

Agency Purpose

The Department of Employment and Economic Development (DEED) facilitates an economic environment to produce jobs and improve the quality of the state's workforce. These actions support the economic success of Minnesota individuals, businesses, and communities by providing opportunities for growth.

Most of the statutory authority for this agency resides in M.S. Chapters 116J, 116L, 248, 268, 268A, 446A, and 469. Federal law also provides authority for multiple specific programs; see program and budget activity narratives for specific citations.

Core Functions

The agency has three major functions:

- ◆ to support business creation, expansion, relocation, and retention in Minnesota through the resources and programs of the Business and Community Development division;
- ◆ to stabilize and stimulate the economy in times of downturn through the benefit payments administered by the Unemployment Insurance division; and
- ◆ to support the workforce needs of Minnesota's businesses, workers, and communities through the activities of the Workforce Development division.

Operations

The agency's diverse programs directly serve Minnesota's businesses, communities, and workers. In addition, DEED works with a wide range of partners on the federal, state, and local level to ensure the highest levels of program coordination and quality.

- ◆ **Business & Community Development** programs help companies expand in or relocate to Minnesota, promote international trade, finance business expansions, and help companies find and train employees. In addition, Minnesota communities can tap into the division's financial and technical assistance programs to help spur business growth while addressing important revitalization issues – for example, through tax-exempt Job Opportunity Building Zones. DEED offers grants, loans, and technical assistance for redevelopment projects and activities, including housing and commercial rehabilitation, wastewater treatment facilities and drinking water systems, and contaminated site cleanup.
- ◆ **Unemployment Insurance** determines program tax rates for Minnesota businesses and collects those revenues for deposit into the Unemployment Insurance Trust Fund. This trust fund supplies weekly benefit payments to eligible individuals. Primarily through Internet and phone-based systems, DEED staff computes benefit entitlements for applicants, pays benefits as appropriate, and provides impartial due process hearings for applicants and employers.
- ◆ **Workforce Development** programs serve new workers in preparing for their first job; assist incumbent workers increase their skill levels to meet changing business demands; and strive to recapture knowledge and skills of mature workers to contribute their talents to existing businesses. DEED offers its services in collaboration with many community and regional partners through the WorkForce Center System. The partnerships are diverse as they respond to the unique needs of regional economies. The Workforce Development division promotes unprecedented collaboration among education, business, labor, and workforce development professionals to ensure Minnesota's future prosperity.

At A Glance

- ◆ Approximately 1,600 employees located throughout the state.
- ◆ Administers \$1.5 billion budget annually, including benefits paid to approximately 182,000 unemployed workers during CY 2007.
- ◆ During FY 2008, assisted with the creation and retention of an estimated 14,500 jobs and leveraged private investments of \$1.4 billion.
- ◆ During FY 2007, assisted over 104,500 Minnesotans to prepare for, find or retain employment, with 30,000 entering employment.

Budget

For FY 2008-09, DEED manages an approximately \$800 million budget covering about 1,600 FTE's spread across the state. This amount does not include the approximately \$1 billion in Unemployment Insurance transactions each year, which are administered through a federal trust fund.

Of the \$800 million, 60% comes from federal sources such as the U.S. departments of Labor, Education, Housing and Urban Development, and Agriculture. Another 15% comes from the state's general fund. The remaining 25% comes from the workforce development and other funds.

Contact

Department of Employment and Economic Development
Phone: (651) 259-7114
www.positivelyminnesota.com

Dollars in Thousands

	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	104,905	44,214	44,214	44,214	88,428
Forecast Base	104,905	44,214	43,260	43,260	86,520
Change		0	(954)	(954)	(1,908)
% Biennial Change from 2008-09					-42%
Workforce Development					
Current Appropriation	16,495	16,495	16,495	16,495	32,990
Forecast Base	16,495	16,495	16,495	16,495	32,990
Change		0	0	0	0
% Biennial Change from 2008-09					0%
Remediation Fund					
Current Appropriation	700	700	700	700	1,400
Forecast Base	700	700	700	700	1,400
Change		0	0	0	0
% Biennial Change from 2008-09					0%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	86,328	48,311	43,220	43,220	86,440
Health Care Access	0	1,000	0	0	0
Workforce Development	16,615	16,608	16,495	16,495	32,990
Remediation Fund	737	1,400	700	700	1,400
Statutory Appropriations					
Clean Water Revolving Fund	38	50	50	50	100
Petroleum Tank Release Cleanup	9,538	6,857	6,200	6,200	12,400
Miscellaneous Special Revenue	30,913	48,995	20,250	20,558	40,808
Workforce Development	28,629	35,725	29,828	31,090	60,918
Federal	27,256	30,449	32,928	32,525	65,453
Mdes Federal	199,629	216,476	219,923	221,261	441,184
Miscellaneous Agency	1,070	0	0	0	0
Gift	1,705	865	340	268	608
Total	402,458	406,736	369,934	372,367	742,301
<u>Expenditures by Category</u>					
Total Compensation	102,624	114,414	118,512	121,506	240,018
Other Operating Expenses	72,340	64,546	61,666	61,904	123,570
Payments To Individuals	30,626	37,966	37,845	37,730	75,575
Local Assistance	195,830	175,815	149,296	148,567	297,863
Other Financial Transactions	1,038	13,995	2,615	2,660	5,275
Total	402,458	406,736	369,934	372,367	742,301
<u>Expenditures by Program</u>					
Business & Community Developmt	100,551	83,368	52,451	52,039	104,490
Unemployment Insurance	51,717	47,400	47,800	47,900	95,700
Workforce Development	233,372	258,779	252,695	255,061	507,756
General Support Services	16,818	17,189	16,988	17,367	34,355
Total	402,458	406,736	369,934	372,367	742,301
Full-Time Equivalents (FTE)	1,527.2	1,592.6	1,577.1	1,558.3	

Program Description

The Business and Community Development division supports business creation, expansion, relocation, and retention in Minnesota to increase jobs and economic opportunities.

Budget Activities

- ⇒ Business Development
- ⇒ Entrepreneurship and Small Business Development
- ⇒ JOBZ and Business Finance
- ⇒ Community Finance
- ⇒ Minnesota Trade Office

EMPLOYMENT & ECONOMIC DEV DPT

Program: BUSINESS & COMMUNITY DEVELOPMT

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	68,817	8,450	8,450	8,450	16,900
Technical Adjustments					
Current Law Base Change			42	42	84
One-time Appropriations			(800)	(800)	(1,600)
Forecast Base	68,817	8,450	7,692	7,692	15,384
Remediation Fund					
Current Appropriation	700	700	700	700	1,400
Forecast Base	700	700	700	700	1,400
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	48,714	10,146	7,692	7,692	15,384
Health Care Access	0	1,000	0	0	0
Remediation Fund	737	1,400	700	700	1,400
Statutory Appropriations					
Clean Water Revolving Fund	38	50	50	50	100
Petroleum Tank Release Cleanup	9,538	6,857	6,200	6,200	12,400
Miscellaneous Special Revenue	14,052	33,438	4,876	4,871	9,747
Federal	27,256	30,449	32,928	32,525	65,453
Gift	216	28	5	1	6
Total	100,551	83,368	52,451	52,039	104,490
<u>Expenditures by Category</u>					
Total Compensation	4,534	5,281	5,271	5,372	10,643
Other Operating Expenses	1,673	3,260	2,003	1,928	3,931
Local Assistance	93,381	60,832	42,562	42,079	84,641
Other Financial Transactions	963	13,995	2,615	2,660	5,275
Total	100,551	83,368	52,451	52,039	104,490
<u>Expenditures by Activity</u>					
Business Development	5,593	4,277	2,593	2,569	5,162
Entrepreneurship & Sm Bus Dvlp	2,259	4,061	2,859	2,859	5,718
Jobz And Business Finance	45,129	34,075	4,666	4,686	9,352
Community Finance	45,789	38,720	40,308	39,905	80,213
Minnesota Trade Office	1,781	2,235	2,025	2,020	4,045
Total	100,551	83,368	52,451	52,039	104,490
Full-Time Equivalents (FTE)	55.2	60.8	60.8	60.8	

Activity Description

The Business Development office works to attract and retain high-quality jobs and businesses. The focus of the office is to provide direct business assistance and coordinate resources to facilitate business expansion. The office also supports the efforts of communities and regions to market themselves to new businesses. Statutory authority comes from M.S. 116J.011.

Population Served

The Business Development office's primary customers are businesses. Significant time is also spent with local government officials and economic development practitioners marketing DEED programs and offering specific economic development expertise. In addition, the office works with communities who participate in the Positively Minnesota initiative (described below). A wide range of businesses may be served in any given year.

Activity at a Glance

In FY 2008, the office

- ◆ made over 700 direct contacts with companies to encourage growth and expansion;
- ◆ worked on more than 250 projects considering Minnesota as a place to expand their business; and
- ◆ coordinated more than 50 economic development groups and service providers' participation in Positively Minnesota marketing events.

Services Provided

The office provides a wide range of services specially designed to assist Minnesota businesses.

Business Development Specialists coordinate the state's response to assist businesses interested in expanding or relocating in Minnesota. Services include:

- ◆ promoting Minnesota's business assets and advantages;
- ◆ providing information and analysis on business financing, site selection, and real estate;
- ◆ connecting businesses with training and educational resources;
- ◆ providing targeted industry expertise;
- ◆ serving as a liaison with other state, local, and federal agencies; and
- ◆ assisting companies with other business development needs as requested.

While Business Development Specialists market all DEED programs and services, special emphasis is placed on the Job Opportunity Building Zone (JOBZ) program in Greater Minnesota. Nine business development specialists have regional responsibilities as well as responsibility for specific high-growth, high wage industry sectors including: biosciences and medical devices, renewable energy, wind, information technology, and manufacturing. In addition to representing the department, the Business Development Specialists have a broad knowledge of economic development programs available through DEED and those available through utilities, federal programs, and local government. The specialists are connected to their regions, industries, and statewide development organizations that ultimately provide an invaluable service to businesses and communities.

The **Positively Minnesota Marketing Initiative** partners with other economic development entities to market Minnesota outside its borders. With minimal state investment, the funds of non-state partners are leveraged to support ongoing marketing of Minnesota to national and international business leaders looking for locations to grow. The initiative showcases Minnesota's assets at international events attended by corporate site selectors and industry leaders. Over the past year, the partnership coordinated ten events and raised more than \$250,000 from members and other organizations to support marketing efforts. Positively Minnesota continues to lead planning efforts for several events outside of the state, as well as events that the state is hosting.

