind Support services for individuals age 55 or older whose severe visual impairment makes competitive employment difficult to obtain but for whom independent living goals are feasible.		894	907	875	876	Match	4.9
Interagency agreement No CFDA	Education Agreement		609	772	681	691		5.8
	SSB Special Projects		106	271	134	135		0.8
	Program Total: Service for The Blind		12,848	14,769	14,431	14,521	-	70.5
	Federal Fund - Agency Total: Department of Employment and Economic Development		221,776	265,133	265,485	266,388		1,076.5

Narrative

DEED receives funding from a variety of federal agencies including the Departments of Labor, Education, Health and Human Services, Housing and Urban Development, Social Security Administration, Environmental Protection Agency, and Small Business Administration. Federal funds represent a significant portion of DEED's budget, consisting of over 47% of expenditures in SFY17 and 49% of expenditures in SFY18.

For planning purposes, it is assumed that federal award amounts for ongoing programs will remain fairly constant over the biennium. FTE counts are based on the estimated time charged against federal programs for SFY19.

While the Workforce Innovation and Opportunity Act took effect on July 1, 2015, the first full program year after enactment. WIOA created streamlined workforce development system eliminating several programs but maintaining the 15 percent funding reservation at the state level to allow states the flexibility to address specific needs. Initially resources to the Local Areas were reduced by approximately 5% and remained level, due to the national allocation methodology during the subsequent federal award years of 2016 and 2017. However, with the 2018 federal funding Minnesota will experience a 15% increase in the WIOA funding from last federal year 2017 and approximately what would be an 8% overall above the federal award received for federal year of 2015.

The Small Business Development Center program requires a 1 to 1 match which is shared between the state and the grantees. The Small Cities Community Development Block Grant program requires a 1 to 1 match for administrative funds, after the first \$100,000 is paid. The Brownfields program requires a 22% match, which is provided by the loan recipients. The Minnesota Trade Office STEP program requires a .333% match.

The Basic Supported Employment program requires a 10% match; Basic Employment requires 21.3% match; Independent Living programs require a 10% match; Older Blind Support requires \$1 for every \$9 of Federal grant funding received. The MOE level on Basic Employment is based on the amount of the State's non-Federal expenditures under the program for the Federal fiscal year two years earlier.

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
BCD Business Development (State) <i>Laws 17 094 01 002 002</i>	Small onetime misc. grants to promote Business Development	Business and not profit entities	5	-
Contaminated Site Grants (State) <i>M.S. 115J.551, MS 115C.08 4, MS 270.97</i>	Investigation and cleanup of contaminated sites for private or public redevelopment	Cities/Counties, Port Authorities, EDA, HRA	6,831	14,743
Pillsbury United North Market (State) <i>Laws 17 094 01 002 02Q</i>	Constructions and renovation of building in North Mpls for use as a "North Market" grocery and wellness center, focused on wellness, job and economic opportunities in one place/	Pillsbury United Communities. Children and families in the community of North Minneapolis.	1,980	-
Emerging Entrpnr Revolving (State) <i>MS 116M.18 & Laws 16 189 07 037 003</i>	Encourage private investment, provide jogs for minority persons and others in low- income areas, create and strengthen minority business enterprises, and to promote economic development in low- income area	Non-profit corporation lenders	305	-
Indian Business Loan Program (State) <i>MS 116J.64</i>	Administrative grant to process and collect loans and repayments for the Indian Business Loan Program	Community Finance Organizations affiliated loan recipient tribes	21	13
MN Job Creation (State) <i>Laws 17 094 01 002 02F & MS 116J.8748</i>	Encourage capital investment and high wage job creation by business	Business in select industries that enter into a construction and job creation business subsidy agreement	8,147	13,896
Minnesota Investment Fund (State) <i>Laws 17 094 01 002 02E & MS 116J.8731 & 17 094 06 027 00B</i>	Funds are awarded to local units of government who provide loans to assist expanding businesses. All projects must meet minimum criteria for private investment, number of jobs created or retained, and wages paid. At least 50 percent of total project costs must be privately financed through owner equity and other lending sources (most applications selected for funding have at least 70 percent private financing). or to maintain existing employment, and for business start-up, expansions, and retention	Cities, counties, townships, certain development authorities and recognized Indian tribal governments are eligible.	7,224	15,114
MIF - DigiKey <i>Laws 17 094 01 002 02E & MS 116J.8731</i>	Construct and equip a wholesale electronic component distribution center	City of Thief River Falls	4,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
MIF - Eneerem <i>Laws 17 094 01 002 02E & MS 116J.8731</i>	Loan to extend a effluent pipe to deliver reclaimed water to an innovative waste-to-biofuel project	City of Inver Grove Heights	-	700
Redevelopment Grant Program <i>MS 116J.571 & Laws 16 189 07 002 02C</i>	Investigation and cleanup of contaminated sites for private or public redevelopment	Cities/Counties, Port Authorities, EDA, HRA	-	3,466
MN Film TV Bd Production Jobs (State) <i>Laws 17 094 01 002 02JMS 116U.26</i>	The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota	MN Film & TV Board	995	495
MN Film and TV Board (State) <i>Laws 17 094 01 002 02I</i>	Reimburse select administration cost incurred by MN Film & TV Board	MN Film & TV Board	317	317
Mille Lacs County - City of Isle (State) <i>Laws 17 094 01 002 2CC</i>	Reimbursement grants to small resort businesses located in the city of Isle who were adversely impacted by a decline in walleye fishing on Lake Mille Lacs.	Mille Lacs County	150	-
Upper MN Film Office (State) <i>Laws 17 094 01 002 02H</i>	Promote NE MN as a location destination for shooting and producing films on site	Northspan as the fiscal agent for Upper MN Film Office	11	11
Enterprise MN - SB Growth (State) <i>Laws 17 094 01 002 02N</i>	Small business growth acceleration programs under M.S. 116O.115	Enterprise MN Inc.	831	831
Center Rural Policy Dev (State) <i>Laws 17 094 01 002 02K</i>	Research and policy analysis on emerging economic and social issues in rural Minnesota	Rural Policy and Development Center	132	132
Workforce Housing Grant Prog	This competitive grant program offers financial assistance to build market-rate residential rental properties for workers. Units of local government, nonprofits or the benefiting businesses must contribute \$1 for every \$2 provided by the program. Program grants provide up to 25 percent of the total project costs of a rental housing development.	Cities located outside of the metro area with a population exceeding 500 residents or communities with a combined population of 1,500 residents located within 15 miles of a city or an area served by a joint county-city economic development authority	591	-

