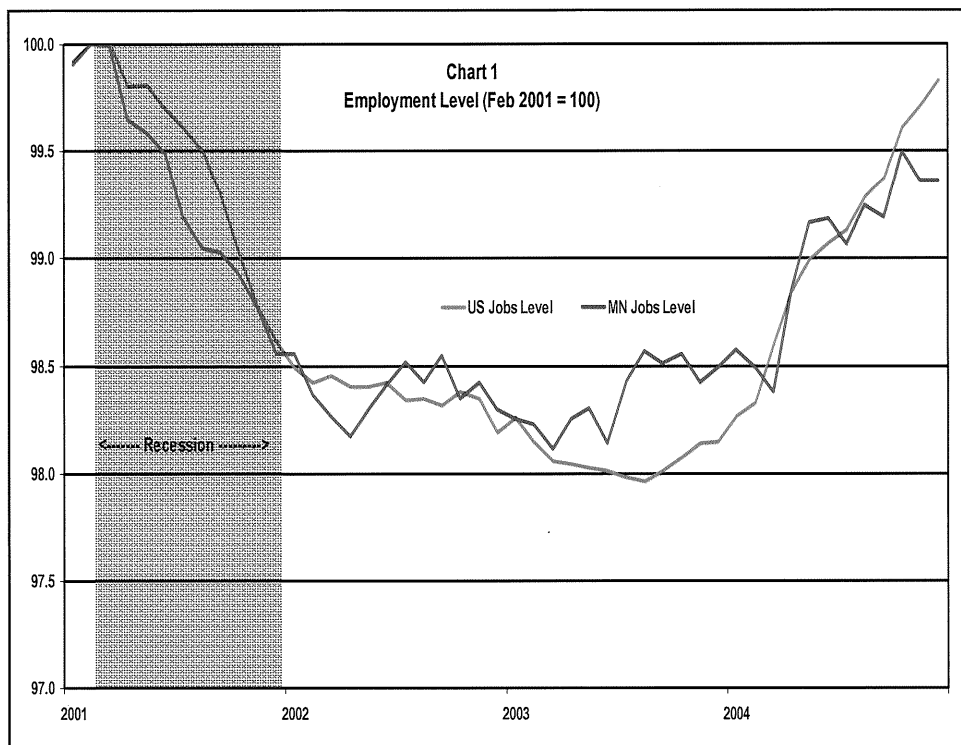


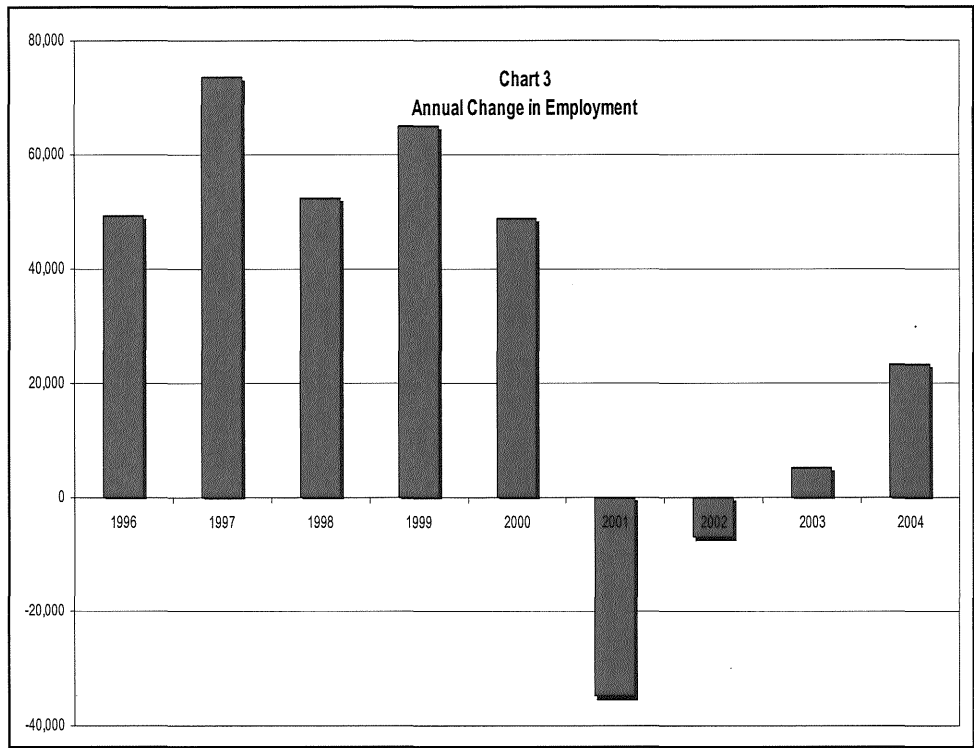
