

## EMPLOYMENT AND ECONOMIC DEVEL

## Agency Profile

### 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 prosperity of Minnesota individuals, businesses, and communities by supporting 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.

### At a Glance

#### **Business & Community Development – FY 2010**

- Assisted with the creation and retention of an estimated 14,500 jobs.
- Leveraged private investments of \$1.44 billion.
- Provided direct assistance and information to more than 51,000 businesses.

#### **Unemployment Insurance – CY 2009**

- \$1.7 billion in regular unemployment benefits paid to 363,000 applicants.
- An additional \$1.1 billion in benefits paid through other special federal and state benefit programs.
- Collected nearly \$900 million in taxes from 130,000 employers.

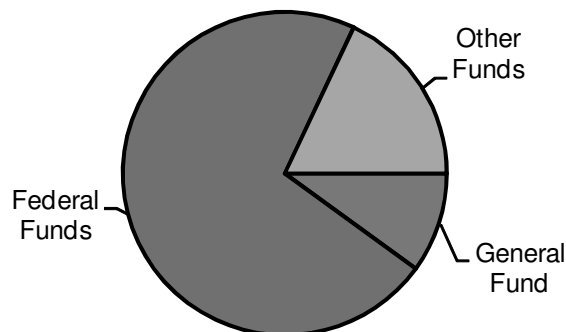
#### **Workforce Development – FY 2010**

- 135,424 job seekers used Minnesota WorkForce Centers to look for work.
- 51,762 job seekers created resumes on MinnesotaWorks and 7,709 employers posted 316,662 job openings.
- 97,258 individuals were served in eligibility based programs.

#### **General Support Services – FY 2010**

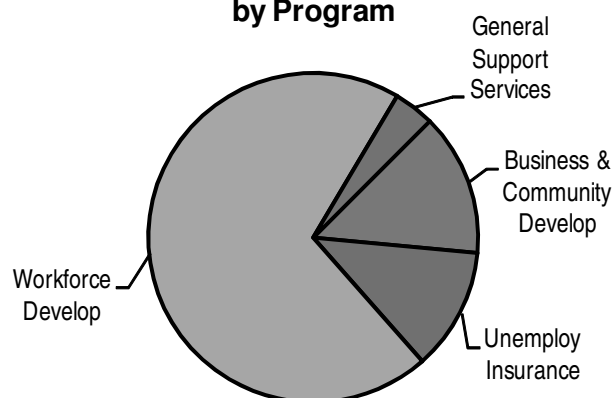
- Supported over 1,800 employees
- Administered over \$3.5 billion expenditures
- Launched a new website with 3.4 million page views

**Est. FY 2010-11 Expenditures  
by Fund**



Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 08/20/10. Excludes unemployment insurance benefit payments.

**Est. FY 2010-11 Expenditures  
by Program**



Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 08/20/10. Excludes unemployment insurance benefit payments.

### Strategies

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;

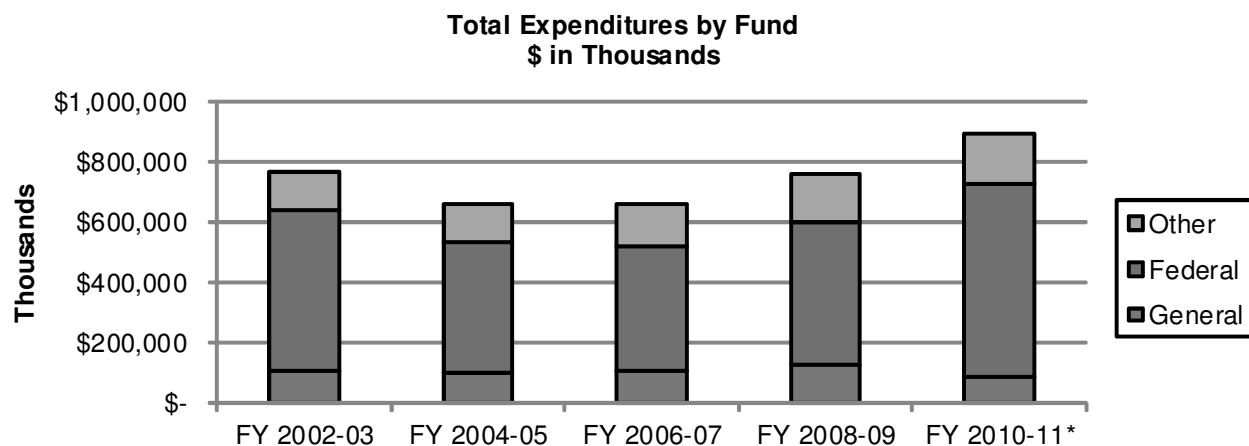
- to stabilize and stimulate the economy in times of downturn through the benefit payments administered by the Unemployment Insurance division; and
- to provide reemployment assistance to workers and support the skill acquisition of workers who need re-tooling and to provide employers with job recruitment and retention strategies.

## 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 and Community Development** programs help companies expand in or relocate to Minnesota, promote international trade, finance business expansions, and help companies find and train employees. Minnesota businesses can tap into the division's financial and technical assistance programs to help spur business growth through newer tools including Angel Tax Credits and established programs including Job Opportunity Building Zones. For community revitalization, 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.

## Budget Trends Section



\* FY 2010-11 is estimated, not actual and includes \$74 million of American Recovery & Reinvestment Act funds  
Dollars in thousands

Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 08/20/10.  
Exclude unemployment insurance benefit payments.

**External Factors Impacting DEED**

DEED has begun to see employment growth as Minnesota recovers from the recent recession. At the same time, Minnesota's workforce is aging and its growth will slow over the next 20 years. Employment growth is projected to slow to 9% between 2009 and 2019.

In the meantime, the state is continuing to shift towards a skills-based economy. National projections indicate that 70% of jobs in Minnesota will require a post-secondary degree by 2018, up from the current 40%. DEED and its partners are focused on helping match the demands of the state's employers and the skills of the workforce. Bridging this skills gap is essential to helping Minnesota-based businesses grow and individuals find jobs.

All states are positioning for business growth, and DEED and its partners ensure that Minnesota is competitive in this effort. DEED's business development strategy emphasizes help for Minnesota-based businesses so they will continue to grow in the state, assistance for entrepreneurs and new businesses, and also help for site selectors and businesses considering Minnesota as a potential location. DEED continues to work with Minnesota communities to ensure they have the proper infrastructure to support business growth.

**Contact**

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# EMPLOYMENT AND ECONOMIC DEVEL

# Agency Overview

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	38,733	48,356	48,356	48,356	96,712
<b>Forecast Base</b>	<b>38,733</b>	<b>48,356</b>	<b>37,941</b>	<b>37,941</b>	<b>75,882</b>
Change		0	(10,415)	(10,415)	(20,830)
% Biennial Change from 2010-11					-12.9%
<b>Workforce Development</b>					
Current Appropriation	16,747	16,747	16,747	16,747	33,494
<b>Forecast Base</b>	<b>16,747</b>	<b>16,747</b>	<b>16,422</b>	<b>16,422</b>	<b>32,844</b>
Change		0	(325)	(325)	(650)
% Biennial Change from 2010-11					-1.9%
<b>Remediation Fund</b>					
Current Appropriation	700	700	700	700	1,400
<b>Forecast Base</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>1,400</b>
Change		0	0	0	0
% Biennial Change from 2010-11					0%
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	42,857	53,403	37,941	37,941	75,882
Health Care Access	2	0	0	0	0
Workforce Development	16,727	17,256	16,422	16,422	32,844
Remediation Fund	700	700	700	700	1,400
<b>Statutory Appropriations</b>					
Clean Water Revolving Fund	0	50	50	50	100
Petroleum Tank Release Cleanup	2,768	11,316	6,200	0	6,200
Miscellaneous Special Revenue	30,039	37,311	27,842	27,262	55,104
Workforce Development	29,541	27,460	24,124	23,917	48,041
Federal	19,783	39,752	35,068	34,668	69,736
Federal Stimulus	58,688	19,272	5,565	1,790	7,355
Mdes Federal	244,748	257,578	254,356	256,836	511,192
Gift	545	500	179	165	344
<b>Total</b>	<b>446,398</b>	<b>464,598</b>	<b>408,447</b>	<b>399,751</b>	<b>808,198</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	122,120	129,173	125,023	127,879	252,902
Other Operating Expenses	67,966	75,119	74,681	71,676	146,357
Payments To Individuals	45,220	43,456	44,660	46,660	91,320
Local Assistance	204,777	208,726	160,873	150,406	311,279
Other Financial Transactions	6,315	8,124	3,210	3,130	6,340
<b>Total</b>	<b>446,398</b>	<b>464,598</b>	<b>408,447</b>	<b>399,751</b>	<b>808,198</b>
<b><u>Expenditures by Program</u></b>					
Business & Community Developmt	45,799	89,015	53,809	46,615	100,424
Unemployment Insurance	55,251	68,531	67,350	66,048	133,398
Workforce Development	328,396	288,870	269,326	269,448	538,774
General Support Services	16,952	18,182	17,962	17,640	35,602
<b>Total</b>	<b>446,398</b>	<b>464,598</b>	<b>408,447</b>	<b>399,751</b>	<b>808,198</b>
<b>Full-Time Equivalents (FTE)</b>	<b>1,811.6</b>	<b>1,840.1</b>	<b>1,771.8</b>	<b>1,761.6</b>	