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
Greater MN Bus Dev Public Infr	The Greater Minnesota Business Development Infrastructure Grant Program helps stimulate new economic development, create new jobs and retains existing jobs through investments in public infrastructure. It provides grants to cities of up to 50 percent of the capital costs of the public infrastructure necessary to expand or retain jobs in the area, increase the tax base, or expand or create new economic development.	Counties outside of the seven-county metropolitan area or statutory or home rule cities outside of the seven-county metropolitan area.	65	1,917
White Earth Nation - IBDS (State) Laws 17 094 01 002 02D	Grant for White Earth Nation Integrated Business Development System to provide business assistance and activities	White Earth Nation	119	-
Host Comm Econ Dev Prog (State) Laws 17 094 01 002 02S	Grants pay for capital costs associated with an economic development project in Host Communities	Cities of Inver Grove Heights and Burnsville. Must meet the definition of a Host Community	831	831
DigiKey Bus Dev Public Infr	Grant to city to support utility extensions, roads, and other public improvements related to contractions of wholesale electronic component distribution center	City of Thief River Falls	1,600	-
U of MN Design Center (State) Laws 17 094 01 002 02O	Grant for greater Minnesota community design pilot project	Minnesota Design Center at the University of Minnesota	238	-
CEDA Southeast StudyLaws 17 094 01 002 02P	Grant to CEDA for economic development study and analysis of the effects on current and projected economic growth in the southeast Minnesota	Community and Economic Development Associates	270	-
Rural Policy Dev Center WDF (State) Laws 17 094 01 002 02U	Administration of the center and to carry out its duties under this MS 116J.421 or under other law	Rural Policy and Development Center	153	153
Enterprise MN (State) Laws 17 094 01 002 02V MS 116O.115	The small business growth acceleration program is established. The purpose of the program is to (1) help qualified companies implement technology and business improvements; and (2) bridge the gap between standard market pricing for technology and business improvements and what qualified companies can afford to pay.	Enterprise Minnesota Inc.	285	285