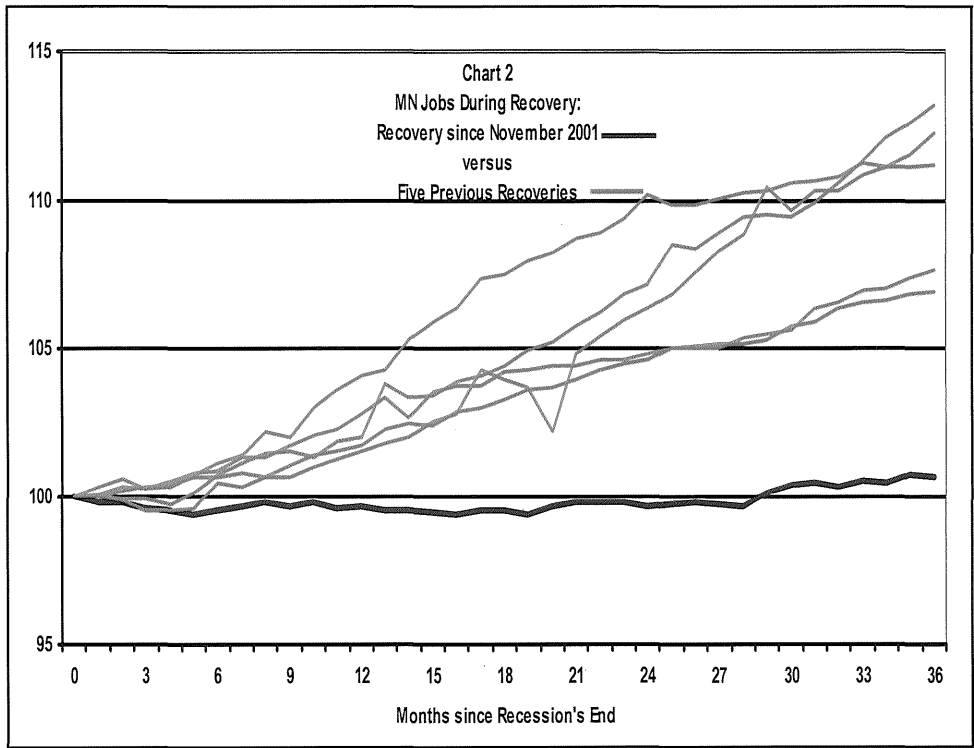
# Labor Market Overview