**Program Description**

The purpose of the Business and Community Development program is to support business creation, expansion, relocation, and retention in Minnesota to increase jobs and economic opportunities.

**Budget Activities**

This program includes the following budget activities:

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

# EMPLOYMENT AND ECONOMIC DEVEL

Program: BUSINESS & COMMUNITY DEVELOPMENT

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	7,661	17,165	17,165	17,165	34,330
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			1,057	1,057	2,114
Current Law Base Change			0	0	0
One-time Appropriations			(10,640)	(10,640)	(21,280)
<b>Forecast Base</b>	<b>7,661</b>	<b>17,165</b>	<b>7,582</b>	<b>7,582</b>	<b>15,164</b>
<b>Workforce Development</b>					
Current Appropriation	339	339	339	339	678
<b>Forecast Base</b>	<b>339</b>	<b>339</b>	<b>339</b>	<b>339</b>	<b>678</b>
<b>Remediation Fund</b>					
Current Appropriation	700	700	700	700	1,400
<b>Forecast Base</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>1,400</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	8,717	19,989	7,582	7,582	15,164
Health Care Access	2	0	0	0	0
Workforce Development	265	413	339	339	678
Remediation Fund	700	700	700	700	1,400
<b>Statutory Appropriations</b>					
Clean Water Revolving Fund	0	50	50	50	100
Petroleum Tank Release Cleanup	2,768	11,316	6,200	0	6,200
Miscellaneous Special Revenue	11,416	13,314	3,836	3,256	7,092
Federal	19,783	39,752	35,068	34,668	69,736
Federal Stimulus	2,136	3,425	0	0	0
Gift	12	56	34	20	54
<b>Total</b>	<b>45,799</b>	<b>89,015</b>	<b>53,809</b>	<b>46,615</b>	<b>100,424</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	4,706	5,199	5,106	4,902	10,008
Other Operating Expenses	2,199	3,397	2,300	2,270	4,570
Local Assistance	32,579	72,295	43,193	36,313	79,506
Other Financial Transactions	6,315	8,124	3,210	3,130	6,340
<b>Total</b>	<b>45,799</b>	<b>89,015</b>	<b>53,809</b>	<b>46,615</b>	<b>100,424</b>

# EMPLOYMENT AND ECONOMIC DEVEL

Program: BUSINESS & COMMUNITY DEVELPMT

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Expenditures by Activity</u></b>					
Business Development	3,432	3,166	2,606	2,592	5,198
Entrepreneurship & Sm Bus Dev	4,540	4,471	3,917	3,517	7,434
Jobz And Business Finance	10,082	22,943	3,842	3,262	7,104
Community Finance	25,985	56,457	41,678	35,478	77,156
Minnesota Trade Office	1,760	1,978	1,766	1,766	3,532
<b>Total</b>	<b>45,799</b>	<b>89,015</b>	<b>53,809</b>	<b>46,615</b>	<b>100,424</b>
<b><i>Full-Time Equivalents (FTE)</i></b>	<b>59.2</b>	<b>58.4</b>	<b>57.4</b>	<b>54.9</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** BUSINESS & COMMUNITY DEVELOPMENT

**Activity:** BUSINESS DEVELOPMENT

Narrative

### Activity at a Glance

In CY 2009, the office

- made over 1000 direct contacts with companies to respond to concerns or encourage growth and expansion;
- worked on more than 140 projects considering Minnesota as a place to expand or relocate their business; and
- lead more than 50 economic development groups, private sector and service providers' participation in Positively Minnesota marketing events.

### 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. Chapter 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 Marketing Partnership Initiative (described below). A wide range of businesses may be served in any given year.

### 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

- project management for clients investing in Minnesota;
- regularly meeting with businesses to identify needs or issues related to operating in Minnesota;
- promoting Minnesota's business assets and advantages to generate prospect activity;
- providing information and analysis on business financing, site selection, and real estate;
- connecting businesses with training and educational resources;
- providing targeted industry expertise;
- working with Minnesota communities on developing and executing economic development projects;
- serving as a liaison with other state, local, and federal agencies; and
- assisting companies with other business development needs as requested.

Business development specialists market all DEED programs and services, special emphasis is placed on 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 other programs dedicated to making Minnesota more competitive such as the Shovel Ready Program. 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, other partners and local governments. 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 as well as engages local companies to participate and pursue business opportunities. Over the past year, the partnership coordinated events and raised more than \$300,000 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 to promote business development.



## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** BUSINESS & COMMUNITY DEVELOPMENT

**Activity:** BUSINESS DEVELOPMENT

Narrative

**Other specific business initiatives** include:

- coordinating state support for biosciences development and emerging industries, including support for the Bio Business Alliance of Minnesota and bioscience marketing;
- actively seeking out and working with site selection consultants and corporate real estate executives;
- conducting an annual Development Conference and supporting Manufacturers' Week and the economic Development Association of Minnesota;
- 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 Minnesota and DEED programs at national and statewide events such as trade shows and conferences;
- working in concert with the Trade Office to promote foreign investment into Minnesota;
- developing programs, services and materials to make Minnesota more competitive from a site location perspective such as a site and building database (MNPRO), enhanced marketing materials and tracking information on expansion and relocation activity; and
- coordinating disaster recovery activities in various regions of the state.

The office has a *renewable energy specialist*, which coordinates economic development support with other state agencies to further the renewable energy goals of the state through the Green Enterprise Assistance Office and supports "green" marketing activities, as well as a *wind energy specialist*, which coordinates economic development support and business development opportunities in the industry and promotes the development and capabilities of the supply chain.

The office also administers grants and contracts that have been awarded to organizations such as the BioBusiness Alliance of Minnesota, the City of Minneapolis, the City of Worthington and others.

### Key Activity Goals & Measures

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

Measures are based on a calendar year. Calendar year 2009 is the second year of Customer Relationship Management software that effectively tracks project performance. Business Development worked on 143 projects in 2009 which required a significant amount of staff time. There were 89 expansion projects in the state in 2009. Business Development was involved in most projects however many were not eligible for DEED programs.

Calendar Year	2008	2009
Number of business expansions assisted	39	43
Proposed number of jobs to be created	2,100	4,900
Proposed capital investment (in millions)	\$430	\$460

### 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

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TTY: (651) 296-3900 or (800) 657-3973

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Web: <http://www.positivelyminnesota.com/business>

**EMPLOYMENT AND ECONOMIC DEVEL**  
**Program: BUSINESS & COMMUNITY DEVELPMT**  
**Activity: BUSINESS DEVELOPMENT**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	1,779	1,671	1,671	1,671	3,342
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			701	701	1,402
Current Law Base Change			0	0	0
<b>Forecast Base</b>	<b>1,779</b>	<b>1,671</b>	<b>2,372</b>	<b>2,372</b>	<b>4,744</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	2,349	2,755	2,372	2,372	4,744
Health Care Access	2	0	0	0	0
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	1,069	355	200	200	400
Gift	12	56	34	20	54
<b>Total</b>	<b>3,432</b>	<b>3,166</b>	<b>2,606</b>	<b>2,592</b>	<b>5,198</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,300	1,317	1,339	1,281	2,620
Other Operating Expenses	895	1,374	792	836	1,628
Local Assistance	1,237	475	475	475	950
<b>Total</b>	<b>3,432</b>	<b>3,166</b>	<b>2,606</b>	<b>2,592</b>	<b>5,198</b>
<b>Full-Time Equivalents (FTE)</b>	<b>18.1</b>	<b>14.8</b>	<b>14.8</b>	<b>14.8</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** BUSINESS & COMMUNITY DEVELOPMENT

**Activity:** ENTREPRENEURSHIP & SM BUS DVLP

Narrative

### **Activity at a Glance**

Since 1981, the SBDC and SBAO have:

- delivered over 600,000 hours of professional business consulting to over 61,000 aspiring and existing Minnesota small businesses
- created and retained over 75,000 jobs through direct services;
- helped businesses raise over \$2.0 billion for business investment; and
- helped businesses generate nearly \$5.8 billion in new business wealth.