Other Specific Business Initiatives include:

- ◆ Minnesota Manufacturers' Advocate, which connects state government to the multiple manufacturing trade associations and their initiatives to ensure competitiveness;
- ◆ Biosciences Development, which coordinates state support for these emerging industries, including support for the Bio Business Alliance and bioscience marketing;

EMPLOYMENT & ECONOMIC DEV DPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

Activity: BUSINESS DEVELOPMENT

Narrative

- ◆ Renewable Energy Specialist, which coordinates economic development support with other state agencies to further the renewable energy goals of the state;
- ◆ actively working with site selection consultants and corporate real estate executives;
- ◆ conducting an annual Development Conference and Manufacturers' Week ;
- ◆ assisting communities in preparing for development by coordinating the Minnesota Shovel Ready initiative;
- ◆ developing and maintaining key linkages between the public and private sector related to workforce and economic development;
- ◆ marketing of DEED programs at trade shows and conferences;
- ◆ marketing of Minnesota at national events, trade shows and conferences such as BIO, Windpower and IAMC;
- ◆ coordinating flood recovery activities in the southeast region; and
- ◆ maintaining the Business Expansion database to report Minnesota expansions for national marketing.

The office also administers grants to **WomenVenture** and the **Metropolitan Economic Development Association**. These Twin Cities-based nonprofit organizations provide business customers with resources and assistance. Other pass-through grants and special appropriations to specific recipients are also administered through the office such as several bioscience and community appropriations and Minnesota Technology.

Key Activity Goals

The Business Development office supports the *Minnesota Milestones* goal that *Minnesota will have sustainable, strong economic growth*.

Key Activity Measures

Measures are based on a state fiscal year (July - June). FY 2008 is the first year of Customer Relationship Management software that effectively tracks project performance.

	2008
Number of business expansions assisted	39
Proposed number of jobs to be created	2,100
Proposed capital investment (in millions)	\$430

Activity Funding

The Business Development office is funded by an appropriation from the general fund. The office recovers its costs for trade shows and conferences through participant fees.

Contact

For more information, contact DEED by phone at (651) 259-7114 or (800) 657-3858, by TTY at (651) 296-3900 or (800) 657-3973, by email at DEED.customerservice@state.mn.us, or online at www.positivelyminnesota.com/bizdev.

EMPLOYMENT & ECONOMIC DEV DPT
Program: BUSINESS & COMMUNITY DEVELOPMENT
 Activity: BUSINESS DEVELOPMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	6,016	2,113	2,088	2,088	4,176
Forecast Base	6,016	2,113	2,088	2,088	4,176
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	5,121	2,708	2,088	2,088	4,176
Health Care Access	0	1,000	0	0	0
Statutory Appropriations					
Miscellaneous Special Revenue	256	541	500	480	980
Gift	216	28	5	1	6
Total	5,593	4,277	2,593	2,569	5,162
<u>Expenditures by Category</u>					
Total Compensation	1,285	1,316	1,310	1,313	2,623
Other Operating Expenses	663	1,171	793	766	1,559
Local Assistance	3,645	1,790	490	490	980
Total	5,593	4,277	2,593	2,569	5,162
Full-Time Equivalents (FTE)	14.8	14.0	14.0	14.0	

EMPLOYMENT & ECONOMIC DEV DPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

Activity: ENTREPRENEURSHIP & SM BUS DVLP

Narrative

Activity Description

The Office of Entrepreneurship and Small Business Development (OESB) facilitates programs and networks that support Minnesota's entrepreneurship and small business development. The focus of the office is three-fold: assist entrepreneurial and small businesses and coordinate resources; facilitate the start-up, growth and wealth creation of small businesses; and offer innovative partnering and services tailored to meet the current and future needs of Minnesota's science and technology communities. Statutory authority comes from M.S. 116J.656 through 116J.85 and the U. S. Code, Title 15, Section 648.

Activity at a Glance

In FY 2008, the OESB's programs:

- ◆ created and retained over 6,000 jobs through direct services;
- ◆ helped businesses raise over \$148 million for business investment; and
- ◆ helped businesses generate nearly \$540 million in new business wealth, generating \$23.5 million in new tax revenues.

Population Served

The OESB's primary customers are aspiring and existing small- and medium-sized businesses, including technology-based businesses.

Services Provided

The office conducts a wide range of activities specially designed to assist Minnesota businesses.

Minnesota Small Business Development Center (SBDC) Program

Through its network of nine regional and 23 satellite and outreach service centers, and more than 100 professional business consultants, the SBDC program helps aspiring and existing businesses by providing, at no cost to the customer, one-to-one, confidential, business development consulting. SBDC professional business consultants help entrepreneurs and small business owners identify, understand and build solutions to overcome the challenges of running a successful business. Areas of consulting include, but are not limited to:

- ◆ Feasibility and Concept Analysis
- ◆ Start-up Assistance
- ◆ Business Plan Development
- ◆ Marketing and Market Research Assistance
- ◆ Accessing Capital and Loan Packaging
- ◆ Financial Analysis and Assessment
- ◆ Accounting System and Financial Literacy
- ◆ E-Commerce and Website Development
- ◆ Succession and Strategic Planning

SBDC consulting services are aligned with its network of state, regional and local strategic service provider partners to ensure entrepreneurs and small businesses are provided the full scope of available services to be successful.

Small Business Assistance Office (SBAO)

The SBAO has three main activities:

- ◆ Professional business advisors who provide timely, accurate and comprehensive guidance in answering constituents' basic transactional questions (e.g., "what do I need and where do I get it?"), as well as tax, regulatory and business structure questions, including appropriate referral to other office programs and outside service providers.
- ◆ Production and distribution of publications of interest to business. Current publication topics include:
 - ⇒ Guide to Starting a Business in Minnesota
 - ⇒ Employer's Guide to Employment Law Issues in Minnesota
 - ⇒ Employer's Guide to Employee Handbooks in Minnesota

EMPLOYMENT & ECONOMIC DEV DPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

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- ⇒ Employer's Guide to Employee Benefits
- ⇒ Why and How to Conduct a Human Resources Audit in Minnesota
- ⇒ Loan Documentation: An Introduction for Small Businesses
- ⇒ Raising Capital: Securities Law and Business Considerations
- ⇒ Guide to Biotechnology Finance
- ⇒ Guide to Intellectual Property Protection
- ⇒ Legal Guide to the Internet
- ⇒ Introduction to Franchising

All publications are available to the public free-of-charge and are available in hard-copy format, on CD, and as downloads from DEED's website.

- ◆ Servicing and updating of the content of the state's License Minnesota website; a comprehensive, centralized system of all business and occupational license and permit information.

Office of Science and Technology (OST)

The OST was established July 1, 2008 to help technology based businesses with the following activities:

- ◆ Coordination of public and private efforts to procure federal funding for collaborative research and development projects throughout the state.
- ◆ Promotion of contractual relationships between Minnesota businesses that are recipients of federal grants and prime contractors, and Minnesota-based subcontractors.
- ◆ Undertake referral activities to link Minnesota companies with federal request for proposal opportunities.
- ◆ Develop a framework for Minnesota companies to establish sole-source relations with federal agencies.
- ◆ Coordinate workshops, assistance with technical proposals, licensing, intellectual property protection, commercialization, and government auditing.

Key Activity Goals

The OESB supports the *Minnesota Milestones* goal that *Minnesota will have sustainable, strong economic growth.*

Key Activity Measures

	2007	Since 2000
Number of businesses consulted by SBDC	3,204	28,243
Number of jobs created/retained	6,020	36,549
Investment leveraged (in millions)	\$148.8	\$1,068.1

Activity Funding

This activity is funded by an appropriation from the general fund and a federal grant from the U.S. Small Business Administration.

Contact

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EMPLOYMENT & ECONOMIC DEV DPT
Program: BUSINESS & COMMUNITY DEVELOPMENT
 Activity: ENTREPRENEURSHIP & SM BUS DVLP

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,276	1,694	1,702	1,702	3,404
Technical Adjustments					
Current Law Base Change			42	42	84
One-time Appropriations			(400)	(400)	(800)
Forecast Base	1,276	1,694	1,344	1,344	2,688
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,177	1,793	1,344	1,344	2,688
Statutory Appropriations					
Miscellaneous Special Revenue	6	5	5	5	10
Federal	1,076	2,263	1,510	1,510	3,020
Total	2,259	4,061	2,859	2,859	5,718
<u>Expenditures by Category</u>					
Total Compensation	591	855	775	804	1,579
Other Operating Expenses	235	591	180	161	341
Local Assistance	1,433	2,615	1,904	1,894	3,798
Total	2,259	4,061	2,859	2,859	5,718
Full-Time Equivalents (FTE)	7.0	9.5	9.5	9.5	

Activity Description

The JOBZ and Business Finance office offers financial assistance to local governments and businesses in order to support business development and expansion. Financing activities seek to help create high-quality jobs, through statewide and specifically targeted programs. In addition to job creation, specifically targeted programs also leverage private investment, increase tax base, provide for the development of public infrastructure and enhance business development projects.

Activity at a Glance

- ◆ As of 12-31-07, the Job Opportunity Building Zones (JOBZ) initiative facilitated 257 active business projects.
- ◆ In FY 2007, the office's Minnesota Investment Fund and Urban Initiative program combined \$5.8 million to leverage \$169 million in private investment.

Statutory authority comes from M.S. 41A.022 (Agricultural and Economic Development Program), 116J.423 (21st Century Minerals Fund), 116J.431 (public infrastructure grants), 116J.8731 (Minnesota Investment Fund), 116M (Urban Initiative), 116J.64 (Indian Business Loans), and 469.310 through 469.3201 (Job Opportunity Building Zones).

Population Served

The office serves businesses and communities directly and indirectly through partnerships with economic development agencies, local governments, utilities, banks, and others. The communities and businesses services are:

- ◆ construction and renovation of affordable infrastructure;
- ◆ creation of additional tax base through business development; and
- ◆ creation of tax-free business development properties through the Job Opportunity Building Zones (JOBZ) program.