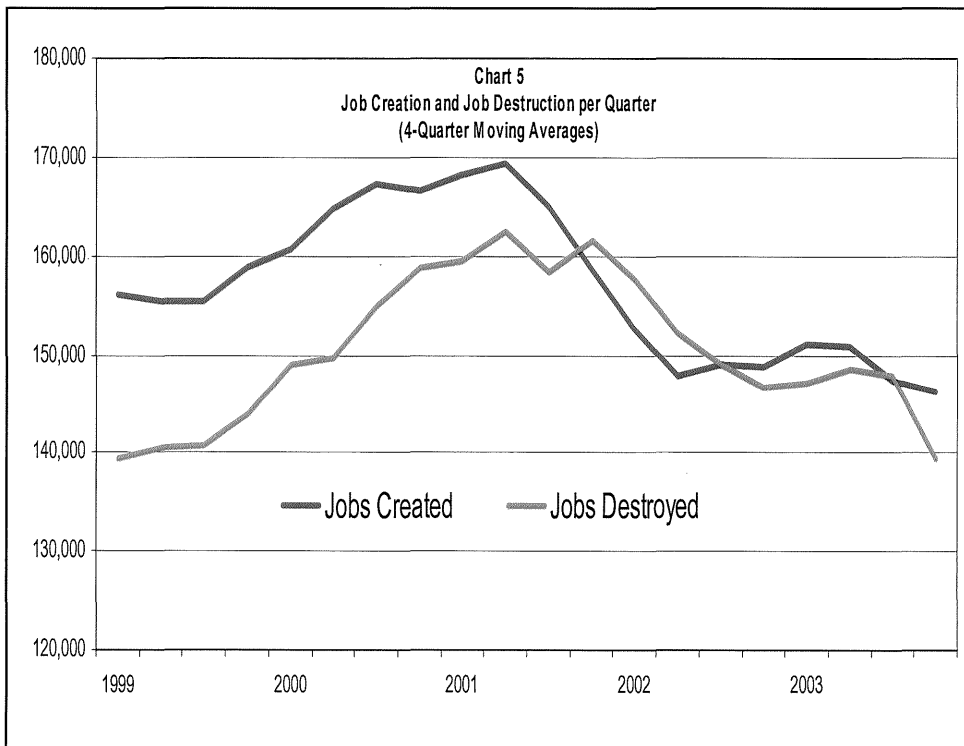
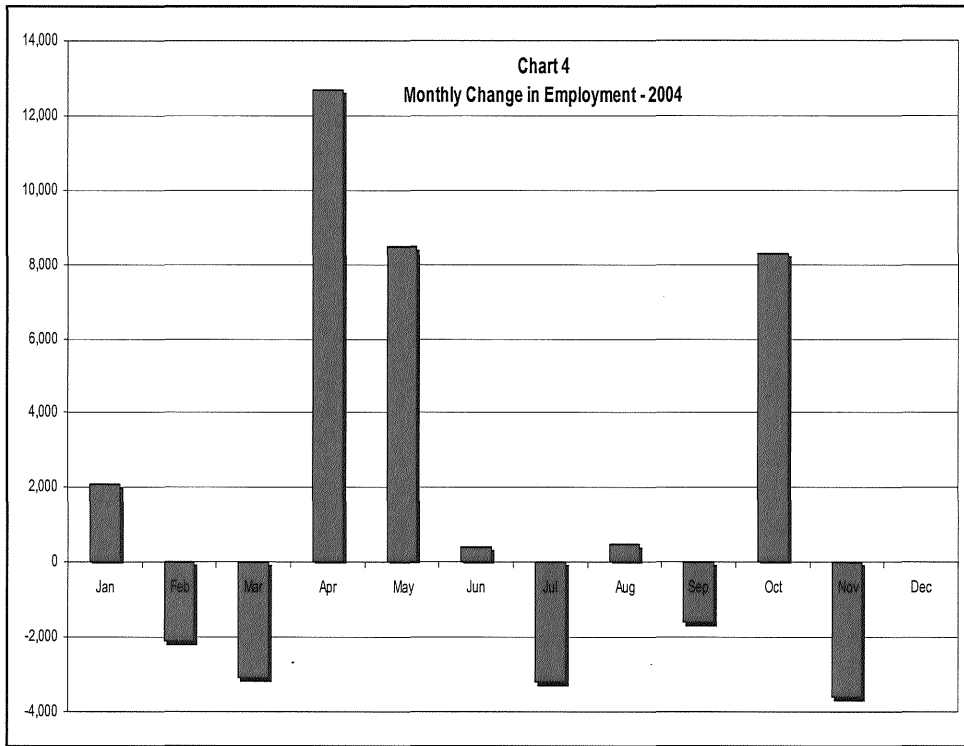
Dr. Steven C. Hine  
Research Director  
Labor Market Information Office