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
Duluth Steam Plant (state) Laws 171 008 01 020 007	To upgrade the municipal district heating facility and systems, including conversion of the distribution system along Superior Street from steam with no condensate return to closed-loop hot water. This appropriation may be used for one or more of the project elements or phases: predesign, design, engineering, renovation, construction, furnishing, and equipping the facility, systems, and infrastructure	City of Duluth	15,000	
Ramsey/Washington R&E Board (State) Laws 17 094 001 09B	For design, construct, and equip capital improvements to the Ramsey/Washington Recycling and Energy Center in Newport.	Ramsey/Washington Recycling and Energy Board	600	
DMC General State inf Aid (state) MS 469.47 9	State aid payment for 2.75% of the certified qualified expenditures in the private-public medical and economic development Destination Medical Center project. To further enhance the region's position as a global destination for health care services.	City of Rochester	2,687	6,288
Job Skills Partnership Program (State) MS 116L.01, Laws 17 094 01 002 02 A	Provide grants to educational institutions partnering with one or more businesses to develop and deliver training specific to business needs for new or existing employees	Educational or other nonprofit institutions	4,791	5,241
Job Training Grants (State) Laws 17 094 01 002 02X MS 116L.42	Provides on-the-job training costs for employees for training and education specifically directed to creating new jobs.	Businesses (in-house training services); institutions of higher education; and federal, state, or local agencies; or private training or educational services.	1,345	1,350
Bus Dev Comp Grant Prog GF (State) Laws 17 094 01 002 02R	Business development assistance and services, but not limited to: minority, women's, rural, bioscience, entrepreneur development, and services to inventors	Public agencies or nonprofit organizations	1,355	1,355
Small Business Development Centers (State) Laws 17 094 01 002 002	Provide consulting services to small business entrepreneurs. Grant provides operational funding to the centers along with a federal grant.	Higher Education Institutions hosting one of the state's nine Small Business Development Center	120	135
Quality Child Care Grants (State) Laws 16 189 07 002 02L	To increase the supply of quality child care providers in order to support economic development. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions.	Local Communities, At least 60% of the funds must go to communities located outside of the seven-county metro area.	110	-

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
Quality Child Care Grants FY18 (State) <i>Laws 17 094 01 002 02Y</i>	To increase the supply of quality child care providers in order to support economic development. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions.	Local Communities, At least 60% of the funds must go to communities located outside of the seven-county metro area.	519	-
Metro Econ Dev Assoc (State) <i>Laws 17 094 01 002 02C</i>	For statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses	Metropolitan Economic Development Association (MEDA)	1,140	1,140
NDC - Sm Bus Dev (State) <i>Laws 17 094 01 002 02B</i>	For NDC small business programs: (1) training, lending, and business services; (2) model outreach and training in greater Minnesota; and (3) development of new business incubators.	Neighborhood Development Center	728	728
East Phillips Neighborhood Ins <i>Laws 17 094 01 002 02Z</i>	Planning and start-up costs, staff and consultant costs, building improvements, rent, supplies, utilities, vehicles, marketing, and program activities to create the East Phillips Neighborhood Institute (EPNI) to expand culturally tailored resources that address small business growth and create green jobs.	East Phillips Improvement Coalition	303	-
East Side Enterprise Center <i>Laws 17 094 01 002 2BB</i>	to expand culturally tailored resources that address small business growth and job creation.	East Side Enterprise Center (ESEC)	-	285

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
Cent Mn Opportunity Grants <i>Laws 17 094 01 002 2EE & MS 116J.9922</i>	To award funds through a competitive grant process to community initiatives in the St. Cloud area that will provide services, either alone or in partnership with another nonprofit organization, in one or more of the following areas: (1) economic development, including but not limited to programs to foster entrepreneurship or small business development; (2) education, including but not limited to programs to encourage civic engagement or provide youth after-school or recreation programs; or (3) housing, including but not limited to, programs to prevent and respond to homelessness or to provide access to loans or grants for housing stability and affordability.	Central Minnesota Community Foundation	500	-
MSU Mankato SBDC <i>Laws 17 094 01 002 2DD</i>	To provide entrepreneur and small business development direct professional business assistance services in the following counties in Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca.	Minnesota State University, Mankato	250	-
Innovative Voucher Pilot vMIF <i>Laws 17 094 06 027 00B & 14 312 03 019 000</i>	To assist small businesses purchase technical assistance and services necessary to advance research, development or commercialization of new or innovative products and services.	Businesses with fewer than 40 employees headquartered in Minnesota	-	200
Border-to-Border Broadband <i>MS 116J.396 & MS 116J.395</i>	Grants for broadband infrastructure to promote the expansion of broadband services to unserved and underserved areas of the state	Incorporated businesses or partnerships; political subdivisions; Indian tribes; MN nonprofits organized under 317A; MN cooperative organized under 308A or B; and MN LLC's organized under 322B for the purpose of expanding broadband areas	28,366	900
Youthbuild WDF <i>Laws 17 094 01 002 3BB & MS 116L.361 & MS 116L.366</i>	Trains and employs young adults in construction	Public agencies or nonprofit organizations	950	-
Dislocated Worker Program <i>MS 116L.17</i>	Provide career assessment, training, and job placement assistance for individuals in transition	Workforce Service Areas	27,483	37,533