Services Provided

Services are designed to assist in the creation of high-quality jobs. Specifically:

- ◆ **The Job Opportunity Building Zone (JOBZ) Program** creates development activity in rural areas of Minnesota by providing local and state tax exemptions (including corporate franchise tax, income tax, sales tax, property tax for improvements, and wind energy production tax). In early 2004, ten zones with 325 subzones (as well as one Agricultural Processing Facility Zone) were created. These zones remain in effect through 2015.
- ◆ The **Minnesota Investment Fund (MIF)** assists local units of government to improve and strengthen their business and economic base by providing financing for business expansions and relocations. MIF funds can be used for land or building acquisition or construction, equipment financing, or infrastructure improvements. At least 50% of total project costs must be privately financed through owner equity and other lending sources. Awards typically do not exceed \$500,000, though a limited number of projects have received up to \$1 million. Most applications selected for funding have at least 70% private financing. Federal funds are allocated through the Community Development Block Grant program to provide funds to local governments for public infrastructure improvements in support of business development.
- ◆ The **Urban Initiative Program (UIP)** assists primarily minority-owned businesses in creating jobs in low-income areas of the Twin Cities. DEED partners with local non-profit organizations that provide technical assistance to these business owners in addition to funding assistance.
- ◆ The **Agricultural and Economic Development Program** makes small business development loans, primarily for manufacturing and industrial projects, through low interest rate loans and issues tax-exempt industrial revenue bonds for business expansion.
- ◆ **Indian Business Loans** support the development of Indian-owned and -operated businesses and promote economic opportunities for Native American people throughout Minnesota. Applications are submitted to DEED and then forwarded to the appropriate Tribal Council for further consideration and approval.
- ◆ The **21st Century Minerals Fund** makes strategic investments in value-added mineral processing to assist the state's mining industry to remain competitive in the global economy.

EMPLOYMENT & ECONOMIC DEV DPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

Activity: JOBZ AND BUSINESS FINANCE

Narrative

Key Activity Goals

The JOBZ and Business Finance office supports the following *Minnesota Milestones* goals:

- ◆ *Minnesota will have sustainable, strong, economic growth; and*
- ◆ *Rural areas, small cities and urban neighborhoods throughout the state will be economically viable places for people to live and work.*

Key Activity Measures

Measures for JOBZ are reported on a calendar year basis. All other results are based on a state fiscal year (July-June).

	2005	2006	2007
Number of active JOBZ projects	84	61	41
Amount awarded for MIF and UIP (in millions)	\$6.0	\$7.3	\$5.8
Projected job creation/retention	6,607	4,392	3,128
Investment leveraged (in millions)	\$333.8	\$305.0	\$486.8

Activity Funding

This activity is funded by an appropriation from the general fund and the sale of General Obligation and Industrial Revenue bonds. The MIF program is a revolving fund, where new loans are funded from the repayments of old loans' principal and interest.

This activity's budget does *not* include the tax exemptions from JOBZ; the Department of Revenue maintains those projections.

Contact

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EMPLOYMENT & ECONOMIC DEV DPT
Program: BUSINESS & COMMUNITY DEVELOPMENT
Activity: JOBZ AND BUSINESS FINANCE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	54,637	1,251	1,250	1,250	2,500
Technical Adjustments					
One-time Appropriations			(400)	(400)	(800)
Forecast Base	54,637	1,251	850	850	1,700
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	31,736	1,851	850	850	1,700
Statutory Appropriations					
Clean Water Revolving Fund	38	50	50	50	100
Miscellaneous Special Revenue	13,355	32,174	3,766	3,786	7,552
Total	45,129	34,075	4,666	4,686	9,352
<u>Expenditures by Category</u>					
Total Compensation	507	553	582	598	1,180
Other Operating Expenses	124	206	174	158	332
Local Assistance	43,535	20,279	2,250	2,250	4,500
Other Financial Transactions	963	13,037	1,660	1,680	3,340
Total	45,129	34,075	4,666	4,686	9,352
Full-Time Equivalents (FTE)	6.0	7.2	7.2	7.2	

Activity Description

The Community Finance office offers financial assistance to local areas and businesses in order to support community and business development. Financing activities seek to help create the infrastructure and livability of communities that support the creation of high-quality jobs, through statewide and specifically targeted programs.

Statutory authority comes from: M.S 116J.551 through 116J.558, Contamination Cleanup Grant and Loan Program; 116J.571 through 116J.575, Redevelopment Grant Program; 469.35, Transit Improvement Area Loan Program; 116J.980, Small Cities Development Program; 116J.431 Greater Minnesota Business Development Public Infrastructure Grant Program, 116J.435 Bioscience Public Infrastructure Program.

Activity at a Glance

- ◆ Between FY 2004 and FY 2008 the office has funded 325 projects for \$221.1 million leveraging over \$2.1 billion from other sources.
- ◆ In FY 2008, the office provided 90 grants to communities worth \$39.6 million for critical infrastructure to foster business development in Greater Minnesota, clean up of contaminated sites, redevelopment of underutilized sites, and housing and business rehabilitation projects in small cities.

Population Served

The office serves businesses and communities, directly and through partnerships with other state and federal agencies, economic development agencies, utilities, banks, local governments, and others.

Services offered those communities include:

- ◆ construction and renovation of affordable infrastructure;
- ◆ creation of additional tax base through business and housing revitalization and new development;
- ◆ removal of public health threats through contaminated site cleanup; and
- ◆ development of infrastructure necessary for the creation and expansion of bio-science related businesses.

Services Provided

Services are designed to assist in the creation of viable communities. Specifically:

- ◆ **Contamination Cleanup Grant Program** provides grants to local governments and local development agencies to clean up soil and groundwater contamination so a site can serve as a housing or business location.
- ◆ **Minnesota Cleanup Revolving Loan Fund** utilizes Federal grants to provide loans to public or private entities for cleanup of contaminated property.
- ◆ The **Redevelopment Grant Program** provides funding for local governments to acquire and prepare sites for redevelopment.
- ◆ **Small Cities Development Program (SCDP)** channels federal Community Development Block Grant funds for the rehabilitation or construction of housing or municipal infrastructure, as well as downtown revitalization projects.
- ◆ **Greater Minnesota Business Development Public Infrastructure Program (BDPI)** provides funds to local governments for public infrastructure extension projects in support of business development.
- ◆ **Bio-Science Public Infrastructure Grant Program (BSPI)** provides funds to local units of government statewide for infrastructure necessary to support bioscience business development and expansion.
- ◆ The **Transit Improvement Area Loan Program** is a new program created in 2008, however no funds were appropriated. It is designed to help communities energize and revitalize areas around transit facilities.
- ◆ **Credit Enhanced Bond Program** is a new program creating a partnership between DEED and the Public Facilities Authority (PFA) to bring the bond market experience and nationally recognized name of the PFA to access investment capital for community development projects. The communities that issue a General Obligation Bond for their share of a project that is partially funded by DEED Minnesota Investment Fund or Redevelopment Grant Program can participate in the bond program. The state will guarantee payment of the debt service on the bonds if the city goes into default and there are funds available in the state's general fund.

EMPLOYMENT & ECONOMIC DEV DPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

Activity: COMMUNITY FINANCE

Narrative

The Community Finance office also works closely with the Public Facilities Authority (PFA), which shares office space. The PFA is an interagency authority with an Executive Director and eight staff overseen by a board consisting of commissioners of six agencies. The Chair and CEO is the Commissioner of DEED, and other commissioners represent the departments of Finance, Agriculture, Health, and Transportation, and the Minnesota Pollution Control Agency. DEED currently has an interagency agreement with the PFA to have the Executive Director manage the community finance programs. In addition to office space, DEED provides basic administrative support for the PFA (i.e. human resources, information technology, and fiscal services).

Key Activity Goals

The Community Finance office supports the *Minnesota Milestones* goal that *Rural areas, small cities and urban neighborhoods throughout the state will be economically viable places for people to live and work.*

Key Activity Measures

Measures are based on a state fiscal year (July-June).

	2006	2007	2008
Number of projects	97	104	90
Amount awarded (in millions)	\$41.8	\$55.6	\$39.6
Projected job creation/retention	4,709	3,218	3,488
Investment leveraged (in millions)	\$475.4	\$442.7	\$660.0

Activity Funding

The activity is funded by appropriations from the general, petroleum tank release cleanup, and remediation funds, as well as federal grants from the U.S. Department of Housing and Urban Development and the U.S. Environmental Protection Agency. The activity also has revolving loan funds, where new loans are funded from the repayments of old loans' principal and interest.

Contact

For more information, contact the Community Finance office by phone at (651) 259-7114 or (800) 657-3858, by TTY at (651) 296-3900 or (800) 657-3973, by email at deed.customerservice@state.mn.us, or online at www.positivelyminnesota.com/community.

EMPLOYMENT & ECONOMIC DEV DPT
Program: BUSINESS & COMMUNITY DEVELOPMENT
Activity: COMMUNITY FINANCE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	5,430	1,912	1,910	1,910	3,820
Forecast Base	5,430	1,912	1,910	1,910	3,820
Remediation Fund					
Current Appropriation	700	700	700	700	1,400
Forecast Base	700	700	700	700	1,400
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	9,334	2,202	1,910	1,910	3,820
Remediation Fund	737	1,400	700	700	1,400
Statutory Appropriations					
Petroleum Tank Release Cleanup	9,538	6,857	6,200	6,200	12,400
Miscellaneous Special Revenue	0	75	80	80	160
Federal	26,180	28,186	31,418	31,015	62,433
Total	45,789	38,720	40,308	39,905	80,213
<u>Expenditures by Category</u>					
Total Compensation	915	1,275	1,260	1,309	2,569
Other Operating Expenses	106	339	175	171	346
Local Assistance	44,768	36,148	37,918	37,445	75,363
Other Financial Transactions	0	958	955	980	1,935
Total	45,789	38,720	40,308	39,905	80,213
Full-Time Equivalents (FTE)	12.8	15.1	15.1	15.1	

Activity Description

The Minnesota Trade Office (MTO) supports business development and expansion by promoting exports and foreign direct investments that contribute to the growth of the state's economy. Specific statutory authority comes from M.S. 116J.966.

Population Served

MTO services are available to all Minnesota manufacturers and service providers, but the MTO primarily assists small- and medium-sized companies.