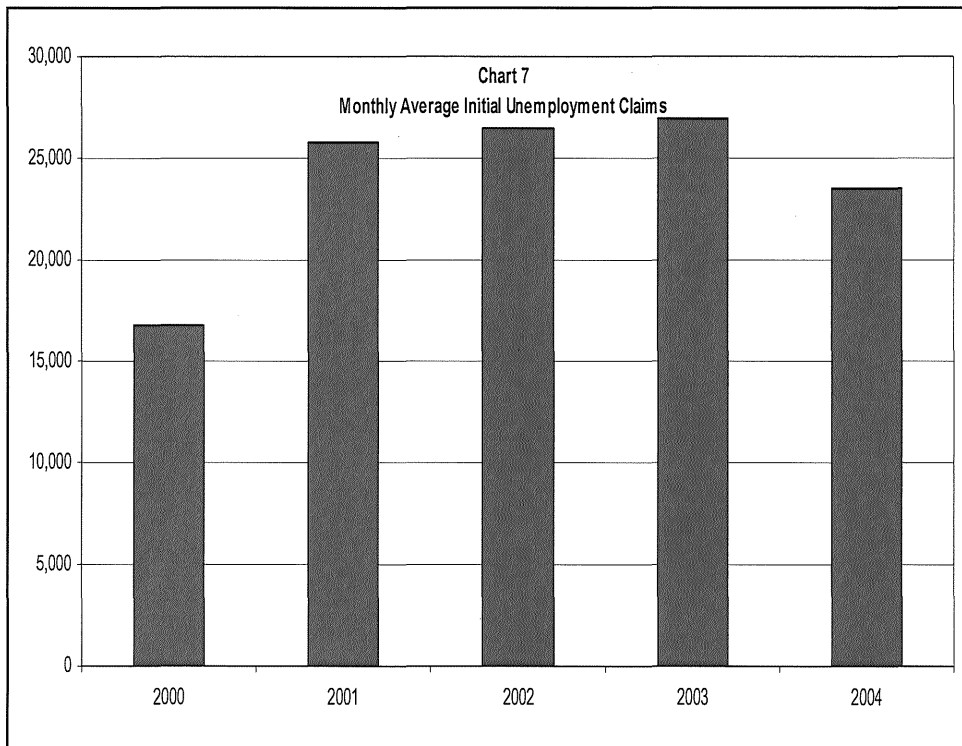
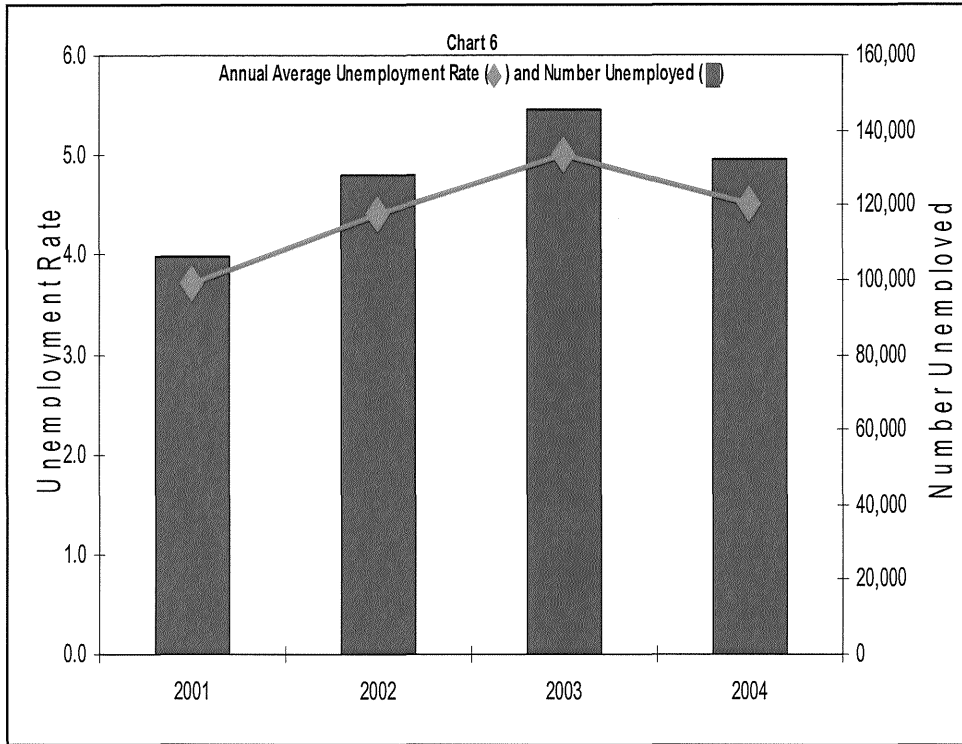


Labor Market Information Office  
[www.deed.state.mn.us/lmi](http://www.deed.state.mn.us/lmi)