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
Resource Inc (State) <i>Laws 17 094 01 002 03N</i>	Provide low-income individuals career education and job skills training that are fully integrated with chemical and mental health services	Resource Inc.	475	475
MN Diversified Industries (State) <i>Laws 17 094 01 002 03M</i>	To provide progressive development and employments opportunities for people with disabilities	Minnesota Diversified Industries, Inc.	422	427
Deaf / Hard of Hearing (State) <i>Laws 17 094 01 002 06E</i>	Grants for employment services for persons including transition-age youth, who are deaf, deafblind, or hard-of-hearing	Public agencies or nonprofit organizations providing services to deaf, deafblind, and hard-of-hearing	946	975
WSA Career Advising <i>Laws 17 094 01 002 03B</i>	For publication, dissemination, and use of labor market information under M.S. 116J.411, and for pilot programs in the workforce service areas specified in this act, to combine career and higher education advising	Pilot programs in workforce service areas	250	250
STEM MN High Tech Association (State) <i>Laws 17 094 01 002 03L</i>	Support SciTechsperience, program supports science, technology, engineering, and math (STEM) internship opportunities	MN High Tech Association	1,283	1,283
OIC WDF (State) <i>Laws 17 094 01 002 03DD</i>	Provide employment and training services	MN State Council of OICs	238	475
Boys and Girls Club (State) <i>Laws 17 094 01 002 03O</i>	Administer statewide project for youth job skills development to assist youth in job-seeking skills, workplace orientation, and job-site knowledge through coaching	Minnesota Alliance of Boys and Girls Club	713	712
Big Brothers Big Sisters (State) <i>Laws 17 094 01 002 03P</i>	Workforce readiness, employment exploration, and skills development for youth ages 12 to 21	Big Brothers, Big Sisters of the Greater Twin Cities	204	204
WESA High Demand Jobs <i>Laws 14 239 02 007 000</i>	Develop and implement the women and high-wage-demand, nontraditional jobs grant program under M.S. 116L.99	Community based organizations experienced in serving women	-	26
Rural Career Counseling <i>Coor Laws 17 094 01 002 03C & MS 116L.667</i>	Rural career counseling coordinator positions in the workforce service areas.	Workforce service areas to receive funds to provide equitable services across workforce services areas	475	475
Rural Career WDF (State) <i>Laws 17 094 01 002 03II</i>	Funds for rural career counseling coordinator position for purposes specified in Minnesota Statutes, section 116L.667	Funds to workforce services areas	500	475

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
Support Svc Comp Grant (State) <i>Laws 17 094 01 002 03F</i>	Grants to provide support services for individuals; job training, employment preparation, internships, job assistance to fathers, financial literacy, academic and behavioral interventions for low-performing students, and youth interventions	Public agencies or nonprofit organizations. Grants must focus on low-income communities, young adults from families with a history of intergenerational poverty and communities of color.	670	720
WESA GF (State) <i>Laws 17 094 01 002 03G and MS 116L.99</i>	Grant program for women and high-wage, high-demand, nontraditional jobs program.	Public agencies or nonprofit organizations proving services for women	375	475
Youth at Work Comp Grant (State) <i>Laws 17 094 01 002 03A</i>	Youth-at-Work grants. Competitive Grants program	Public agencies or nonprofit organizations	475	475
SE Asian Comp Grant (State) <i>Laws 17 094 01 002 03H</i>	Grants providing services to relieve economic disparities-workforce recruitment, development, job creation, assistance to smaller organizations to increase capacity and outreach	Public agencies or nonprofit organizations providing services to Southeast Asian community	475	475
OIC American Indian (State) <i>Laws 17 094 01 002 03I</i>	Grant to reduce academic disparities for American Indian students and adults, tutoring and testing support services, training in information technology, assistance with GED, remedial training, postsecondary enrolment	American Indian Opportunities and Industrialization Center in collaboration with the Northwest Indian Community Development Center	-	237
Pathways 2 Prosperity Comp Grt (State) <i>Laws 17 094 01 002 03E</i>	Competitive grants for job training and placement for hard-to-train individuals	Public agencies or nonprofit organizations	1,472	1,477
Construction Careers Fndation (State) <i>Laws 17 094 01 002 03D</i>	Grant for Construction career pathway initiative to provide year-round educational and experiential learning opportunities for teens and young adults that lead to careers in the construction industry	Construction Careers Foundation-increase construction exposure activity for middle and high school youth, parents and counselors	950	950
Twin City RISE Collaboration (State) <i>Laws 16 189 12 002 02H</i>	To provide job training assistance	Twin Cities Rise	20	-
Pathways 2 Prosperity Comp Grt (State) <i>Laws 17 094 01 002 03E</i>	Competitive grants for job training and placement for hard-to-train individuals	Public agencies or nonprofit organizations	4,276	4,390
Displaced Homemaker (State) <i>Laws 17 094 01 002 03GG</i>	To fund displaced homemaker programs	Existing nonprofit and state displaced homemaker programs.	143	143
Getting to Work Grant Program	Getting to work program grant	Public agencies or nonprofit organizations	100	100