### **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:

1. Assist entrepreneurial and small businesses and coordinate resources.
2. Facilitate the start-up, growth and wealth creation of small businesses.
3. Offer innovative partnering and services tailored to meet the current and future needs of Minnesota's technology based economy.

Statutory authority comes from M.S. 116J.656 through 116J.85 and the U. S. Code, Title 15, Section 648.

### **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; and
- 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:

1. 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.

## EMPLOYMENT AND ECONOMIC DEVEL

**Program: BUSINESS & COMMUNITY DEVELOPMENT**

**Activity: ENTREPRENEURSHIP & SM BUS DVLP**

Narrative

2. 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
- 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.

3. 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.

### Key Activity Goals & Measures

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

Since 1981, the partnerships which comprise the MnSBDC has delivered over 600,000 hours of professional business consulting to over 61,000 aspiring and existing Minnesota small businesses.

MnSBDC Service Activity	CY 2009	10-Year (2000 – 2009)	29-Year (1981 – 2009)
Aspiring and Existing Small Business Consulted	3,155	34,845	61,191
Professional Consulting Hours Delivered	33,645	373,524	600,574

Economic Outcomes Attributed to Consultation Services Delivered	CY 2009	10-Year (2000 – 2009)	29-Year (1981 – 2009)
New Businesses Established or Acquired	101	1,299	3,203
Jobs Created or Saved	6,575	53,162	75,483
Capital Accessed for Business Investment	\$105,800,000	\$1,032,600,000	\$2,075,000,000
Increased Sales Revenues	\$323,089,000	\$3,450,056,500	\$5,790,129,000
Return-on-Investment (total tax revenues generated to program costs)	\$8.82 returned per \$1 invested	\$7.88 returned per \$1 invested	\$5.23 returned per \$1 invested

### Activity Funding

This activity is funded by an appropriation from the General Fund, federal grant from the U.S. Small Business Administration, and regional and local public and private partners.

### Contact

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**EMPLOYMENT AND ECONOMIC DEVEL**  
**Program: BUSINESS & COMMUNITY DEVELPMT**  
**Activity: ENTREPRENEURSHIP & SM BUS DEV**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	2,131	1,972	1,972	1,972	3,944
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			95	95	190
One-time Appropriations			(640)	(640)	(1,280)
<b>Forecast Base</b>	<b>2,131</b>	<b>1,972</b>	<b>1,427</b>	<b>1,427</b>	<b>2,854</b>
<b>Workforce Development</b>					
Current Appropriation	339	339	339	339	678
<b>Forecast Base</b>	<b>339</b>	<b>339</b>	<b>339</b>	<b>339</b>	<b>678</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	2,263	1,900	1,427	1,427	2,854
Workforce Development	265	413	339	339	678
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	100	0	0	0	0
Federal	1,912	2,158	2,151	1,751	3,902
<b>Total</b>	<b>4,540</b>	<b>4,471</b>	<b>3,917</b>	<b>3,517</b>	<b>7,434</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	731	660	666	678	1,344
Other Operating Expenses	337	260	256	244	500
Local Assistance	3,472	3,551	2,995	2,595	5,590
<b>Total</b>	<b>4,540</b>	<b>4,471</b>	<b>3,917</b>	<b>3,517</b>	<b>7,434</b>
<b>Full-Time Equivalents (FTE)</b>	<b>9.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program: BUSINESS & COMMUNITY DEVELPMT**

**Activity: JOBZ AND BUSINESS FINANCE**

Narrative

### **Activity at a Glance**

- The Job Opportunity Building Zones (JOBZ) is currently helping 306 businesses grow. Overall, the program has facilitated the creation of nearly 7,000 new jobs paying an average of \$16.68 per hour.
- In FY 2010, the office's loan programs provided \$8 million to help create or retain more than 840 permanent jobs and leverage nearly \$100 million in private investment.

### **Activity Description**

The JOBZ and Business Finance office offers financial assistance to local governments and businesses needed to support business development and expansion. Statewide and targeted financing helps to create high-quality jobs, leverage private investment, increase the tax base and enhance overall community vitality through improved economic opportunities.

Statutory authority comes from M.S. 116J.8737 (Small Business Investment Tax Credit – “Angel Investment” Program), 469.310-3201 (Job Opportunity Building Zones), 116J.8731 (Minnesota Investment Fund), 116M (Urban

Initiative), 41A.022-08 (Agricultural and Economic Development Program), 116J.64 (Indian Business Loans), 116J.423 (21<sup>st</sup> Century Minerals Fund), 469.1731-1735 (Border City Development Zones), 116J.8732 (SEED Capital Investment Program), and 116J.996 (Minnesota Reservist and Veteran Business Loan Program).

### **Population Served**

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

- spurring business start-ups and expansions through financial and tax incentive assistance;
- assisting growing businesses through funding when financing gaps exist;
- encouraging economic and business development in areas with challenging conditions; and
- creating additional tax base through business development.

### **Services Provided**

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

The **Angel Tax Credit** provides incentives to investors or investment funds to invest in start-up and emerging companies focused on high technology or new proprietary technology.

The **Job Opportunity Building Zone (JOBZ) Program** spurs investment in Greater Minnesota by providing tax exemptions for such taxes as corporate franchise tax, income tax, sales tax and property tax on improvements. Ten zones with 325 subzones (as well as one Agricultural Processing Facility Zone) were created in 2004. These zones remain in effect through 2015.

The **Minnesota Investment Fund (MIF)** assists local units of government to strengthen their business and economic base by providing financing for business expansion. MIF funds can be used for land or building acquisition or construction, equipment financing, or infrastructure improvements. Funds are provided through a revolving loan fund and the Community Development Block Grant (CDBG) program. Some of the CDBG funds are also being used for technical business assistance on a pilot basis to spur small business growth.

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 industrial projects, through low-interest rate loans and issuance of tax-exempt industrial revenue bonds for business expansion. The board also provides a vehicle for conduit bond financing.

## EMPLOYMENT AND ECONOMIC DEVEL

**Program: BUSINESS & COMMUNITY DEVELOPMENT**

**Activity: JOBZ AND BUSINESS FINANCE**

Narrative

**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 **21<sup>st</sup> 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.

**Border City Development Zones** and the **SEED Capital Investment Program** provide tax credits for qualifying investments and development activity in one of five border cities.

The **Minnesota Reservist and Veteran Business Loan Program** provides business loans to companies that are affected when certain employees are called to active military duty and to individual veterans who have returned from active duty and want to start their own business.

### Historical Perspective

Since 2004, this budget activity has had fewer general state loan funds available as budget limitations have limited the infusion of additional funding. In addition, recent state initiatives have shifted toward programs offering tax exemptions rather than loans.

### Key Activity Goals & Measures

Programs and services offered by the JOBZ and Business Finance Office directly support three of DEED's seven goals:

- Create and retain jobs,
- Cultivate entrepreneurs, and
- Enhance community vitality.

Key measures that illustrate how the activity is performing relative to the goals are shown below. All results are based on a state fiscal year (July-June).

Measure	2006	2007	2008	2009	2010
Number of new active JOBZ projects	58	49	29	15	8
Amount of Loan Awards (in millions)	\$8.6	\$5.9	\$6.3	\$2.8	\$8.0
Projected job creation/retention	2,682	2,768	1,375	1,373	1,116
Investment leveraged (in millions)	\$304.3	\$469.2	\$106.1	\$20.1	\$127.9

### Activity Funding

This activity is funded by an appropriation from the General Fund, federal funds and the sale of General Obligation and Industrial Revenue bonds. Several programs are revolving loan funds that provide new loans funded from the repayments of principal and interest from previous loans.