## FEDERAL DISLOCATED WORKER PROGRAM

	FY 2003	FY 2004	FY 2005*
<b>Carryforward</b>			
FY 2001	115,550		
FY 2002	1,578,089	60,450	
FY 2003		2,961,485	370,152
FY 2004			3,189,947
<b>Subtotal, Carryforward</b>	<b>1,693,639</b>	<b>3,021,935</b>	<b>3,560,099</b>
<b>Federal Revenues</b>			
Formula	6,863,915	6,516,725	6,749,611
Grants (incl. ERAGs, mass)	2,384,865	2,151,302	2,248,338
Rapid Response Team	475,100	564,000	564,000
Administration	551,692	543,061	562,467
Additional WIA (10%)	1,143,986	1,077,825	1,124,935
<b>Subtotal, Federal Revenues</b>	<b>11,419,557</b>	<b>10,852,913</b>	<b>11,249,351</b>
<b>TOTAL AVAILABLE FEDERAL FUNDS</b>	<b>13,113,195</b>	<b>13,874,848</b>	<b>14,809,450</b>
<b>CARRYFORWARD</b>	<b>3,021,935</b>	<b>3,560,099</b>	

## NATIONAL EMERGENCY GRANTS

	FY 2003	FY 2004	FY 2005*
<b>Carryforward</b>			
FY 2002	5,494,483	140,911	
FY 2003		5,539,750	1,792,964
FY 2004			3,830,750
<b>Subtotal, Carryforward</b>	<b>5,494,483</b>	<b>5,680,661</b>	<b>5,623,714</b>
<b>Federal Revenues</b>			
National Emergency Grants	7,311,750	3,830,750	<i>304,000</i>
<b>Subtotal, Federal Revenues</b>	<b>7,311,750</b>	<b>3,830,750</b>	<b><i>304,000</i></b>
<b>TOTAL AVAILABLE FEDERAL FUNDS</b>	<b>12,806,233</b>	<b>9,511,411</b>	<b><i>5,927,714</i></b>
<b>Federal Obligations</b>			
National Emergency Grants	7,125,571	3,887,698	5,623,714
<b>TOTAL FEDERAL OBLIGATIONS</b>	<b>7,125,571</b>	<b>3,887,698</b>	<b>5,623,714</b>
<b>CARRYFORWARD</b>	<b>5,680,661</b>	<b>5,623,714</b>	<b><i>304,000</i></b>

\*Numbers in italics are based on estimates

**Bob Isaacson, Director  
Analysis and Evaluation**

January 12<sup>th</sup>, 2005

## Business Subsidy Reporting

### History

- Provides mechanism for taxpayers to learn about business subsidies
- First passed in 1995
- Major overhaul in 1999 to be more inclusive
- No appropriation
- National model
- Key to JOBZ accountability

### Reporting Requirements

- Government agencies (grantors) report to DEED if:
  - Population exceeds 2,500
  - Awarded business subsidy:
    - During the last five years
    - In the past and goals not yet achieved
    - During the last calendar year
- Required reporters must report by June 1 following each calendar year

### Operational Improvements

- Use of the Internet to post information
  - Instructions and guidelines (1999)
  - Reporting forms (2000)
  - Forms submitted by grantors (2001)
  - Summary Reports (2001)
  - Online reporting (2004)
  - Incorporate JOBZ reporting (2005)
- Implement streamlined report (2004)
- Partners include League of Minnesota Cities, EDAM and State Auditor's Office

## Overview of 2004 Report

### Public Hearings and Criteria

- Of the 565 required filers:
  - 302 agencies (53.5%) reported that a hearing has been held
  - 270 agencies (47.8%) have submitted criteria



### Public Purpose of Business Subsidy Agreement

- Of the 68 business subsidy agreements reported in 2003:
  - 51 (72.1%) indicated high job growth was a public purpose
  - 44 (61.8%) said increasing the tax base
  - 24 (35.3%) said increasing economic diversity
- Other purposes listed include job retention (20.6%) and stabilizing the community (16.2%)



### Business Subsidy Activity is Slowing

- 68 deals valued at \$29.4 million in 2003 – lowest since 1999 reform
- Peak was in 2000 with 197 deals valued at \$611 million