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
YWCA MPLS (State) <i>Laws 17 094 01 002 03K</i>	Grant to provide economically challenged individuals the job skills training, career counseling and job placement assistance necessary to secure a child development associate credential for career path in early childhood education	YWCA of Mpls	499	499
YWCA St Paul (State) <i>Laws 17 094 01 002 03Q</i>	Provide job training services and workforce development programs and services, including job skills training and counseling	YWCA of St Paul	238	238
EMERGE Community Development (State) <i>Laws 17 094 01 002 03R</i>	Grant to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program	EMERGE Community Development in collaboration with community partners targeting Minnesota communities with the highest concentrations of African and African-American joblessness	950	950
MPLS Foundation (State) <i>Laws 17 094 01 002 03S</i>	Grant for strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment	Grant to Minneapolis Foundation	950	950
CLUES (State) <i>Laws 17 094 01 002 03T</i>	Expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth by providing new job skills training to higher wages, reduce intergenerational poverty, youth programming, educational advancement and career pathways	Grant to Latino Communities United in Services (CLUES)	713	712
Ujamaa Place (State) <i>Laws 17 094 01 002 03U</i>	Grant for job training, employment preparation, internships, education, training in the construction trades, housing and organizational capacity building.	Grant to Ujamaa Place	570	570
Youth Competitive Grant Prog (State) <i>Laws 17 094 01 002 03CC</i>	Provides job readiness preparation and occupational skills training to youth for employment	Public agencies or nonprofit organizations	3,099	3,181
Bois Forte Tribal (State) <i>Laws 17 094 01 002 03W</i>	Grant for an American Indian workforce development training pilot project	Grant to Bois Forte Tribal Employment Rights Office (TERO)	1,232	760
Cook County Higher Ed Board (State) <i>Laws 17 094 01 002 03X</i>	Grant to provide educational programming and academic support services to remote regions in northeastern Minnesota	Cook County Higher Education Board	38	-

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
Minnesota Youth Program <i>Laws 17 094 01 002 3AA & MS 116L.56 & MS 116L.561</i>	Provides short-term, job readiness preparation for at-risk youth	Public agencies or nonprofit organizations	3,859	3,844
Bridges to Healthcare <i>Laws 17 094 01 002 03Y</i>	Provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, build secure pathway out of poverty while addressing worker shortages in Minnesota's innovative industry.	Bridges to Healthcare	238	237
Nonprofits Assistance Fund (State) <i>Laws 17 094 01 002 03Z</i>	Grant to provide capacity-building grants to small, culturally specific organizations serving historically underserved cultural communities	Nonprofits Assistance Fund	475	475
Summit Academy OIC (State) <i>Laws 17 094 01 002 03EE</i>	Grant to expand it contextualized GED and employment placement program.	Summit Academy OIC	713	712
Goodwill-Easter Seals (State) <i>Laws 17 094 01 002 03FF</i>	Grant to continue the FATHER Project in Rochester, Park Rapids, St. Cloud, Minneapolis and the surrounding areas to assist fathers overcoming barriers to support their children economically and emotionally	Goodwill-Easter Seals Minnesota and its partners	475	475
Anoka County (State) <i>Laws 17 094 01 002 03HH</i>	Develop and implement a pilot program to increase competitive employment opportunities for transition-age youth ages 18-21	Anoka County Grant	143	-
Fighting Chance (State) <i>Laws 17 094 01 002 02W</i>	Grant to fund behavioral intervention programs for at - risk youth	Fighting Chance	50	-
AccessAbility Inc. (State) <i>Laws 17 094 01 002 03KK</i>	Provide job skills training to individuals released from incarceration for felon-level offense.	Grant to AccessAbility Incorporated	328	-
Displace Homemaker Program (State) <i>M.S. 116L.96</i>	Pre-employment services that empower participants to enter or re-enter the labor market after having been homemakers	Private and nonprofit organizations	1,065	1,305
SNAP Interagency Agreement <i>MS 471.59</i>	Grants pay for capital costs associated with an economic development project in Host Communities	Must meet the definition of a Host Community	158	-
MFIP Interagency Agreement <i>MS 471.59</i>	Reimburse select administration cost incurred by MN Film & TV Board	MN Film & TV Board	1,403	862