Tax exemptions offered by the Angel Investment Program, Border Cities, SEED Capital Investment and JOBZ are provided by the Department of Revenue and not included in this activity budget.

### Contact

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**EMPLOYMENT AND ECONOMIC DEVEL**  
**Program: BUSINESS & COMMUNITY DEVELPMT**  
**Activity: JOBZ AND BUSINESS FINANCE**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	482	10,524	10,524	10,524	21,048
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			62	62	124
One-time Appropriations			(10,000)	(10,000)	(20,000)
<b>Forecast Base</b>	<b>482</b>	<b>10,524</b>	<b>586</b>	<b>586</b>	<b>1,172</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	525	10,582	586	586	1,172
<b>Statutory Appropriations</b>					
Clean Water Revolving Fund	0	50	50	50	100
Miscellaneous Special Revenue	9,557	12,311	3,206	2,626	5,832
<b>Total</b>	<b>10,082</b>	<b>22,943</b>	<b>3,842</b>	<b>3,262</b>	<b>7,104</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	515	632	636	641	1,277
Other Operating Expenses	165	261	256	251	507
Local Assistance	3,190	15,500	1,500	1,000	2,500
Other Financial Transactions	6,212	6,550	1,450	1,370	2,820
<b>Total</b>	<b>10,082</b>	<b>22,943</b>	<b>3,842</b>	<b>3,262</b>	<b>7,104</b>
<b>Full-Time Equivalents (FTE)</b>	<b>6.2</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	



## EMPLOYMENT AND ECONOMIC DEVEL

**Program: BUSINESS & COMMUNITY DEVELOPMENT**

**Activity: COMMUNITY FINANCE**

Narrative

### Activity at a Glance

- Between FY 2006 and FY 2010 the office has funded 607 projects for \$216.2 million
- In FY 2010, the office provided 124 grants to communities worth \$45 million and leveraged \$91.8 million local government funds for critical infrastructure to foster business development in Greater Minnesota, cleanup of contaminated sites, redevelopment of underutilized sites, and housing and business rehabilitation projects in small cities generating \$784 million in private investments.

### **Activity Description**

The Community Finance office offers financial assistance to local areas and businesses in order to support community and business development and redevelopment. Financing activities seek to help create the infrastructure and provide developable land for the 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, and 116J.435 Bioscience

Public Infrastructure Program.

### **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 help to

- construct and renovate affordable infrastructure;
- create additional tax base through business and housing revitalization and new development;
- remove public health threats through contaminated site cleanup;
- develop infrastructure necessary for the creation and expansion of bio-science and innovative technology related businesses;
- encourage sustainable development by providing financing to clean up or redevelop sites; and
- support development of areas surrounding transit stations.

### **Services Provided**

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

**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.

**Innovative Technology/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.

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** BUSINESS & COMMUNITY DEVELPMT

**Activity:** COMMUNITY FINANCE

Narrative

The **Transit Improvement Area Loan Program** is designed to help communities energize and revitalize areas around transit improvement areas.

**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.

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 nine 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 & Measures

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.

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

	2006	2007	2008	2009	2010
Number of projects	97	104	90	145	124
Amount awarded (in millions)	\$41.8	\$55.6	\$39.6	\$52.9	\$45
Projected job creation/retention	4,709	3,218	3,488	2,614	3,011
Investment leveraged (in millions)	\$475.4	\$442.7	\$660.0	\$746.6	\$875.8

### 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

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**EMPLOYMENT AND ECONOMIC DEVEL**  
**Program: BUSINESS & COMMUNITY DEVELOPMENT**  
**Activity: COMMUNITY FINANCE**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	1,862	1,577	1,577	1,577	3,154
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			49	49	98
<b>Forecast Base</b>	<b>1,862</b>	<b>1,577</b>	<b>1,626</b>	<b>1,626</b>	<b>3,252</b>
<b>Remediation Fund</b>					
Current Appropriation	700	700	700	700	1,400
<b>Forecast Base</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>1,400</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	2,093	3,117	1,626	1,626	3,252
Remediation Fund	700	700	700	700	1,400
<b>Statutory Appropriations</b>					
Petroleum Tank Release Cleanup	2,768	11,316	6,200	0	6,200
Miscellaneous Special Revenue	417	305	235	235	470
Federal	17,871	37,594	32,917	32,917	65,834
Federal Stimulus	2,136	3,425	0	0	0
<b>Total</b>	<b>25,985</b>	<b>56,457</b>	<b>41,678</b>	<b>35,478</b>	<b>77,156</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	991	1,394	1,263	1,077	2,340
Other Operating Expenses	211	720	432	398	830
Local Assistance	24,680	52,769	38,223	32,243	70,466
Other Financial Transactions	103	1,574	1,760	1,760	3,520
<b>Total</b>	<b>25,985</b>	<b>56,457</b>	<b>41,678</b>	<b>35,478</b>	<b>77,156</b>
<b>Full-Time Equivalents (FTE)</b>	<b>12.5</b>	<b>15.0</b>	<b>14.0</b>	<b>11.5</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** BUSINESS & COMMUNITY DEVELPMT

**Activity:** MINNESOTA TRADE OFFICE

Narrative

### Activity at a Glance

- Minnesota-manufactured exports have increased by 54% since 2000, despite the worldwide economic downturn in 2009. Minnesota ranked 20<sup>th</sup> largest in value among all states, unchanged from 2007 and 2008.
- China remained the second largest export market for Minnesota, behind only Canada, and has increased by 88% since launching the Minnesota China Partnership in 2005.
- In CY 2009, the MTO assisted approximately 74 visiting foreign delegations/dignitaries, provided education services to nearly 1,000 business leaders, and responded to 1,263 requests for technical assistance from 551 companies.

### **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.

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** BUSINESS & COMMUNITY DEVELPMT

**Activity:** MINNESOTA TRADE OFFICE

Narrative

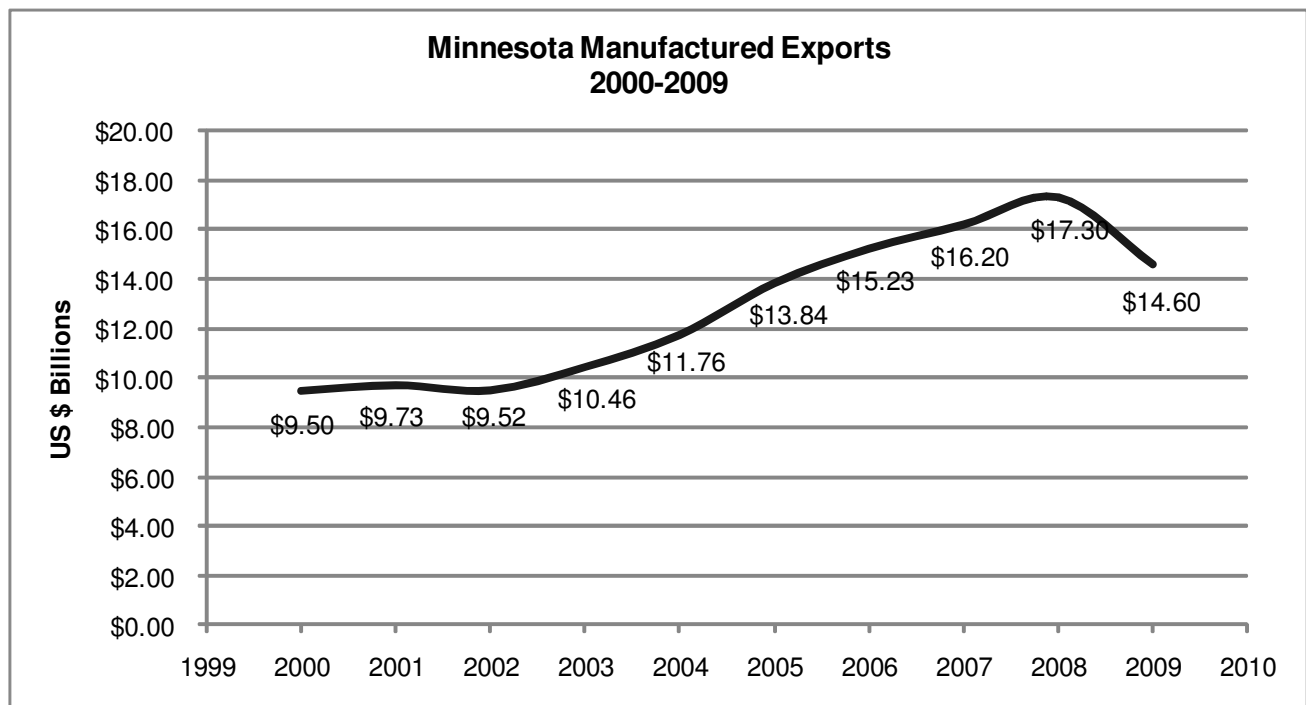
**Investment Attraction:** The MTO partners with the Business Development office and other DEED offices in attracting investment in Minnesota whenever the potential investor is from another country. The MTO assists with the cultural awareness, global connections, and international marketing aspects of DEED's investment attraction program.