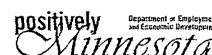
### Deal Profiles

- Manufacturing businesses were the most popular recipients
- Cities account for most deals and value
- Twin Cities governments accounted for largest share of activity
- Loans were most popular followed by TIF



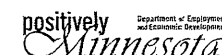
### 2003 Agreement Goals and Performance

- 68 agreements in 2003
  - 55 had specific wage and job goals; 16 have reached goals
  - 18 had goals other than wage and job; 9 have reached goals
  - 17 have reached all goals
    - Represents \$10.7 million of subsidy value (36.5%)



### 2003 Job Creation & Wages

- FT job creation & wage goals
  - 1,187 jobs
  - 73.9% - wages of at least \$11
  - 24.1% - wages of at least \$15
- FT actual job creation & wages
  - 528 jobs
  - 76.3% - wages of at least \$11
  - 19.9% - wages of at least \$15



### Goals Reached in Previous Years

- 2002 – 75 of 136 agreements are closed
  - Representing 54.4% of subsidy value
- 2001 – 88 of 176
  - 59.8%
- 2000 – 118 of 197
  - 84.9%
- 1999 – 48 of 71
  - 71.6%

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### Future Reporting

- JOBZ data will be incorporated
- JOBZ report separate from subsidy report
- Draw more grantors to online application
- Improve grantor reporting rates

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**DEED on the Web**

[www.deed.state.mn.us](http://www.deed.state.mn.us)





## DEED Services in District 66

DEED is proud to have delivered the following services to Senate District 66 over



- **Business and Community Development loans and grants:** DEED awarded over \$4,243,000 in business and community grants and loans to District 66, leveraging over \$4,554,000. For more information, see [www.deed.state.mn.us/Community](http://www.deed.state.mn.us/Community).
- **Unemployment Insurance:** 2,780 District 66 residents received \$12,473,577 in benefit payments from Unemployment Insurance and Trade Readjustment Assistance. For more information, see <http://www.uimn.org>.
- **Minnesota Job Skills Partnership:** Awarded nearly \$118,938 for District 66 businesses, leveraging \$524,808 in private match and providing training to 122 workers. For more information, see [www.deed.state.mn.us/programs/mjsp.htm](http://www.deed.state.mn.us/programs/mjsp.htm).
- **Dislocated Worker programs:** Assisted 411 dislocated workers in District 66 to prepare for new employment. For more information, see [www.deed.state.mn.us/dw](http://www.deed.state.mn.us/dw).
- **DEED Workforce Development programs\*:** Provided services to over 873 adults preparing for and seeking employment. In 2003, 692 found new jobs. For more information, see [www.deed.state.mn.us/general/upclose.html](http://www.deed.state.mn.us/general/upclose.html).
- **DEED Rehabilitation Services:** Assisted 410 District 66 residents with a disability in preparing for, finding and maintaining employment. Vocational rehabilitation helped District 66 residents find 81 new jobs in 2003. For more information, see [www.deed.state.mn.us/rehab/rehab.htm](http://www.deed.state.mn.us/rehab/rehab.htm).
- **DEED State Services for the Blind:** Assisted 13 District 66 residents with visual impairment in preparing for, finding and maintaining employment and independent living. SSB helped 7 in District 66 find jobs in 2003. For more information, see [www.mnssb.org](http://www.mnssb.org).
- **DEED Youth programs \*\*:** Provided services to 111 District 66 youth preparing for and seeking employment or transitioning to post-secondary education. For more information, see [www.deed.state.mn.us/youth](http://www.deed.state.mn.us/youth).

DEED Services are also available in your community at:

- WorkForce Center: St. Paul Midway
- Small Business Development Center: University of St. Thomas

es:

\* Includes Workforce Investment Act Title I-B Adult, Job Service and Displaced Homemakers.

\*\* Includes Workforce Investment Act Title I-B Youth and Minnesota Youth Program.

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Department of Employment  
and Economic Development

Minnesota

*The Minnesota Department of Employment and Economic Development is the state's principal economic development agency, with programs promoting business recruitment, expansion and retention, workforce development, international trade and community development.*

*The department employs all available state government resources to upgrade the skills of Minnesota's workforce, foster economic independence and self-sufficiency, and facilitate an economic environment that produces net new job growth in excess of the national average.*

*The department consists of four divisions:*

### ***Business and Community Development***

The Business and Community Development Division provides a variety of financial and technical services to businesses, communities and economic development professionals. This division works with companies to expand in, or relocate to Minnesota, promotes international trade, finances business expansions and improvements in community infrastructure, and assists communities and development organizations with strengthened capacity to undertake development.