Services Provided

MTO services are divided into six broad categories:

- ◆ **Export counseling and technical assistance:** The MTO is staffed with a team of international trade representatives with broad international business experience who can help guide companies through the challenges of conducting international business. Through confidential and personalized meetings, MTO trade representatives help companies evaluate their export readiness, assist with market research, identify market opportunities, provide market intelligence and regulatory information, identify potential distributors, partners, agents, and buyers, and much more. The MTO has a Trade Assistance Help Line to streamline assistance to companies.
- ◆ **Export promotion services:** The MTO arranges numerous export promotional events, including trade missions and trade shows, to help companies acquire market information, explore market opportunities, and meet prospective distributors, partners, agents, and buyers. The MTO manages the state's strategy for China, called the Minnesota-China Partnership. The MTO has an office in Shanghai to assist companies with this unique and challenging market. During the Governor's mission to India in 2005, Minnesota established a sister-state partnership with the State of Haryana, India.
- ◆ **Export education and training services:** In partnership with other organizations, the MTO provides cutting-edge training seminars and workshops for new and experienced exporters. Education programs include fundamentals for beginners, how to conduct international market research, topical seminars on specific and technical aspects of exporting, daylong "immersion" courses focused on the business climate and requirements of specific countries such as China, Japan and Korea, and detailed market and industry briefings. The MTO offers education and training programs in St. Paul and occasionally in other locations throughout Minnesota.
- ◆ **International business resources:** To ensure Minnesota companies have the very latest market intelligence at their disposal, the MTO works with the DEED library to maintain an extensive collection of information on foreign markets. Open to the public Monday through Friday and staffed with professional researchers, the resource center is replete with economic data, export statistics, international trade periodicals, company directories, a wide variety of electronic and internet-based market research tools, as well as materials to help companies learn the mechanics of exporting and the art of conducting business in other cultures. Companies also can access valuable research resources on the MTO website.
- ◆ **Protocol Assistance:** The MTO serves as the Office of Protocol for Minnesota. As such, when visiting foreign delegations and dignitaries visit Minnesota in an official capacity to meet with the Governor or Lieutenant Governor, the MTO assists with hosting meetings, making travel arrangements, providing gifts, and other functions as necessary to ensure a successful visit and positive image of Minnesota.
- ◆ **Investment Attraction:** The MTO partners with the Business Development office and other DEED offices in attracting investment in Minnesota whenever the potential investor is from another country. The MTO assists

Activity at a Glance

- ◆ Minnesota-manufactured exports reached a record high in 2007 at \$16.2 billion, which is a 71% increase since 2000. U.S. growth over the same period was 44%.
- ◆ Minnesota's exports to China increased 77% since launching the strategy in 2005 and China is now the state's second largest export market behind Canada.
- ◆ In 2007, the MTO assisted approximately 35 foreign delegations/dignitaries and provided technical assistance and education services to nearly 1,000 business leaders.

EMPLOYMENT & ECONOMIC DEV DPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

Activity: MINNESOTA TRADE OFFICE

Narrative

with the cultural awareness, global connections, and international marketing aspects of DEED's investment attraction program.

Key Activity Goals

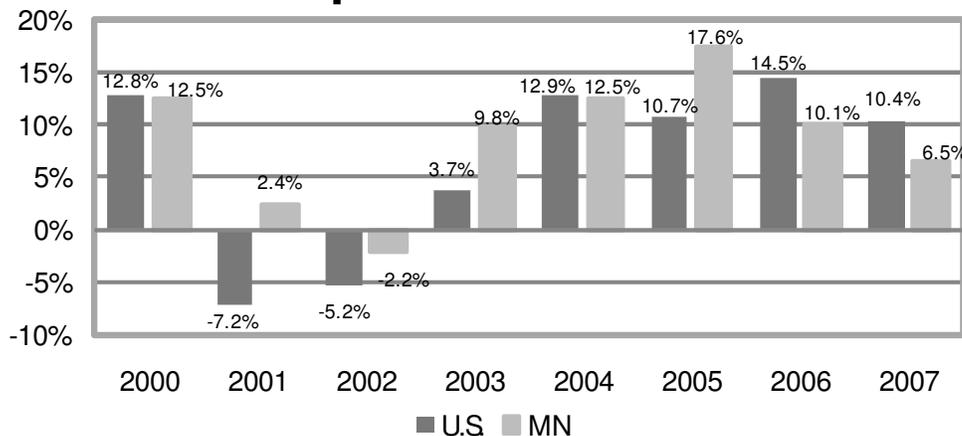
The MTO supports these *Minnesota Milestones* goals:

- ◆ *Minnesota will have sustainable, strong economic growth; and*
- ◆ *Rural areas, small cities and urban neighborhoods throughout the state will be economically viable places for people to live and work.*

Key Activity Measures

Measures are based on a calendar year. For the past several years, Minnesota manufactured exports have grown significantly, and in some years, outperformed U.S. export growth rates. Since 2000, Minnesota-manufactured exports increased 71% compared to the U.S. increase of 44%. Minnesota-manufactured exports also reached a record high of \$16.2 billion in 2007.

Minnesota and U.S Manufacturing Export Growth Rate



Source: Origin of Movement Series, U.S. Department of Commerce - Census Bureau - Foreign Trade Division and World Institute of Social and Economic Research (WISER).

Activity Funding

The MTO is funded by an appropriation from the general fund. The office recovers its costs for seminars and promotional events through participant fees.

Contact

For more information, contact MTO by phone at (651) 259-7499 or (800) 657-3858, by TTY at (651) 296-3900 or (800) 657-3973, by email at mto@state.mn.us, or online at www.exportminnesota.com.

EMPLOYMENT & ECONOMIC DEV DPT
Program: BUSINESS & COMMUNITY DEVELOPMENT
 Activity: MINNESOTA TRADE OFFICE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,458	1,480	1,500	1,500	3,000
Forecast Base	1,458	1,480	1,500	1,500	3,000
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,346	1,592	1,500	1,500	3,000
Statutory Appropriations					
Miscellaneous Special Revenue	435	643	525	520	1,045
Total	1,781	2,235	2,025	2,020	4,045
<u>Expenditures by Category</u>					
Total Compensation	1,236	1,282	1,344	1,348	2,692
Other Operating Expenses	545	953	681	672	1,353
Total	1,781	2,235	2,025	2,020	4,045
Full-Time Equivalents (FTE)	14.6	15.0	15.0	15.0	

Program Description

The Unemployment Insurance (UI) program provides a temporary, partial wage replacement to those Minnesota workers who become unemployed through no fault of their own. UI is an economic stabilizer and stimulator in time of economic downturn and helps retain an available skilled workforce for businesses. Statutory authority is from U.S. Code (Title 42, Chapter 7; and Title 26, Chapter 23) and M.S. 268.

Program at a Glance

- ◆ An eligible worker can be paid up to 50% of his or her average weekly wage, subject to a state maximum (\$566 effective 10-01-08) for up to 26 weeks in unemployment benefits.
- ◆ In CY 2007, over \$870 million in premiums (taxes) were collected from nearly 130,000 employers covered by the program.

Population Served

In CY 2007, there were more than 2.7 million Minnesotans participating in the workforce; 182,000 received UI benefits. More than \$680 million was paid to out-of-work Minnesotans. The average payment was \$320 per week (out of a maximum of \$538) for 15 weeks (out of a maximum of 26 weeks). Nearly 130,000 Minnesota employers subject to the UI law were required to provide wage information on their employees which is then used to calculate benefit entitlement and UI taxes due.

Services Provided

UI services are provided statewide through customer service centers located in St. Paul and St. Cloud.

- ◆ UI staff issue benefit entitlement determinations, pay weekly benefits to eligible applicants, assist applicants and employers with their UI account questions, and provide impartial due process hearings for applicants and employers who appeal initial UI determinations. Individuals likely to remain unemployed for lengthy periods are referred to a local WorkForce Center for appropriate job-seeking assistance, job training, or other help.
- ◆ The UI system is based on an insurance model, with tax paid by employers based upon their “experience” with the system; that is, those with a higher number of lay-offs pay a higher rate. UI staff determines if employers are subject to the law, collect revenues, and audit employer accounts to ensure proper payments are made to the UI trust fund.
- ◆ The UI tax paid by Minnesota employers is kept in a trust fund, a separate account in the federal treasury for use in paying unemployment benefits. At the beginning of CY 2007, the UI trust fund balance was \$392 million and the year ended with a balance of \$529 million.
- ◆ Employers and benefit applicants access UI services via the Internet or the telephone. The new online system streamlines the UI program for businesses and applicants. All UI employer tax and applicant benefit activities are now processed faster, resulting in improved services and lower administrative costs.

Key Program Goals

The UI program supports the *Minnesota Milestones* goal that *All Minnesotans will have the economic means to maintain a reasonable standard of living.*

Key Program Measures

Measures are reported on the federal fiscal year basis (October – September).

	2005	2006	2007
Timely first payment of benefits	90.0%	88.0%	89.5%
Appeal decisions made within 30 days	61.0%	88.8%	86.6%

Program Funding

Administration of the UI program is funded by a federal grant from the U.S. Department of Labor.

Contact

For more information, contact DEED by phone at (651) 259-7114 or (800) 657-3858, TTY at (651) 296-3900 or (800) 657-3973, by email at ui.mn@state.mn.us, or online at www.uimn.org.

EMPLOYMENT & ECONOMIC DEV DPT
 Program: UNEMPLOYMENT INSURANCE

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Miscellaneous Special Revenue	2,601	600	600	600	1,200
Mdes Federal	49,116	46,800	47,200	47,300	94,500
Total	51,717	47,400	47,800	47,900	95,700
<u>Expenditures by Category</u>					
Total Compensation	24,859	26,339	27,639	27,739	55,378
Other Operating Expenses	26,733	21,011	20,111	20,111	40,222
Local Assistance	50	50	50	50	100
Other Financial Transactions	75	0	0	0	0
Total	51,717	47,400	47,800	47,900	95,700
<u>Expenditures by Activity</u>					
Unemployment Insurance	51,717	47,400	47,800	47,900	95,700
Total	51,717	47,400	47,800	47,900	95,700
Full-Time Equivalent (FTE)	428.6	445.0	429.5	410.7	

Program Description

The Workforce Development Division supports the workforce needs of Minnesota's businesses, workers and communities.