### Key Activity Goals & Measures

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.

Measures are based on a calendar year. After growing significantly for the last several years, Minnesota manufactured exports declined by 15.5% in 2009 due to the worldwide economic downturn. Nevertheless, Minnesota exports outperformed the U.S. as a whole which saw total exports decline by more than 18%. From 2000 to 2009 Minnesota-manufactured exports increased 54%.



### 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

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**EMPLOYMENT AND ECONOMIC DEVEL**  
**Program: BUSINESS & COMMUNITY DEVELPMT**  
**Activity: MINNESOTA TRADE OFFICE**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	1,407	1,421	1,421	1,421	2,842
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			150	150	300
<b>Forecast Base</b>	<b>1,407</b>	<b>1,421</b>	<b>1,571</b>	<b>1,571</b>	<b>3,142</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	1,487	1,635	1,571	1,571	3,142
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	273	343	195	195	390
<b>Total</b>	<b>1,760</b>	<b>1,978</b>	<b>1,766</b>	<b>1,766</b>	<b>3,532</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,169	1,196	1,202	1,225	2,427
Other Operating Expenses	591	782	564	541	1,105
<b>Total</b>	<b>1,760</b>	<b>1,978</b>	<b>1,766</b>	<b>1,766</b>	<b>3,532</b>
<b>Full-Time Equivalents (FTE)</b>	<b>13.4</b>	<b>14.0</b>	<b>14.0</b>	<b>14.0</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

Program: UNEMPLOYMENT INSURANCE

Narrative

### Program at a Glance

- Eligible workers are paid 50% of their average weekly wage, up to the state maximum (currently \$585) for up to 26 weeks in regular state unemployment benefits.
- In CY 2009, almost \$900 million in taxes were collected from nearly 130,000 employers covered by the program.

### **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 in times 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.

### **Population Served**

In CY 2009, the Minnesota Unemployment Insurance Program paid \$2.8 billion in benefits.

- Over 363,000 new applications for regular state unemployment benefits were processed with more than \$1.7 billion paid to out-of-work Minnesotans.
- 93,000 applicants were paid \$780 million in Federal Emergency Unemployment Compensation.
- 21,000 applicants were paid \$87 million in Federal-State Extended Benefits.
- 334,000 applicants were paid \$169 million in Federal Additional Compensation.
- 8,800 applicants were paid \$25 million in Special State Emergency Compensation.

The average payment for regular state benefits was \$360 per week (maximum is \$585) for 21.2 weeks (maximum is 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 a self-service system and customer service centers located in St. Paul and St. Cloud. In CY 2009, over 1.25 million phone calls were handled by customer service staff.

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 taxes 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 2009, the UI trust fund balance was \$496 million and the year ended with a balance of -\$286 million. This is not unusual during a prolonged economic downturn. There is an automatic federal loan process to ensure the continuation of benefit payments.

Employers and applicants ordinarily access UI services via the Internet or the telephone. The online system streamlines the UI program for businesses and applicants. This system allows the UI program to process all employer tax and applicant benefit activities quickly, accurately and with fiscal integrity, resulting in lower administrative costs and faster response during economic downturns.

### **Key Program Goals & Measures**

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

Measures are reported on the state fiscal year basis (July 1 – June 30).

	2006	2007	2008	2009	2010
Timely first payment of benefits	88.0%	88.5%	86.3%	89.2%	91.1%
Appeal decisions made within 30 days	88.8%	79.3%	67.7%	87.2%	83.7%

### **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 by email at: [DEED.CustomerService@state.mn.us](mailto:DEED.CustomerService@state.mn.us)

# EMPLOYMENT AND ECONOMIC DEVEL

Program: UNEMPLOYMENT INSURANCE

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	713	1,562	7,350	7,350	14,700
Federal Stimulus	5,842	5,070	2,500	1,790	4,290
Mdes Federal	48,696	61,899	57,500	56,908	114,408
<b>Total</b>	<b>55,251</b>	<b>68,531</b>	<b>67,350</b>	<b>66,048</b>	<b>133,398</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	30,751	35,941	32,930	34,770	67,700
Other Operating Expenses	24,311	32,540	34,420	31,278	65,698
Local Assistance	189	50	0	0	0
<b>Total</b>	<b>55,251</b>	<b>68,531</b>	<b>67,350</b>	<b>66,048</b>	<b>133,398</b>
<b><u>Expenditures by Activity</u></b>					
Unemployment Insurance	55,251	68,531	67,350	66,048	133,398
<b>Total</b>	<b>55,251</b>	<b>68,531</b>	<b>67,350</b>	<b>66,048</b>	<b>133,398</b>
<b>Full-Time Equivalents (FTE)</b>	<b>533.4</b>	<b>547.2</b>	<b>507.2</b>	<b>507.2</b>	



**Program Description**

The purpose of the Workforce Development program is to support 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 AND ECONOMIC DEVEL

Program: WORKFORCE DEVELOPMENT

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	28,764	28,938	28,938	28,938	57,876
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			120	120	240
Current Law Base Change			228	228	456
<b>Forecast Base</b>	<b>28,764</b>	<b>28,938</b>	<b>29,286</b>	<b>29,286</b>	<b>58,572</b>
<b>Workforce Development</b>					
Current Appropriation	16,408	16,408	16,408	16,408	32,816
<b>Technical Adjustments</b>					
One-time Appropriations			(325)	(325)	(650)
<b>Forecast Base</b>	<b>16,408</b>	<b>16,408</b>	<b>16,083</b>	<b>16,083</b>	<b>32,166</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	33,222	32,217	29,286	29,286	58,572
Workforce Development	16,462	16,843	16,083	16,083	32,166
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	4,759	8,428	2,649	2,649	5,298
Workforce Development	29,541	27,460	24,124	23,917	48,041
Federal Stimulus	50,197	10,456	2,743	0	2,743
Mdes Federal	193,682	193,028	194,296	197,368	391,664
Gift	533	438	145	145	290
<b>Total</b>	<b>328,396</b>	<b>288,870</b>	<b>269,326</b>	<b>269,448</b>	<b>538,774</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	73,952	74,264	73,184	74,463	147,647
Other Operating Expenses	37,215	34,769	33,802	34,232	68,034
Payments To Individuals	45,220	43,456	44,660	46,660	91,320
Local Assistance	172,009	136,381	117,680	114,093	231,773
<b>Total</b>	<b>328,396</b>	<b>288,870</b>	<b>269,326</b>	<b>269,448</b>	<b>538,774</b>

# EMPLOYMENT AND ECONOMIC DEVEL

Program: WORKFORCE DEVELOPMENT

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Expenditures by Activity</u></b>					
Business Services	12,111	11,740	8,891	8,907	17,798
Adult Services	155,543	120,207	112,248	111,139	223,387
Youth Programs	36,256	30,398	22,978	21,468	44,446
Vocational Rehabilitation	58,562	56,812	54,864	54,864	109,728
Services For The Blind	18,647	19,156	17,821	17,645	35,466
Extended Employment	15,051	15,422	14,625	14,625	29,250
Independent Living	6,150	5,735	5,399	5,100	10,499
Disability Determination	26,076	29,400	32,500	35,700	68,200
<b>Total</b>	<b>328,396</b>	<b>288,870</b>	<b>269,326</b>	<b>269,448</b>	<b>538,774</b>
<b><i>Full-Time Equivalents (FTE)</i></b>	<b>1,069.1</b>	<b>1,077.7</b>	<b>1,050.4</b>	<b>1,046.7</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** BUSINESS SERVICES

Narrative

### Activity at a Glance

- Business Services Specialists will complete over 9,000 employer consultations in CY 2010 to help employers put more job seekers back to work.
- MinnesotaWorks.net, the electronic web-based labor exchange system had a monthly average of 63,514 viewable resumes and 26,382 job openings during FY 2010.
- The Minnesota Job Skills Partnership program trained nearly 10,000 workers and leveraged \$15 million in private investment during CY 2009.