### ***Workforce Partnerships***

The Workforce Partnerships Division includes programs and functions where the state works primarily through outside service providers that in turn work directly with businesses and individuals. This division provides training and support services to unemployed and dislocated workers, financial assistance for businesses seeking to upgrade the skills of their workforce, and grants to help ease a critical shortage of workers in the health and human services industry.

### ***WorkForce Services***

The Workforce Services Division delivers workforce development programs including State Services for the Blind, Rehabilitation Services, Workforce Exchange Services, Labor Market Information and Disability Determinations Services. Many of these services are provided through the Minnesota WorkForce Centers located throughout the state.

### ***Unemployment Insurance***

This division provides temporary income to people who have lost their jobs through no fault of their own.

## **Department of Employment and Economic Development**

1st National Bank Building • Suite E200 • 332 Minnesota Street • Saint Paul, MN 55101-1351 • USA  
651-296-1291 • 800-657-3858 • Fax 651-296-0994 • TTY/TDD: 651-296-3900 • [www.deed.state.mn.us](http://www.deed.state.mn.us)



## Program Profiles

*Program Profiles* are primarily for legislators, but could be used by anyone needing one-page descriptions of Minnesota Department of Employment and Economic Development (DEED) programs. Listed below, in alphabetical order, are DEED's business, community, and workforce development programs (programs are activities specifically state- or federal-funded).

### *Business and Community Development*

- [Bioscience Zone](#)
- [Border-Cities Enterprise Zone Program](#)
- [Contamination Cleanup and Investigation Grant Program](#)
- [County Credit Enhancement Program](#)
- [Drinking Water Revolving Fund](#)
- [Greater Minnesota Business Development Infrastructure Grant](#)
- [Greater Minnesota Redevelopment Grant](#)
- [HUD Lead Hazard Control Grant](#)
- [Job Opportunity Building Zones](#)
- [Minnesota Cleanup Revolving Loan Program](#)
- [Minnesota Indian Business Loan Program](#)
- [Minnesota Investment Fund](#)
- [Minnesota Trade Programs](#)
- [Small Business Assistance](#)
- [Small Business Development Loan Program](#)
- [Small Cities Development Grant Program](#)
- [Transportation Revolving Loan Fund](#)
- [Urban Initiative Loan Program](#)
- [Wastewater Infrastructure Fund](#)
- [Water Pollution Control Revolving Fund](#)

### *Workforce Development*

- [Business Enterprises Program](#)
- [Communication Center](#)
- [Disability Determination Services Program](#)
- [Dislocated Worker Program](#)
- [Displaced Homemaker Program](#)
- [Extended Employment Program](#)
- [Food Support Employment and Training Program](#)
- [Foreign Labor Certification Program](#)
- [Independent Living Program](#)
- [Job Service Program](#)
- [Labor Market Information](#)
- [Minnesota Family Investment Program - Employment Services](#)
- [Minnesota Job Skills Partnership Program](#)
- [Minnesota Work Incentive Connection](#)
- [Minnesota Youth Program](#)
- [Senior Community Service Employment Program](#)
- [Senior Services](#)
- [Trade Adjustment Assistance Program](#)
- [Unemployment Insurance Program](#)
- [Veterans Programs](#)
- [Vocational Rehabilitation Program](#)
- [Workforce Development Services](#)
- [Workforce Investment Act Title 1B Adult Program](#)
- [Workforce Investment Act Youth Formula Grant Program](#)
- [Work Opportunity Tax Credit Program and Welfare to Work Tax Credit Program](#)
- [Youthbuild Program](#)
- [Youth Intervention Program](#)