Budget Activities

This program includes the following budget activities:

- ⇒ Business Services
- ⇒ Adult Services
- ⇒ Youth Programs
- ⇒ Vocational Rehabilitation
- ⇒ Services for the Blind
- ⇒ Extended Employment
- ⇒ Independent Living
- ⇒ Disability Determination

EMPLOYMENT & ECONOMIC DEV DPT
 Program: WORKFORCE DEVELOPMENT

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	33,079	33,046	33,046	33,046	66,092
Technical Adjustments					
One-time Appropriations			(195)	(195)	(390)
Forecast Base	33,079	33,046	32,851	32,851	65,702
Workforce Development					
Current Appropriation	16,495	16,495	16,495	16,495	32,990
Forecast Base	16,495	16,495	16,495	16,495	32,990
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	35,206	34,907	32,851	32,851	65,702
Workforce Development	16,615	16,608	16,495	16,495	32,990
Statutory Appropriations					
Miscellaneous Special Revenue	2,676	2,898	2,413	2,430	4,843
Workforce Development	28,629	35,725	29,828	31,090	60,918
Mdes Federal	148,757	167,804	170,773	171,928	342,701
Gift	1,489	837	335	267	602
Total	233,372	258,779	252,695	255,061	507,756
<u>Expenditures by Category</u>					
Total Compensation	61,823	70,244	72,617	75,000	147,617
Other Operating Expenses	38,524	35,636	35,549	35,893	71,442
Payments To Individuals	30,626	37,966	37,845	37,730	75,575
Local Assistance	102,399	114,933	106,684	106,438	213,122
Total	233,372	258,779	252,695	255,061	507,756
<u>Expenditures by Activity</u>					
Business Services	15,796	19,516	11,496	11,484	22,980
Adult Services	93,416	107,342	108,240	110,062	218,302
Youth Programs	15,167	15,324	15,232	15,236	30,468
Vocational Rehabilitation	48,994	53,867	55,007	56,159	111,166
Services For The Blind	17,793	18,368	18,367	18,465	36,832
Extended Employment	14,876	15,427	14,875	14,875	29,750
Independent Living	5,566	5,658	5,652	4,058	9,710
Disability Determination	21,764	23,277	23,826	24,722	48,548
Total	233,372	258,779	252,695	255,061	507,756
Full-Time Equivalents (FTE)	905.3	939.1	939.1	939.1	

Activity Description

The Business Services activities provide employment and training services to businesses. Statutory references include: the Small Business Job Protection Act of 1996 (Public Law 104-188); the Taxpayer Relief Act of 1997 (Public Law 105-34); the Job Creation and Worker Assistance Act of 2002 (Public Law 107-147); the Wagner-Peyser Act as amended by Public Law 97-300; and U.S. Code, Titles 8, 26, 29, and 38. Statutory authority for the Minnesota Job Skills Partnership is from M.S. 116L; that and all programs in M.S. 116L are accountable to the Job Skills Partnership Board.

Population Served

Business services are available to all Minnesota businesses.

Services Provided

Business Services provides a comprehensive and consistent approach to employment and training services for businesses. Tools and services that help businesses manage and strengthen their workforce include:

- ◆ **Business Services Field Operations** is an initiative established in 2004 to help businesses define and meet their workforce needs. Workforce needs include finding and hiring qualified workers, skilled worker retention strategies, connectivity to worker skill training resources, labor laws, and information on the labor market. Referrals to local and regional resources and other government services are provided. The Business Services Specialists are available through the statewide network of WorkForce Centers and coordinate labor exchange activities with Job Seeker Services.
- ◆ **Industry Specialists** create and implement industry-specific solutions to meet the long-term recruitment, training, and retention needs of businesses in the manufacturing, healthcare, and financial services sectors. Three Industry Specialists work closely with a statewide network of local and regional partners and service providers.
- ◆ **MinnesotaWorks.net** uses cutting edge, web-based technology to link business with job seekers. Minnesota's businesses can post job opportunities, search the database for resumes, store their resume searches, and contact qualified applicants for interviews; job seekers can post resumes, search the database for job openings, and contact businesses about positions. It is the premier job listing tool with the largest employment database in the state, and it is used by Minnesota WorkForce Centers as well as most public employment and training programs across Minnesota.
- ◆ **Minnesota's Job Skills Partnership Program (MJSP)** is the state's primary funding vehicle for upgrading the skills of the incumbent workforce. It acts as a catalyst between businesses and educational institutions to develop cooperative training projects for either new jobs, retention, or skills upgrades for current employees. MJSP awards grants to educational institutions partnered with business to help the partnerships develop training programs specific to business need and it provides grants to help low-income individuals receive training.
- ◆ The **Foreign Labor Certification Program** enables U.S. businesses to hire foreign workers on a permanent or temporary basis. The program reviews employer applications, assists agricultural employers seeking seasonal workers, and issues prevailing wage determinations to employer applicants.
- ◆ The **Work Opportunity Tax Credit (WOTC) program** provides a federal tax credit to employers as an incentive for hiring members of targeted groups who traditionally have difficulty finding jobs.

Activity at a Glance

- ◆ Business Services Specialists will make more than 4,300 business consultations in 2008.
- ◆ MinnesotaWorks.net, the state's online resume and job matching system, has added an average of over 4,000 new employer accounts each year since 2003.
- ◆ The Minnesota Job Skills Partnership program trained more than 13,000 workers and leverage nearly \$24 million in private investment in 2007.

EMPLOYMENT & ECONOMIC DEV DPT

Program: **WORKFORCE DEVELOPMENT**

Activity: **BUSINESS SERVICES**

Narrative

Key Activity Goals

The Business Services activity supports these *Minnesota Milestones* goals:

- ◆ *Minnesota will have sustainable, strong economic growth;*
- ◆ *Minnesota's workforce will have the education and training to make the state a leader in the global economy; and*
- ◆ *Rural areas, small cities and urban neighborhoods throughout the state will be economically viable places for people to live and work.*

Key Activity Measures

Measures are on a calendar year basis. MinneostaWorks.net (MnW) data is shown as point-in-time for each June.

	2005	2006	2007
Business Consultations	2,433	3,396	4,259
MnW Employer Accounts	21,559	26,494	30,267
Number of workers trained through MJSP	27,455	10,602	13,063

Activity Funding

The MJSP is funded by the general fund. Other Business Services activities are funded by federal grants, primarily from the U.S. Department of Labor.

Contact

For more information, contact DEED by phone at (651) 259-7114 or (800) 657-3858, by TTY at (651) 296-3900 or (800) 657-3973, by e-mail at DEED.customerservice@state.mn.us, or online at www.positivelyminnesota.com/bizdev or www.positivelyminnesota.com/mjsp.

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: BUSINESS SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	6,800	6,805	6,805	6,805	13,610
Forecast Base	6,800	6,805	6,805	6,805	13,610
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	9,011	8,150	6,805	6,805	13,610
Statutory Appropriations					
Miscellaneous Special Revenue	520	377	12	0	12
Workforce Development	1,603	6,310	0	0	0
Mdes Federal	4,662	4,679	4,679	4,679	9,358
Total	15,796	19,516	11,496	11,484	22,980
 <u>Expenditures by Category</u>					
Total Compensation	3,466	3,401	3,401	3,401	6,802
Other Operating Expenses	1,824	1,942	1,941	1,941	3,882
Payments To Individuals	4	4	4	4	8
Local Assistance	10,502	14,169	6,150	6,138	12,288
Total	15,796	19,516	11,496	11,484	22,980
 Full-Time Equivalent (FTE)	 44.0	 45.2	 45.2	 45.2	

Activity Description

Adult Services includes a broad range of employment and training programs. These programs include those for the general public (e.g. Job Seeker Services) and those for eligible populations (e.g. Dislocated Worker, Veterans, etc.) Taken together, they form a critical strategy of preparing today's workforce for tomorrow's global economy.

Statutory authority is from Title V of the Federal Older Americans Act of 1965; Public Law 106-501 as amended by the Comprehensive Older Americans Act of 2000; U.S. Code, Chapter 42, Section 3056; U.S. Code, Titles 8, 26, 29, and 38; U.S. Code Title 7, Chapter 51, Section 2015(d); U.S. Code Title 45; the Workforce Investment Act (WIA) of 1998, Title 1B (Public Law 105-220); the Wagner-Peyser Act as amended by Public Law 97-300; the Jobs For Veterans Act (Public Law 107-288); and M.S. 116L.17, 116L.60, 256D.051, and 256J.

Activity at a Glance

- ◆ Workforce Investment Act Title 1B Adult and Dislocated Worker Programs met or exceeded all eight of the performance goals negotiated with the U.S. Department of Labor for FFY 2007.
- ◆ MinnesotaWorks, the electronic web-based labor exchange system had a monthly average of 49,000 active resumes and 22,000 job openings during SFY 2008.

Population Served

Job Seeker Services are available to anyone. All other programs provide services to individuals in targeted populations.

Services Provided

There are several major programs in the Adult Services activity:

- ◆ The **Dislocated Worker** program serves individuals who have been laid off from their jobs through no fault of their own and are eligible for Unemployment Insurance (UI). Special enrollment priority is given to workers unlikely to return to their former occupation or industry due to changes in the job market. Some workers may also be entitled to additional benefits under Trade Readjustment Assistance (TRA) and/or other assistance under the Trade Adjustment Assistance Act (TAA) which serves workers whose jobs have been lost to foreign competition.
- ◆ Services through **Workforce Investment Act Title 1B Adult** for job seekers include assessment of skill levels and abilities; support services; occupational training; on-the-job training; job search assistance; placement assistance; and career counseling. Local workforce councils select specific services and providers for their areas.
- ◆ **Job Seeker Services (Job Service)**, funded by the federal Wagner-Peyser Act, provide labor exchange services to individuals seeking employment and to businesses seeking workers. Job seeker services are provided at WorkForce Centers; such services include preliminary skills assessment; access to computer-based and written materials on available jobs and career information; workshops on effective work search, interviewing, and how to write resumes; and referrals to training and supportive services with other WorkForce Center partners and community-based agencies. Staff also put on local job fairs and help employers in mass-recruitment efforts.
- ◆ **Veterans Employment Services (VES)**, in concert with Job Seeker Services, assure that specialized employment and training services are provided to Minnesota veterans using the WorkForce Center system. A *Transition Assistance Program (TAP)* workshop is provided for returning Minnesota National Guard Reserves and their spouses along with reintegration meetings conducted throughout the state to explain and facilitate access to employment and training services, and make referrals to various state and federal service providers. VES also provides employers with information on the benefits of hiring former service members and guidance about issues facing deploying and returning Veterans.
- ◆ Through the **Senior Community Service Employment Program (SCSEP)**, individuals work in part-time jobs at senior citizen and day care centers, schools, hospitals; programs for people with disabilities; fire prevention programs; and beautification, conservation, and restoration projects. Annual physical examinations, personal and job-related counseling, job training (if necessary), and in some cases, placement into unsubsidized jobs, are part of the services. Local agencies and national sponsors provide programs in all 87 Minnesota counties.

EMPLOYMENT & ECONOMIC DEV DPT

Program: **WORKFORCE DEVELOPMENT**

Activity: **ADULT SERVICES**

Narrative

- ◆ The **Displaced Homemaker (DHP) program** provides specialized pre-employment services to empower homemakers to enter or re-enter the labor market. Customers are women or men who have cared for home and family and due to loss of family financial support (usually through death, disability, or divorce); these individuals must support themselves and their families. Services are provided on a sliding fee scale. Six displaced homemaker program sites provide services across 48 counties.
- ◆ DEED coordinates the delivery of employment and support services for the **Minnesota Family Investment Program (MFIP), Food Support Employment and Training (FSET) Program, and the Diversionary Work Program (DWP)**, with the Department of Human Services (DHS). The activities of these programs are reported in the DHS section of the Budget Background Information.
- ◆ DEED also administers several pass-through appropriations to community based non-profit organizations that provide employment and training services, including the Opportunities Industrialization Centers (OIC's), Lifetrack Resources, and Twin Cities RISE.