### **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 provide businesses with hiring, recruitment and retention services to encourage job growth. Employers are connected to a seamless resource pipeline that includes: qualified applicants, hiring incentives, tax credits, connection to local programs, labor market information, retention strategies, and skill training for workers. Referrals to local, regional, and national resources are provided. The business services specialists are available statewide through 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 and healthcare services sectors. Two 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 employers with job seekers. Minnesota's employers 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 employers 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 employers 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.

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** BUSINESS SERVICES

Narrative

### Key Activity Goals & Measures

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.

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

	2005	2006	2007	2008	2009
Number of employer consultations per year	2,433	3,396	4,259	4,950	4,499
Total number of employers (MnW)	63,530	67,090	69,665	71,371	72,798
Percent of total UI-covered employers with MnW accounts	38.0%	39.2%	41.4%	42.4%	43.8%
Number of job orders created* (MnW) per year	NA	NA	123,564	193,609	118,280
Number of job openings created* (MnW) per year	NA	NA	351,501	399,011	241,787
Number of workers trained through MJSP per year	26,317	9,666	13,219	11,772	9,926
Amount leveraged from employers (MJSP) per year	\$35.6M	\$20.9M	\$23.9M	\$20.8M	\$15.0M

(\* Database conversion in 2007.)

### 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

Phone: (651) 259-7114 or (800) 657-3858

TTY: (651) 296-3900 or (800) 657-3973

Email: [DEED.customerservice@state.mn.us](mailto:DEED.customerservice@state.mn.us)

Web: <http://www.positivelyminnesota.com/business>

# EMPLOYMENT AND ECONOMIC DEVEL

## Program: WORKFORCE DEVELOPMENT

Activity: BUSINESS SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	3,297	4,297	4,297	4,297	8,594
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			120	120	240
<b>Forecast Base</b>	<b>3,297</b>	<b>4,297</b>	<b>4,417</b>	<b>4,417</b>	<b>8,834</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	7,767	7,006	4,417	4,417	8,834
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	0	291	0	0	0
Mdes Federal	4,344	4,443	4,474	4,490	8,964
<b>Total</b>	<b>12,111</b>	<b>11,740</b>	<b>8,891</b>	<b>8,907</b>	<b>17,798</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	3,879	3,774	3,805	3,821	7,626
Other Operating Expenses	1,172	1,347	1,347	1,347	2,694
Local Assistance	7,060	6,619	3,739	3,739	7,478
<b>Total</b>	<b>12,111</b>	<b>11,740</b>	<b>8,891</b>	<b>8,907</b>	<b>17,798</b>
<b>Full-Time Equivalents (FTE)</b>	<b>53.8</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** ADULT SERVICES

Narrative

### 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 FY 2010.
- During FY 2010, over 427,000 individuals were served through Adult Services activities.
- Nearly 50% of individuals completing programs during FY 2010 were employed.

### **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.

### **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

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** ADULT SERVICES

Narrative

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.

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 & Measures

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.

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Total number of individuals served by Adult Services*	182,972	171,266	284,019	347,937	427,417
Total number of individuals exiting programs	84,351	98,691	182,498	93,474	182,532
Entered employment rate of clients exited	49.7%	46.0%	56.0%	48.0%	49.2%

\*Includes individuals who access electronic labor exchange services remotely through the internet.

### Activity Funding

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

### Contact

Phone: (651) 259-7114 or (800) 657-3858

TTY: (651) 296-3900 or (800) 657-3973

Email: [DEED.customerservice@state.mn.us](mailto:DEED.customerservice@state.mn.us)

Web: <http://www.positivelyminnesota.com/jobseekers>



# EMPLOYMENT AND ECONOMIC DEVEL

## Program: WORKFORCE DEVELOPMENT

Activity: ADULT SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	750	600	600	600	1,200
<b>Forecast Base</b>	<b>750</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>1,200</b>
<b>Workforce Development</b>					
Current Appropriation	1,880	1,880	1,880	1,880	3,760
<b>Technical Adjustments</b>					
One-time Appropriations			(150)	(150)	(300)
<b>Forecast Base</b>	<b>1,880</b>	<b>1,880</b>	<b>1,730</b>	<b>1,730</b>	<b>3,460</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	750	600	600	600	1,200
Workforce Development	1,880	1,880	1,730	1,730	3,460
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	2,507	2,023	1,621	1,621	3,242
Workforce Development	29,541	27,460	24,124	23,917	48,041
Federal Stimulus	38,562	6,621	2,268	0	2,268
Mdes Federal	82,303	81,623	81,905	83,271	165,176
<b>Total</b>	<b>155,543</b>	<b>120,207</b>	<b>112,248</b>	<b>111,139</b>	<b>223,387</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	21,686	19,353	18,538	18,992	37,530
Other Operating Expenses	14,776	13,978	13,321	13,536	26,857
Payments To Individuals	12,053	9,415	9,333	9,333	18,666
Local Assistance	107,028	77,461	71,056	69,278	140,334
<b>Total</b>	<b>155,543</b>	<b>120,207</b>	<b>112,248</b>	<b>111,139</b>	<b>223,387</b>
<b>Full-Time Equivalents (FTE)</b>	<b>303.3</b>	<b>285.1</b>	<b>265.1</b>	<b>263.1</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** YOUTH PROGRAMS

Narrative

### 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 2010, 44 percent of participants had a disability, 41 percent were from families receiving public assistance; 42 percent were from communities of color, and 45 percent were foster youth and juvenile offenders.
- In SFY 2010, each state dollar invested in the Minnesota Youth Program generated a return on investment of \$3.49.

### 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.

### Population Served

Customers are low-income and at-risk youth who lack academic and "applied" skills considered critical for current and future workplace needs. 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 these core programs providing work experience and work-related educational opportunities for at-risk youth:

The **Workforce Investment Act Title 1B 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 (the WIA youth program does not). 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 budget activity supports a collaborative approach to prepare youth for success in a global, demand-driven economy. Referred to by the federal partners as "The Shared Vision for Youth" 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 AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** YOUTH PROGRAMS

Narrative

### Key Activity Goals & Measures

The Youth Services budget activity supports partnerships that help young people - the future workforce - attain the skills, knowledge, and aptitudes to become productive workers; and supports the following Minnesota Milestone 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.
- Minnesota will have sustainable, strong economic growth.

Youth Programs	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Youth Diploma/Equivalent Attainment	81%	84%	85%	88%	88%
Youth Placement	80%	82%	82%	76%	75%
Work Readiness Indicator*	N/A	79%	75%	90%	89%

\*Measure was implemented in FY 2007.

### Activity Funding

The Youth Services activities are funded by workforce development and federal funds.