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
Income Agreements (State) <i>MS 116J.035</i>	Provides work experience and job placement assistance to adults and teen parents who have been receiving MFIP benefits	Workforce Service Areas	335	133
Seminar/Conference/Events <i>MS 116J.035</i>	Funds received from sources for the purpose of carrying out the duties and responsibilities in the state in the promotion of tourism, trade, and economic development	People of Minnesota thorough private person, firm, corporation or assoication by contracts to carry out programs and projects.	50	-
Capacity Building Grant (State) <i>Laws 17 094 01 002 04C</i>	Statewide capacity-building grant to provide financial assistance in the form of subgrants and technical assistance to small to medium-sized nonprofit organizations offering workforce or economic development programming that addresses economic disparities.	Through Request for proposal process, selection of a nonprofit organization to administer grants that has demonstrated experience in providing financial and technical assistance to nonprofit organizations statewide.	495	Review
State Trade Export Promotion (State) <i>Laws 17 094 01 002 05A</i>	Provides grants to assist small businesses participate in trade missions.	Small Businesses	289	300
Svc for Blind - Senior Svcs <i>Laws 17 094 01 002 007</i>	Provide training services for seniors who are becoming blind - independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes.	SSU Client Gerneal	138	222
Svc for Blind - Senior Trng <i>Laws 16 189 12 002 02W</i>	Provide training services for seniors who are becoming blind - independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes.	SSU Client Training	24	-
Services For The Blind State <i>151 001 01 002 007 & 17 094 01 002 007</i>	Provides employment services and support to the blind.	SSB General	1,515	1,800
Extended Employment Program (State) <i>M.S. 268A.15</i>	Provides employment services and support to people with severe disabilities	Rehabilitation facilities	816	1,629
RS Gift And Deposit <i>MS 116J.035 6</i>	Assist VR participants with postsecondary tuition and related costs.	The gift fund may be used for any eligible VR expenses, but a substantial portion of the remaining balance in the gift fund (\$20,000) has donor imposed restrictions as follows: Assist VR participants with postsecondary tuition and related costs. Donee must be approved for VRS services and enrolled in a postsecondary program	-	65
Rehab Services State <i>Laws 17 094 01 002 06A</i>	Assist people with significant disabilities and secure and maintain employment	Public agencies or nonprofit organizations	7,144	14,300

Program Name Federal or State or Both (citation)	Purpose	Recipient Type(s) Eligibility Criteria	FY 2018	FY 2019
Assistive Technology of Minnes 151 001 01 002 06G & 17 094 06 018 06G	Grant to Assistive Technology of Minnesota to use funds to provide low-interest loans to individuals of all ages and types of disabilities to purchase assistive technology and employment-related equipment	Assistive Technology of Minnesota	825	-
Independent Living Services St Laws 17 094 01 002 06B	Provides assistance to persons with disabilities to live independently, function in their homes and within their families, and participate in their communities	Independent Living Centers	3,010	3,011
Employment Support Services for Persons with Mental Illness (State) MS 268A.13, MS 268A.15, 151 001 01 002 06E	Provides ongoing employment support services to persons with significant mental health disabilities who require ongoing support to maintain employment	Rehabilitation facilities	916	3
Extended Employment - WDF Laws 17 094 01 002 06C & MS 268A.15	Funds to provide extended employment services for persons with severe disabilities under Minnesota Statutes section 268A.15	Minnesota persons with severe disabilities.	12,114	14,489
Mental Illness-Support Employment Laws 17 094 01 002 06D & MS 268A.15 & MS 268A.13	Grants to fund programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14	Entities providing programs for Minnesota persons with mental illness	1,759	3,127
Totals			56,557	36,624