Key Activity Goals

The Adult Services activities support the following *Minnesota Milestones* goals:

- ◆ *Minnesota will have sustainable, strong economic growth;*
- ◆ *Minnesota's workforce will have the education and training to make the state a leader in the global economy;*
and
- ◆ *All Minnesotans will have the economic means to maintain a reasonable standard of living.*

Key Activity Measures

All measures are on a state fiscal year basis.

	2006	2007	2008
Total number of individuals served by Adult Services	93,390	68,128	57,995
Total number of individuals exiting programs	36,262	37,433	24,553
Entered employment rate of clients exited	65.4%	65.6%	69.7%

Activity Funding

The Adult Services activities are funded by appropriations from the general and workforce development funds. The unit also administers federal grants from the U.S. Department of Labor and earns fee revenue through the Displaced Homemaker program.

Contact

For more information, contact DEED by phone at (651) 259-7114 or (800) 657-3858, by TTY at (651)296-3900 or (800) 657-3973, by email at DEED.customerservice@state.mn.us, or online at www.mnwfc.org/jobseekers.htm.

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: ADULT SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,025	1,000	1,000	1,000	2,000
Technical Adjustments					
One-time Appropriations			(195)	(195)	(390)
Forecast Base	1,025	1,000	805	805	1,610
Workforce Development					
Current Appropriation	1,625	1,625	1,625	1,625	3,250
Forecast Base	1,625	1,625	1,625	1,625	3,250
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,025	1,000	805	805	1,610
Workforce Development	1,625	1,625	1,625	1,625	3,250
Statutory Appropriations					
Miscellaneous Special Revenue	1,053	1,462	1,130	1,152	2,282
Workforce Development	27,026	29,415	29,828	31,090	60,918
Mdes Federal	62,687	73,840	74,852	75,390	150,242
Total	93,416	107,342	108,240	110,062	218,302
<u>Expenditures by Category</u>					
Total Compensation	17,162	21,254	21,679	22,112	43,791
Other Operating Expenses	15,876	15,308	15,332	15,353	30,685
Payments To Individuals	4,555	6,608	6,608	6,612	13,220
Local Assistance	55,823	64,172	64,621	65,985	130,606
Total	93,416	107,342	108,240	110,062	218,302
Full-Time Equivalent (FTE)	239.6	261.3	261.3	261.3	

Activity Description

Youth Services includes a core set of employment and training programs for economically disadvantaged and at-risk youth. Three programs (WIA Youth, Minnesota Youth Program and Youthbuild) form a critical strategy in preparing Minnesota's neediest youth to succeed in a global economy. Statutory authority comes from the federal Workforce Investment Act (WIA) and M.S. 116L.361 to 116L.366, 116L.56, and 116L.561.

Activity at a Glance

- ◆ Youth Services provides hands-on, contextualized and active training for approximately 10,000 of Minnesota's neediest youth per year.
- ◆ In SFY 2008, each state dollar invested in the Minnesota Youth Program generated a return on investment of \$3.56.

Population Served

Customers are low-income and at-risk youth who lack academic and "applied" skills considered critical for current and future workplace needs. In SFY 2008, 65% of participants were basic skills-deficient, 51% had a disability, 23% were from families receiving public assistance; and 42% were from communities of color. The neediest youth; those in foster care, juvenile offenders, and pregnant or parenting teens, are served at levels that are consistently two to three times the national average. Participants are teens from low-income families who have the least access to jobs, work experience, and work-related education — especially those that combine work and school. Cost-effective youth services reduce future costs of out-of-home placement, public assistance, and the juvenile justice system.

Services Provided

The Youth Services budget activity includes the following core programs providing employment and training opportunities for at-risk youth:

- ◆ The **Workforce Investment Act Title 1B (WIA) Youth Program** provides long-term, year-round employment and training services to economically disadvantaged youth, ages 14 to 21. Local Workforce Investment Boards/Youth Councils provide oversight to federally-funded youth programs which operate statewide. The WIA eligibility criteria targets federal dollars to economically disadvantaged youth. Participants have access to work experience in high-growth industries (including healthcare and manufacturing) along with aid in the form of tuition assistance and transportation. Emphasis is placed on career planning at the high school level and regional planning to meet employer needs.
- ◆ The **Minnesota Youth Program (MYP)** provides short-term, contextualized and active/individualized training services for at-risk youth, ages 14 to 21. Coordinated at the local level by the Workforce Investment Boards/Youth Councils, MYP eligibility criteria is more flexible (inclusive) than the WIA youth program. MYP permits stand-alone summer youth employment. MYP serves an extremely disadvantaged group of young men and women: participants have multiple challenges such as substance abuse, criminal records, mental health issues, and cognitive learning limitations, in addition to being poor. Exposure to work/careers in high school improves employment prospects and short, medium, and long-term earnings.
- ◆ The **Youthbuild (YB) Program** trains and employs young adults, ages 16 to 24, in construction, increasing their job-specific building trade skills, basic skills, employability skills, and leadership skills. Communities benefit from highly visible construction projects which expand affordable housing for needy families. Hands-on learning improves student grades, attendance, and graduation rates.

Historical Perspective

DEED's Youth Services activities support a collaborative approach to prepare youth for success in a global, demand-driven economy. Referred to by the federal partners as "The Shared Youth Vision", it means that the nation's neediest youth will acquire the talents, skills, and knowledge necessary to ensure their healthy transition to successful adult roles and responsibilities. No one agency can provide all of the services necessary to support the neediest youth. Minnesota is considered a national leader in developing and sustaining effective interagency partnerships at the state and local level to improve services to the neediest youth.

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: YOUTH PROGRAMS

Narrative

Key Activity Goals

The Youth Services activities support the following *Minnesota Milestones* goals:

- ◆ *Our children will not live in poverty;*
- ◆ *Minnesotans will excel in basic and challenging academic skills and knowledge;*
- ◆ *Our communities will be safe, friendly and caring;*
- ◆ *All people will be welcomed, respected and able to participate fully in Minnesota's communities and economy;*
- ◆ *Minnesota's workforce will have the education and training to make the state a leader in the global economy;*
- ◆ *Families will provide a stable, supportive environment for their children; and*
- ◆ *Minnesota will have sustainable, strong economic growth.*

Key Activity Measures

All measures are on a state fiscal year basis.

	2006	2007	2008
Youth Diploma/Equivalent Attainment	76%	81%	84%
Youth Placement	82%	80%	82%

Activity Funding

The Youth Services activities are funded by appropriations from the general and workforce development funds and administer federal grants from the U.S. departments of Labor and Housing and Urban Development.

Contact

For more information, contact DEED by phone at (651) 259-7114 or (800) 657-3858, by TTY at (651) 296-3900 or (800) 657-3973, by email at DEED.customerservice@state.mn.us, or online at www.positivelyminnesota.com/youth.

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: YOUTH PROGRAMS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	75	75	75	75	150
Forecast Base	75	75	75	75	150
Workforce Development					
Current Appropriation	7,425	7,425	7,425	7,425	14,850
Forecast Base	7,425	7,425	7,425	7,425	14,850
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	75	75	75	75	150
Workforce Development	7,457	7,502	7,425	7,425	14,850
Statutory Appropriations					
Mdes Federal	7,635	7,747	7,732	7,736	15,468
Total	15,167	15,324	15,232	15,236	30,468
<u>Expenditures by Category</u>					
Total Compensation	461	480	506	510	1,016
Other Operating Expenses	145	191	194	197	391
Payments To Individuals	15	16	16	17	33
Local Assistance	14,546	14,637	14,516	14,512	29,028
Total	15,167	15,324	15,232	15,236	30,468
Full-Time Equivalents (FTE)	6.0	6.0	6.0	6.0	

Activity Description

The Minnesota Vocational Rehabilitation (VR) program is a comprehensive statewide program that assists persons with significant disabilities to seek, gain, and retain employment. Statutory authority is from the federal Rehabilitation Act of 1973, as amended, and M.S. 268A.

Population Served

VR program customers have severe disabilities that cause serious functional limitations in one or more areas of life. They require multiple VR services over an extended time to achieve employment goals. Nearly half of all customers receive public support at the time they apply for VR.

Services Provided

VR provides assessment, vocational evaluation, training, rehabilitation counseling, assistive technology, and job placement. These services are coordinated by 165 VR counselors located throughout the state's WorkForce Center system and delivered to program participants through a partnership of public and private providers. VR also promotes the state as a model employer of persons with disabilities by identifying and supporting internships in state agencies that provide experience in state government.

Key Activity Goals

Minnesota VR supports these *Minnesota Milestones* goals:

- ◆ *All people will be welcomed, respected and able to participate fully in Minnesota's communities and economy; and*
- ◆ *Minnesota will have sustainable, strong economic growth.*

Key Measures

Measures are based on a federal fiscal year (October – September).

	2005	2006	2007
Number of new consumers accepted for service	6,996	6,447	7,453
Number of persons completing an employment plan attaining employment status	2,219	2,523	2,502
Persons satisfied or very satisfied with their employment goals and with the services provided to achieve them	72.3%	70.7%	69.8%

Activity at a Glance

- ◆ 42% of VR customers are students with disabilities, aged 16-21, transitioning to work.
- ◆ 75% of exiting VR customers report job earnings as their primary source of support, compared with 12% of entering customers.
- ◆ Exiting customers with full-time employment earn an average hourly wage of \$11.55, and 97% of all working VR customers earn more than minimum wage.
- ◆ Over 2,100 employers participated in the program during FFY 2007, a 30% increase since FFY 2005.

Activity Funding

This activity is funded by an appropriation from the general fund and a federal grant from the U.S. Department of Education. The general fund appropriation is required matching dollars for federal funding; each state dollar brings in about \$3.70 of federal funds.

Contact

For more information, contact DEED by phone at (651) 259-7114 or (800) 657-3858, by TTY at (651)296-3900 or (800) 657-3973, by email at DEED.customerservice@state.mn.us, or online at www.positivelyminnesota.com/rehab.