### Contact

Phone: (651) 259-7114 or (800) 657-3858

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Email: [DEED.customerservice@state.mn.us](mailto:DEED.customerservice@state.mn.us)

Web: <http://www.positivelyminnesota.com/youth>

# EMPLOYMENT AND ECONOMIC DEVEL

## Program: WORKFORCE DEVELOPMENT

Activity: YOUTH PROGRAMS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<b><u>Direct Appropriations by Fund</u></b>					
<b>Workforce Development</b>					
Current Appropriation	7,108	7,108	7,108	7,108	14,216
<b>Technical Adjustments</b>					
One-time Appropriations			(100)	(100)	(200)
<b>Forecast Base</b>	<b>7,108</b>	<b>7,108</b>	<b>7,008</b>	<b>7,008</b>	<b>14,016</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workforce Development	7,080	7,163	7,008	7,008	14,016
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	1,000	5,000	0	0	0
Federal Stimulus	5,846	237	0	0	0
Mdes Federal	22,330	17,998	15,970	14,460	30,430
<b>Total</b>	<b>36,256</b>	<b>30,398</b>	<b>22,978</b>	<b>21,468</b>	<b>44,446</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,711	609	613	621	1,234
Other Operating Expenses	858	515	481	463	944
Local Assistance	33,687	29,274	21,884	20,384	42,268
<b>Total</b>	<b>36,256</b>	<b>30,398</b>	<b>22,978</b>	<b>21,468</b>	<b>44,446</b>
<b>Full-Time Equivalents (FTE)</b>	<b>8.9</b>	<b>8.7</b>	<b>8.7</b>	<b>8.7</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** VOCATIONAL REHABILITATION

Narrative

### **Activity at a Glance**

- VR operates as a federal-state partnership, with every \$1 in state funding drawing \$3.70 in federal matching funds.
- About 225,000 Minnesotans, ages 16-64, have two or more long-lasting disabilities; about 150,000 are eligible for vocational rehabilitation services.
- VR anticipates serving about 21,900 persons with significant disabilities in the current federal fiscal year.
- Exiting customers with full-time employment earn an average hourly wage of \$10.94; and 98% of all working VR customers earn more than minimum wage.

### **Activity Description**

The Vocational Rehabilitation (VR) program assists people with significant disabilities to prepare for, secure, retain, or regain employment. Statutory authority: U.S. Rehabilitation Act of 1973, as amended, and M.S. 268A.

### **Population Served**

People who have a physical or mental impairment that constitutes or results in a substantial impediment to employment, and requiring VR services to achieve their employment goals. Nearly half of VR customers receive public support at the time they apply for VR services.

### **Services Provided**

VR provides assessment, vocational evaluation, training, rehabilitation counseling, assistive technology, and job placement. Services are provided through rehabilitation counselors located throughout the state WorkForce Center

system. Services are delivered to program participants through a partnership of public and private providers.

### **Key Activity Goals & Measures**

In the current State Plan submitted to the U.S. Dept. of Education Rehabilitation Services Administration, Minnesota VR identified five strategic goals: 1) More jobs, better jobs: expanded job opportunities and improved employment outcomes for Minnesotans with disabilities; 2) Organizational vitality: a vibrant organization providing the best possible services to Minnesotans with disabilities; 3) Effective partnerships: collaborative partnerships that fully use resources to serve Minnesotans with disabilities; 4) Employer engagement: robust employer relationships and new employment opportunities for Minnesotans with disabilities; 5) Engaged councils: robust, participatory councils – the State Rehabilitation Council and as appropriate the State Independent Living Council – fulfilling their missions and statutory roles.

**Measures are based on a federal fiscal year (October 1 – September 30)**

	2005	2006	2007	2008	2009
Number of new customers accepted for service	7,843	6,822	7,450	8,997	8,493
Number of successful employment outcomes	2,219	2,523	2,502	2,620	2,389
Percentage who achieved competitive employment	96.1%	92.5%	96.3%	97.6%	96.0%
Percentage reduction in number of customers reporting public assistance as their primary source of income	37%	40%	50%	48%	43%

### **Activity Funding**

These activities are funded by an appropriation from the General Fund and a federal grant from the U.S. Department of Education. To obtain federal grant funds the state must appropriate match dollars from the general fund; every \$1.00 of state money brings in about \$3.70 in matching federal funds.

### **Contact**

Phone: (651) 259-7114 or (800) 657-3858

TTY: (651) 296-3900 or (800) 657-3973

Email: [DEED.customerservice@state.mn.us](mailto:DEED.customerservice@state.mn.us)

Web: [www.PositivelyMinnesota.com/vrs](http://www.PositivelyMinnesota.com/vrs)

# EMPLOYMENT AND ECONOMIC DEVEL

## Program: WORKFORCE DEVELOPMENT

Activity: VOCATIONAL REHABILITATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	8,950	8,950	8,950	8,950	17,900
<b>Forecast Base</b>	<b>8,950</b>	<b>8,950</b>	<b>8,950</b>	<b>8,950</b>	<b>17,900</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	8,950	8,950	8,950	8,950	17,900
<b>Statutory Appropriations</b>					
Federal Stimulus	4,154	2,102	0	0	0
Mdes Federal	45,458	45,760	45,914	45,914	91,828
<b>Total</b>	<b>58,562</b>	<b>56,812</b>	<b>54,864</b>	<b>54,864</b>	<b>109,728</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	26,712	27,919	27,630	27,750	55,380
Other Operating Expenses	9,679	8,834	8,736	8,616	17,352
Payments To Individuals	18,238	17,324	16,644	16,644	33,288
Local Assistance	3,933	2,735	1,854	1,854	3,708
<b>Total</b>	<b>58,562</b>	<b>56,812</b>	<b>54,864</b>	<b>54,864</b>	<b>109,728</b>
<b>Full-Time Equivalents (FTE)</b>	<b>396.3</b>	<b>393.2</b>	<b>389.2</b>	<b>389.2</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** SERVICES FOR THE BLIND

Narrative

### 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 averaging about \$15/hr 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 1,000,000 pages of Braille will be provided in FFY 2010.

### **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. SSB also serves those businesses looking for highly skilled and qualified workers.

### **Services Provided**

**Workforce Development Services** ensures customers receive the rehabilitation services necessary to prepare for, seek, gain, or retain employment. Examples of services are vocational assessment and counseling; adjustment to blindness training, 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 (10 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 training and support so that blind Minnesotans can become self-employed in their own vending business. Specific services are training to operate small businesses and placement in self-employment franchise opportunities on federal, state, county, city, and some private property. Businesses consist of operating convenience shops, vending machine sites, vending machine routes, and vending machines located 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 but rather tackle barriers to independence resulting from vision loss. Based on individual needs, services 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. Senior Services staff is located in 9 field office locations (8 WorkForce Centers).

**Assistive and Adaptive Technology Services** are provided as support to *Workforce Development Services* and *Senior Services* in delivering technological 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 unit 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. This unit also consults with employers who are seeking solutions for blind, visually impaired and DeafBlind employees requiring technological accommodations in the workplace.

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 and digital 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 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)-Newsline for the Blind

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** SERVICES FOR THE BLIND

Narrative

(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 680 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.

Access and assistive technology has become extremely important for successful outcomes in the Workforce Development and Senior Services units. This technology is increasingly complex, resulting in more extensive training in these technologies for blind, visually impaired, and DeafBlind Minnesotans who are working to achieve vocational and personal independence.

### Key Activity Goals & Measures

SSB services support the following *Minnesota Milestones* goals. Measures are reported on the federal fiscal year basis (October – September).

Goal: *Minnesotans will excel in basic and challenging academic skills and knowledge.* Measure: Braille material provided to K – 12 students throughout Minnesota

	2005	2006	2007	2008	2009
Braille Pages Provided	756,904	765,313	899,795	1,000,188	976,962

Goal: *People in need will receive support that helps them live as independently as they can.* Measure: Number of blind, visually impaired or DeafBlind Minnesotans who regained or maintained personal independence following services

	2005	2006	2007	2008	2009
Number Served	2,896	3,199	3,432	3,199	3,305

Goal: *All people will be welcomed, respected and able to participate fully in Minnesota's communities and economy.* Measure: Wages of blind, visually impaired, and DeafBlind Minnesotans competitively employed following services

	2005	2006	2007	2008	2009
Average Hourly Wage	\$13.38	\$14.86	\$14.07	\$13.82	\$15.24

### 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 revolving funds that support the Business Enterprise Program and Communication Center services.