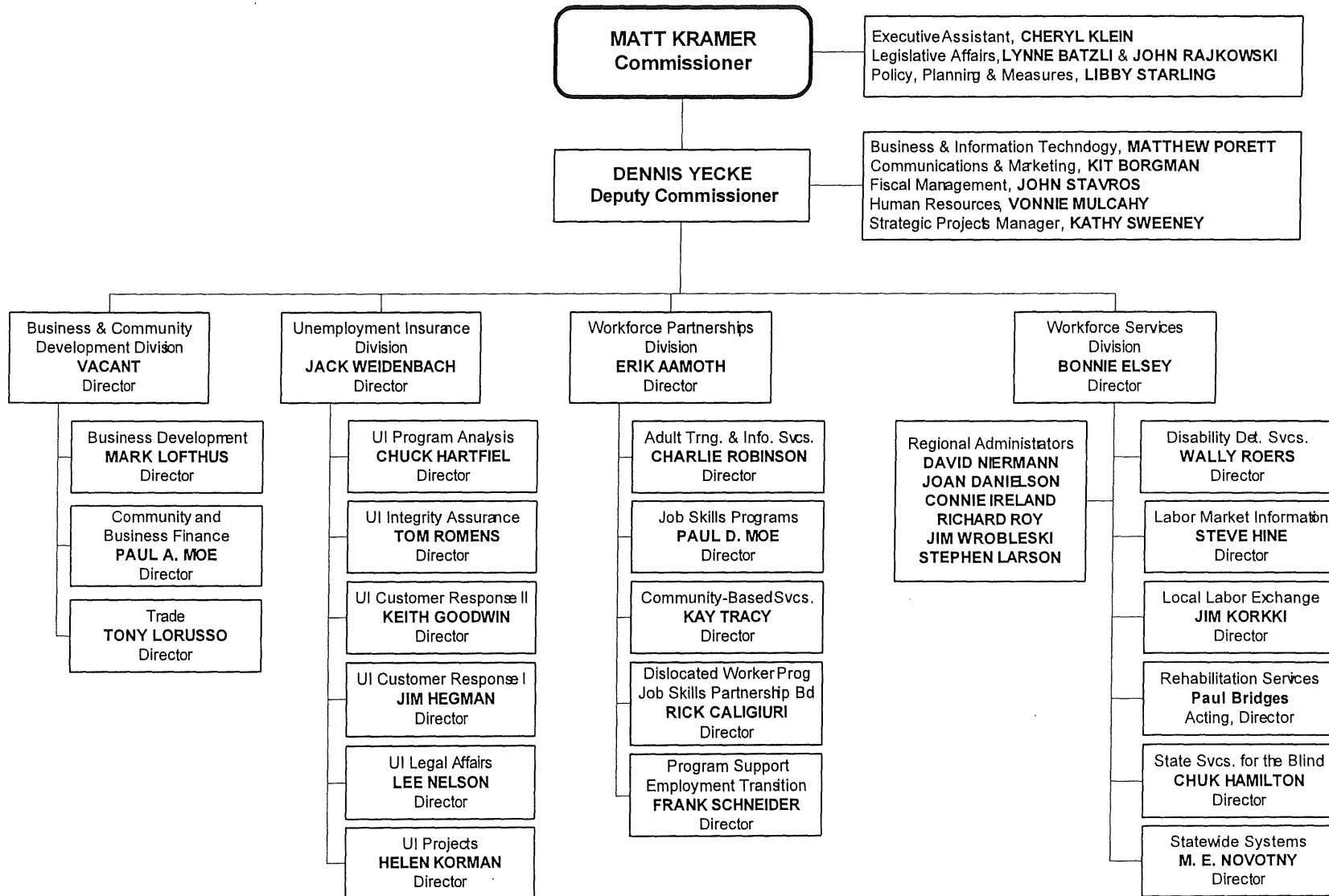
For more information on DEED programs, see the State of Minnesota [budget pages](#). *Program Profiles* will be updated at least yearly for a new legislative session. The Policy, Planning and Measures Office maintains these pages; e-mail [ppm@state.mn.us](mailto:ppm@state.mn.us) for information.

NOTE: the Legislature has created a separate agency for tourism; see [www.exploreminnesota.com](http://www.exploreminnesota.com) for travel

information. Also, the Welfare to Work Program has ended. The following entities receive pass-through funds from DEED; see their respective web sites for more information:

- Metropolitan Economic Development Association
- Opportunities Industrialization Centers
- Twin Cities RISE!
- WomenVenture

# MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT



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