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: VOCATIONAL REHABILITATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	9,271	9,171	9,171	9,171	18,342
Forecast Base	9,271	9,171	9,171	9,171	18,342
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	9,271	9,171	9,171	9,171	18,342
Statutory Appropriations					
Mdes Federal	39,723	44,690	45,830	46,982	92,812
Gift	0	6	6	6	12
Total	48,994	53,867	55,007	56,159	111,166
<u>Expenditures by Category</u>					
Total Compensation	23,273	24,905	26,045	27,197	53,242
Other Operating Expenses	9,330	9,236	9,236	9,236	18,472
Payments To Individuals	14,516	17,981	17,981	17,981	35,962
Local Assistance	1,875	1,745	1,745	1,745	3,490
Total	48,994	53,867	55,007	56,159	111,166
Full-Time Equivalents (FTE)	345.7	352.2	352.2	352.2	

Activity Description

State Services for the Blind (SSB) assists blind, visually impaired, DeafBlind, and print-disabled Minnesotans to achieve vocational and personal independence. Statutory authority is from U.S. Code, Title 2, Chapter 5; Title 20, Section 107 et. seq.; Title 29, Sections 16 and 701 et. seq.; M.S. 248.01 through 248.11; and Minn. Rules 3321 and 3325.

Population Served

SSB serves Minnesotans who are blind, visually impaired, DeafBlind, and print-disabled. It also serves those businesses looking for highly skilled and qualified workers.

Services Provided

There are several key services provided by SSB:

- ◆ **Workforce Development Services** ensures customers receive the rehabilitation services necessary to prepare for, seek, gain, or retain employment. Services may include vocational assessment and counseling; training in adjustment to blindness, Braille, use of assistive technology, job seeking skills, and vocational skills; job placement assistance; and job adaptation assistance. Informed customer choice drives the services provided. Rehabilitation counselors in 11 field offices (including ten WorkForce Centers), as well as a network of private vendors across Minnesota, provide these workforce development services.
- ◆ Workforce Development Services also includes the **Business Enterprise Program (BEP)**. BEP provides appropriate training and support to blind Minnesotans so they can become self-employed in their own vending business. Specific services include training to operate small businesses and placement in self-employment franchise opportunities on federal, state, county, city, and some private property. Businesses include operating convenience shops, vending machine sites, vending machine routes, and vending machines on interstate and state highways.
- ◆ **Senior Services** assist blind, visually impaired, and DeafBlind Minnesotans age 55 and older regain or maintain their personal independence. Assistance does not focus on employment. Rather, services tackle barriers to independence resulting from vision loss. Based on individual needs, they range from Braille and other forms of communication training, to cane travel instruction, and household management skill development. Needed services are provided on a group and individual basis by SSB staff and private vendors throughout the state.
- ◆ **Assistive and Adaptive Technology Services** are provided as support to *Workforce Development Services* and *Senior Services* in delivering solutions so their customers have access to the printed word at work and in their daily lives. Solutions may include screen-reading or enlargement software, Braille output devices, and system interfaces. This section assists DEED and other entities in the review and development of accessible web-based products and also conducts research and development in new technology that will assist all customers in being productive and independent citizens.
- ◆ The **Communication Center** serves as a public library for blind, visually impaired, DeafBlind, and print-disabled Minnesotans. Through transcription and reading services, customers have access to the same print media as sighted Minnesotans. The Center lends transcribed textbooks and leisure reading books (Braille, CD, or tape), lends and repairs special radio receivers, and lends and repairs cassette players (through the Library of Congress Talking Book Program). The Center broadcasts a 24-hour radio reading service through a closed-circuit radio network (Radio Talking Book) that includes six greater Minnesota outreach sites: Duluth, Fergus Falls, Grand Rapids, Mankato, Rochester, and St. Cloud. These sites allow the Center to broadcast local news within their communities. The Center, with partial funding from the Department of Commerce's

Activity at a Glance

- ◆ More than 680 Communication Center volunteers assist in serving over 14,000 customers every year.
- ◆ Nearly 100 customers annually find paid work as a result of SSB's Workforce Development Services.
- ◆ Approximately 3,500 blind or visually impaired seniors use SSB's services each year to become more self-sufficient.
- ◆ Approximately 900,000 pages of Braille were provided in FFY 2007.

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: SERVICES FOR THE BLIND

Narrative

Telecommunication Access Minnesota (TAM) fund, provides two 24-hour audio newspaper reading services: Dial-In News (metropolitan area newspapers) and National Federation for the Blind (NFB)-Newline for the Blind (some local and over 200 national newspapers). These services are accessed using a telephone. The Center provides all of these audio, print, and digital communication services through state staff and a network of over 670 volunteers.

Historical Perspective

The demographics of vision loss have always been skewed towards the aged, and are becoming more so. In 2005, the number of Minnesotans over the age of 65 with a vision loss is estimated at 110,710. By 2020, that number is expected to increase to 160,775, a 45% increase. By 2030, it is projected to rise to 225,739, a 104% increase over the 2005 level.

Key Activity Goals

SSB services support the following *Minnesota Milestones* goals:

- ◆ *Minnesotans will excel in basic and challenging academic skills and knowledge;*
- ◆ *People in need will receive support that helps them live as independently as they can; and*
- ◆ *All people will be welcomed, respected and able to participate fully in Minnesota's communities and economy.*

Key Activity Measures

Measures are on a federal fiscal year basis (October – September).

	2005	2006	2007
Percentage of workforce development customers achieving paid employment after receiving vocational rehabilitation services	46%	42%	41%
Average hourly wage for workforce development services customers employed full-time	\$14.64	\$14.44	\$14.34
Percentage of workforce development services customers achieving an employment outcome earning at least minimum wage	98%	90%	99%

Activity Funding

SSB is funded by an appropriation from the general fund that is used to match a federal grant from the U.S. Department of Education. The activity also maintains a revolving fund in support of the Business Enterprise Program.

Contact

For more information, contact SSB by phone at (651) 642-0500 or (800) 652-9000, by TTY at (651) 296-3900 or (800) 657-3973, by e-mail at DEED.customerservice@state.mn.us, or online at www.mnssb.org.

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: SERVICES FOR THE BLIND

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	6,041	6,125	6,125	6,125	12,250
Forecast Base	6,041	6,125	6,125	6,125	12,250
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	6,041	6,125	6,125	6,125	12,250
Statutory Appropriations					
Miscellaneous Special Revenue	1,103	1,059	1,271	1,278	2,549
Mdes Federal	9,160	10,353	10,642	10,801	21,443
Gift	1,489	831	329	261	590
Total	17,793	18,368	18,367	18,465	36,832
<u>Expenditures by Category</u>					
Total Compensation	7,377	8,732	9,056	9,390	18,446
Other Operating Expenses	5,997	3,775	3,571	3,455	7,026
Payments To Individuals	4,395	5,837	5,716	5,596	11,312
Local Assistance	24	24	24	24	48
Total	17,793	18,368	18,367	18,465	36,832
Full-Time Equivalent (FTE)	114.0	115.6	115.6	115.6	

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: EXTENDED EMPLOYMENT

Narrative

Activity Description

The Extended Employment (EE) program makes it possible for persons with significant disabilities to maintain jobs and careers in the community. Statutory authority is from M. S. 268A.13 - 268A.15.

Population Served

EE customers are Minnesotans with significant disabilities that require ongoing employment services and supports to maintain or advance their employment in the community.

Services Provided

The basic EE program provides funding for supported and center-based employment of persons with severe disabilities through a statewide network of 28 community rehabilitation programs (CRPs). Supported employment provides ongoing support for persons working in the larger community in a variety of employment settings. Center-based employment provides ongoing support for persons who work in manufacturing, service, and retail enterprises operated by the CRP.

Supported employment services are also provided to persons with serious mental illness who secure employment through the innovative Coordinated Employability Projects, in collaboration with the Mental Health Division of the Department of Human Services. Similarly, supported employment services are also provided to persons who are deaf or hard of hearing through a grant to the Minnesota Employment Center for Persons who are Deaf or Hard of Hearing.

Key Activity Goals

The Extended Employment program supports these *Minnesota Milestones* goals:

- ◆ *All people will be welcomed, respected and able to participate fully in Minnesota's communities and economy and*
- ◆ *Minnesota will have sustainable, strong economic growth.*

Key Activity Measures

Measures are on a federal fiscal year basis (October – September).

		2005	2006	2007
Number of customers employed:	Serious Mental Illness	568	569	629
	Basic EE	6,042	5,901	5,819
Total number of hours worked:	Serious Mental Illness	201,900	204,398	220,976
	Basic EE	5,054,389	4,995,415	4,835,267
Total wages earned (in millions):	Serious Mental Illness	\$2.4	\$2.1	\$1.7
	Basic EE	\$26.3	\$27.6	\$28.0

Activity Funding

This activity is funded by appropriations from the general and workforce development funds.

Contact

For more information, contact DEED by phone at (651) 259-7114 or (800) 657-3858, by TTY at (651) 296-3900 or (800) 657-3973, by e-mail at DEED.customerservice@state.mn.us, or online at www.positivelyminnesota.com.

Activity at a Glance

- ◆ Over 6,400 Minnesotans work about 5.1 million paid hours every year and earn more than \$30 million in wages through Extended Employment.
- ◆ The average hourly wages in the EE-Basic program have grown at an annual rate of at least 3% through FFY 2007.

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: EXTENDED EMPLOYMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	7,427	7,430	7,430	7,430	14,860
Forecast Base	7,427	7,430	7,430	7,430	14,860
Workforce Development					
Current Appropriation	7,445	7,445	7,445	7,445	14,890
Forecast Base	7,445	7,445	7,445	7,445	14,890
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	7,343	7,946	7,430	7,430	14,860
Workforce Development	7,533	7,481	7,445	7,445	14,890
Total	14,876	15,427	14,875	14,875	29,750
<u>Expenditures by Category</u>					
Total Compensation	409	447	453	454	907
Other Operating Expenses	76	40	34	33	67
Local Assistance	14,391	14,940	14,388	14,388	28,776
Total	14,876	15,427	14,875	14,875	29,750
Full-Time Equivalents (FTE)	4.8	4.8	4.8	4.8	

Activity Description

The Independent Living (IL) program activity provides services and training that enable Minnesotans with significant disabilities to live independently in the community. Statutory authority is from the federal Rehabilitation Act of 1973, as amended, and M.S. 268A.11.

Population Served

IL customers are persons with significant disabilities who request services to help them live independently in their communities.

Services Provided

There are four core IL services:

- ◆ individual and systems advocacy;
- ◆ information and referral;
- ◆ IL skills training; and
- ◆ peer counseling. IL services maximize the independence, productivity, and empowerment of people with disabilities.

IL services are provided through:

- ◆ a grant program that supports a network of eight community-based, non-residential private, nonprofit Centers for Independent Living; and
- ◆ the state's Vocational Rehabilitation (VR) program and its 17 dedicated IL/VR counselors.

Key Activity Goals

The Independent Living program supports the *Minnesota Milestones* goal that *People in need will receive support that helps them live as independently as they can.*

Key Activity Measures

The measures are on a federal fiscal year basis (October – September).

	2005	2006	2007
Total number of persons served by IL services	4,487	5,684	5,555
Total instances of service (including duplicate customers)	24,027	21,980	22,897
Percentage of IL goals met across all customers (IL goals-set divided by IL goals-attained)	70%	65%	71%

Activity at a Glance

- ◆ Each year, Independent Living services make it possible for over 5,000 Minnesotans with significant disabilities to live independently in communities of their choice.
- ◆ Clients include more than 250 people who get assistance moving out of nursing homes or who gain independence skills that prevent costly and unnecessary institutional care.

Activity Funding

This activity is funded by an appropriation from the general fund that is used to match a federal grant from the U.S. Department of Education.

Contact

For more information, contact DEED by phone at (651) 259-7114 or (800) 657-3858, by TTY at (651) 296-3900 or (800) 657-3973, by e-mail at DEED.customerservice@state.mn.us, or online at www.positivelyminnesota.com/rehab.

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: INDEPENDENT LIVING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	2,440	2,440	2,440	2,440	4,880
Forecast Base	2,440	2,440	2,440	2,440	4,880
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,440	2,440	2,440	2,440	4,880
Statutory Appropriations					
Mdes Federal	3,126	3,218	3,212	1,618	4,830
Total	5,566	5,658	5,652	4,058	9,710
<u>Expenditures by Category</u>					
Total Compensation	155	190	193	199	392
Other Operating Expenses	60	102	99	93	192
Payments To Individuals	113	120	120	120	240
Local Assistance	5,238	5,246	5,240	3,646	8,886
Total	5,566	5,658	5,652	4,058	9,710
Full-Time Equivalents (FTE)	2.0	3.0	3.0	3.0	

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: DISABILITY DETERMINATION

Narrative

Activity Description

Disability Determination Services (DDS) determines if Minnesota applicants meet federal criteria for disability cash benefits under the Social Security Administration's Disability Insurance or Supplemental Security Income program. Statutory authority stems from the federal Social Security Act, Section 221, 42 USC 421.

Activity at a Glance

- ◆ DDS serves about 50,000 Minnesota residents every year.

Population Served

The primary customers of DDS are Minnesota residents who file applications annually for disability benefits or are reviewed for continuing eligibility for payments.

Services Provided

In addition to providing determinations on eligibility for disability payments, DDS also provides verification information to rehabilitation agencies and resources for customers eligible for the Social Security Administration's Ticket to Work program. DDS began processing disability applications in an electronic format in 2005.

Key Activity Goals

The Disability Determination Services activity supports the *Minnesota Milestones* goal that *People in need will receive support that helps them live as independently as they can.*

Key Activity Measures

Measures are reported on a federal fiscal year basis (October – September). "Continuing disability workload completion" refers to performance relative to federal targets for completing reviews of persons already on benefits, so numbers may exceed 100%.

	2005	2006	2007
Days in decision-making	90.1	94.6	86.0
Accuracy of decisions	97.5%	95.4%	96.5
Continuing disability workload completion	99.8%	102.7%	114.4%

Activity Funding

This activity is funded by a federal grant from the U.S. Social Security Administration.

Contact

For more information, contact DEED by phone at (651) 296-2574 or (800) 937-6469, by TTY at (651) 296-3900 or (800) 657-3973, by e-mail at DEED.customerservice@state.mn.us, or online at www.positivelyminnesota.com/dds.

EMPLOYMENT & ECONOMIC DEV DPT

Program: WORKFORCE DEVELOPMENT

Activity: DISABILITY DETERMINATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Mdes Federal	21,764	23,277	23,826	24,722	48,548
Total	21,764	23,277	23,826	24,722	48,548
<u>Expenditures by Category</u>					
Total Compensation	9,520	10,835	11,284	11,737	23,021
Other Operating Expenses	5,216	5,042	5,142	5,585	10,727
Payments To Individuals	7,028	7,400	7,400	7,400	14,800
Total	21,764	23,277	23,826	24,722	48,548
Full-Time Equivalents (FTE)	149.2	151.0	151.0	151.0	

Program Description

The General Support Services (GSS) division includes the fiscal, human resources, information systems, communications, research and analysis, and leadership activities for the agency. Proper administration ensures compliance with federal and state laws and regulations, as well as more effective, efficient, and accountable programs.

Population Served

The GSS division directly supports the department's operating divisions by providing critical infrastructure support services necessary to operate programs, develop policies, and provide technical business, community and workforce assistance.

The division's services and products also serve a varied external marketplace including such customers as businesses, economic developers, students, job seekers, education and training planners, workforce development professionals, policymakers, government entities, media, and the general public.

Services Provided

- ◆ **Administrative and Financial Services** provides accounting, budgeting, financial reporting, payroll, and purchasing services. It provides general oversight to ensure compliance with state and federal laws, regulations, and guidelines for sound fiscal management. Additional responsibilities include facilities management, business continuity planning, and printing and mailroom operations.
- ◆ **Human Resources** administer the agency's personnel, labor relations, employee development, and equal opportunity systems. Included are compensation/classification, benefits, recruitment and selection, performance management, union contract bargaining and administration, workforce planning, internal/external complaint investigations, and accessibility for employees and consumers.
- ◆ **Business and Information Technology** provides centralized computer and information services support agency wide. This includes designing, acquiring, maintaining, and servicing the information resource tools and technology of the agency. It ensures agency compliance with state policies, goals, and guidelines for information technology.
- ◆ **Communications, Analysis, and Research** manages the agency's marketing and public relations activities, and provides critical support to the agency's web site and Positively Minnesota initiative. It also includes the department's business/economic development analysis, program measures and evaluation, labor market information (LMI) office, and library operations. The group adds efficiency through centralized services, maintains the independence of the evaluation and analysis functions, and develops and implements a single department-wide communications plan integrating the activities of the operating divisions.
- ◆ **Commissioner's Office**, in addition to its traditional leadership and support role, includes key accountability activities such as legislative relations and performance measurement of DEED's services.

Key Program Goals

The division provides critical infrastructure support to assist agency programs in obtaining the goals referenced elsewhere in this document.

Program at a Glance

During the past year, GSS staff provided:

- ◆ Fiscal and budgetary support for approximately \$1.5 billion expenditures (including UI benefits).
- ◆ Payroll and human resources support for about 1,600 employees.
- ◆ Completed more than 350 publications, graphic projects and other marketing materials.
- ◆ "Positively Minnesota" web site hosted nearly 2.2 million user sessions.
- ◆ Analysts respond to approximately 2,700 requests.

Key Program Measures

Measures are based on a State Fiscal Year (July – June).

	2006	2007	2008
Percentage of payments made to vendors within 30 days	98.8%	98.8%	99.2%
Percentage of job audits completed within 30 days (and total audits completed)	96% (132)	91% (143)	92% (146)
Number of pieces of mail processed (millions)	5.7	4.0	4.1
DEED web site user sessions/visits (millions)	2.3	2.1	2.2

Program Funding

The General Support Services division is funded by an appropriation from the general fund and indirect cost revenue recovered from agency programs. The division also administers a federal research grant from the U.S. Department of Labor.

Contact

For more information, contact DEED by phone at (651) 259-7114 or (800) 657-3858, by TTY at (651) 296-3900 or (800) 657-3973, by e-mail at DEED.customerservice@state.mn.us, or online at www.positivelyminnesota.com.

EMPLOYMENT & ECONOMIC DEV DPT
 Program: GENERAL SUPPORT SERVICES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	3,009	2,718	2,718	2,718	5,436
Technical Adjustments					
Pt Contract Base Reduction			(1)	(1)	(2)
Forecast Base	3,009	2,718	2,717	2,717	5,434
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,408	3,258	2,677	2,677	5,354
Statutory Appropriations					
Miscellaneous Special Revenue	11,584	12,059	12,361	12,657	25,018
Mdes Federal	1,756	1,872	1,950	2,033	3,983
Miscellaneous Agency	1,070	0	0	0	0
Total	16,818	17,189	16,988	17,367	34,355
<u>Expenditures by Category</u>					
Total Compensation	11,408	12,550	12,985	13,395	26,380
Other Operating Expenses	5,410	4,639	4,003	3,972	7,975
Total	16,818	17,189	16,988	17,367	34,355
<u>Expenditures by Activity</u>					
General Support Services	16,818	17,189	16,988	17,367	34,355
Total	16,818	17,189	16,988	17,367	34,355
Full-Time Equivalents (FTE)	138.1	147.7	147.7	147.7	

EMPLOYMENT & ECONOMIC DEV DPT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Current Law		Biennium 2010-11
			FY2010	FY2011	
<u>Non Dedicated Revenue:</u>					
Other Revenues:					
General	50	36	33	27	60
Other Sources:					
General	602	258	227	191	418
Petroleum Tank Release Cleanup	6	0	0	0	0
Taxes:					
Workforce Development	17,100	17,274	17,274	17,274	34,548
Total Non-Dedicated Receipts	17,758	17,568	17,534	17,492	35,026
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Miscellaneous Special Revenue	1,090	1,160	1,166	1,172	2,338
Grants:					
Miscellaneous Special Revenue	96	110	110	110	220
Federal	27,192	30,447	32,916	32,513	65,429
Mdes Federal	199,360	215,355	219,747	221,107	440,854
Other Revenues:					
Clean Water Revolving Fund	1	1	1	1	2
Miscellaneous Special Revenue	22,018	22,134	22,820	22,610	45,430
Workforce Development	1,855	1,250	1,250	1,250	2,500
Federal	64	2	12	12	24
Gift	1,083	843	340	303	643
Other Sources:					
Clean Water Revolving Fund	176	82	73	19	92
Miscellaneous Special Revenue	1,381	1,417	1,358	1,325	2,683
Miscellaneous Agency	1,069	0	0	0	0
Taxes:					
Miscellaneous Special Revenue	144	120	120	120	240
Workforce Development	24,743	26,560	27,233	28,549	55,782
Total Dedicated Receipts	280,272	299,481	307,146	309,091	616,237
Agency Total Revenue	298,030	317,049	324,680	326,583	651,263