### Contact

Phone: (651) 642-0500 or (800) 652-9000

TTY: (651) 296-3900 or (800) 657-3973

Email: [DEED.customerservice@state.mn.us](mailto:DEED.customerservice@state.mn.us)

Web: <http://www.positivelyminnesota.com/jobseekers>



# EMPLOYMENT AND ECONOMIC DEVEL

## Program: WORKFORCE DEVELOPMENT

Activity: SERVICES FOR THE BLIND

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	5,897	5,778	5,778	5,778	11,556
<b>Forecast Base</b>	<b>5,897</b>	<b>5,778</b>	<b>5,778</b>	<b>5,778</b>	<b>11,556</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	5,897	5,778	5,778	5,778	11,556
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	1,252	1,114	1,028	1,028	2,056
Federal Stimulus	880	890	176	0	176
Mdes Federal	10,085	10,936	10,694	10,694	21,388
Gift	533	438	145	145	290
<b>Total</b>	<b>18,647</b>	<b>19,156</b>	<b>17,821</b>	<b>17,645</b>	<b>35,466</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	7,926	9,141	8,969	9,229	18,198
Other Operating Expenses	4,889	4,418	3,389	3,153	6,542
Payments To Individuals	5,826	5,597	5,463	5,263	10,726
Local Assistance	6	0	0	0	0
<b>Total</b>	<b>18,647</b>	<b>19,156</b>	<b>17,821</b>	<b>17,645</b>	<b>35,466</b>
<b>Full-Time Equivalents (FTE)</b>	<b>122.6</b>	<b>127.7</b>	<b>124.4</b>	<b>122.7</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** EXTENDED EMPLOYMENT

Narrative

### Activity at a Glance

- Over 6,100 Minnesotans work about 4.3 million paid hours every year and earn more than 27 million dollars in wages through Extended Employment.
- The average hourly wages in the EE-Basic program have grown at an annual rate of 4% over the last four years.

### Activity Description

The Extended Employment (EE) program makes it possible for persons with significant disabilities to maintain employment 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 & Measures

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.

Measures are reported on a state fiscal year basis.

	2006	2007	2008	2009	2010
<b>Number of customers employed:</b>					
Serious Mental Illness	569	629	627	732	671
Basic EE	5,901	5,819	5,930	5,506	5,379
<b>Total number of hours worked:</b>					
Serious Mental Illness	204,398	220,976	257,899	253,472	254,555
Basic EE	4,995,415	4,835,267	4,520,834	4,250,354	4,112,947
<b>Total wages earned (in millions):</b>					
Serious Mental Illness	\$1.7	\$1.8	\$2.3	\$2.4	\$2.4
Basic EE	\$27.6	\$28.0	\$26.2	\$25.8	\$25.5

### Activity Funding

This activity is funded by appropriations from the General Fund and workforce development fund.

### Contact

Phone: (651) 259-7114 or (800) 657-3858

TTY: (651) 296-3900 or (800) 657-3973

Email: [DEED.customerservice@state.mn.us](mailto:DEED.customerservice@state.mn.us)

Web: <http://www.positivelyminnesota.com>

# EMPLOYMENT AND ECONOMIC DEVEL

## Program: WORKFORCE DEVELOPMENT

Activity: EXTENDED EMPLOYMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	7,561	7,052	7,052	7,052	14,104
<b>Technical Adjustments</b>					
Current Law Base Change			228	228	456
<b>Forecast Base</b>	<b>7,561</b>	<b>7,052</b>	<b>7,280</b>	<b>7,280</b>	<b>14,560</b>
<b>Workforce Development</b>					
Current Appropriation	7,420	7,420	7,420	7,420	14,840
<b>Technical Adjustments</b>					
One-time Appropriations			(75)	(75)	(150)
<b>Forecast Base</b>	<b>7,420</b>	<b>7,420</b>	<b>7,345</b>	<b>7,345</b>	<b>14,690</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	7,549	7,622	7,280	7,280	14,560
Workforce Development	7,502	7,800	7,345	7,345	14,690
<b>Total</b>	<b>15,051</b>	<b>15,422</b>	<b>14,625</b>	<b>14,625</b>	<b>29,250</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	381	416	429	439	868
Other Operating Expenses	70	37	36	36	72
Local Assistance	14,600	14,969	14,160	14,150	28,310
<b>Total</b>	<b>15,051</b>	<b>15,422</b>	<b>14,625</b>	<b>14,625</b>	<b>29,250</b>
<b>Full-Time Equivalents (FTE)</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** INDEPENDENT LIVING

Narrative

### **Activity at a Glance**

- Each year, Independent Living services make it possible for over 7,500 Minnesotans with significant disabilities to live independently in communities of their choice.
- Clients include more than 500 people who get assistance moving out of nursing homes or who gain independence skills that prevent costly and unnecessary institutional care

### **Activity Description**

The Independent Living (IL) 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:

1. Individual and systems advocacy
2. Information and referral
3. IL skills training and
4. 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 & Measures**

The Independent Living program supports the goal that Minnesotan's with disabilities will receive a comprehensive range of independent living services which empowers persons with disabilities to live as independently as possible.

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

	2005	2006	2007	2008	2009
Total number of persons served by IL services	4,487	5,684	5,555	6,847	7,655
Total instances of service (including duplicate customers)	24,027	21,980	22,897	31,095	45,420
Percentage of IL goals met across all customers (IL goals-set divided by IL goals-attained)	70%	65%	71%	65%	65%

### **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**

Phone: (651) 259-7114 or (800) 657-3858  
TTY: (651) 296-3900 or (800) 657-3973  
Email: [DEED.customerservice@state.mn.us](mailto:DEED.customerservice@state.mn.us)  
Web: <http://www.positivelyminnesota.com/jobseekers>

# EMPLOYMENT AND ECONOMIC DEVEL

## Program: WORKFORCE DEVELOPMENT

Activity: INDEPENDENT LIVING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	2,309	2,261	2,261	2,261	4,522
<b>Forecast Base</b>	<b>2,309</b>	<b>2,261</b>	<b>2,261</b>	<b>2,261</b>	<b>4,522</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	2,309	2,261	2,261	2,261	4,522
<b>Statutory Appropriations</b>					
Federal Stimulus	755	606	299	0	299
Mdes Federal	3,086	2,868	2,839	2,839	5,678
<b>Total</b>	<b>6,150</b>	<b>5,735</b>	<b>5,399</b>	<b>5,100</b>	<b>10,499</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	214	197	200	206	406
Other Operating Expenses	121	95	92	86	178
Payments To Individuals	120	120	120	120	240
Local Assistance	5,695	5,323	4,987	4,688	9,675
<b>Total</b>	<b>6,150</b>	<b>5,735</b>	<b>5,399</b>	<b>5,100</b>	<b>10,499</b>
<b>Full-Time Equivalents (FTE)</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

**Program:** WORKFORCE DEVELOPMENT

**Activity:** DISABILITY DETERMINATION

Narrative

### **Activity at a Glance**

- DDS serves about 60,000 Minnesota residents every year.

### **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.

### **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 & Measures**

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.

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%.

	2006	2007	2008	2009	2010*
Days in decision-making	94.6	86.0	76.3	73.2	79.6
Decisional accuracy	95.4%	96.5%	96.0%	99.1%	98.4%
Continuing disability workload completion	102.7%	114.4%	99.1%	107%	105.1%

\*FFY 2010 is estimated.

### **Activity Funding**

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

### **Contact**

Phone: (651) 259-7700 or (800) 937-6469

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Email: [DEED.customerservice@state.mn.us](mailto:DEED.customerservice@state.mn.us)

Web: <http://www.positivelyminnesota.com/dds>

# EMPLOYMENT AND ECONOMIC DEVEL

## Program: WORKFORCE DEVELOPMENT

Activity: DISABILITY DETERMINATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<b><u>Expenditures by Fund</u></b>					
Statutory Appropriations					
Mdes Federal	26,076	29,400	32,500	35,700	68,200
<b>Total</b>	<b>26,076</b>	<b>29,400</b>	<b>32,500</b>	<b>35,700</b>	<b>68,200</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	11,443	12,855	13,000	13,405	26,405
Other Operating Expenses	5,650	5,545	6,400	6,995	13,395
Payments To Individuals	8,983	11,000	13,100	15,300	28,400
<b>Total</b>	<b>26,076</b>	<b>29,400</b>	<b>32,500</b>	<b>35,700</b>	<b>68,200</b>
<b>Full-Time Equivalents (FTE)</b>	<b>176.2</b>	<b>205.0</b>	<b>205.0</b>	<b>205.0</b>	

## EMPLOYMENT AND ECONOMIC DEVEL

Program: GENERAL SUPPORT SERVICES

Narrative

### Program at a Glance

During FY 2010, GSS:

- Provided fiscal and budgetary support for approximately \$3.5 billion expenditures (including UI benefits).
- Provided payroll and human resources support for about 1,800 employees.
- Completed more than 400 publications, graphic projects and other marketing materials.
- Launched new "Positively Minnesota" website which had 3.4 million page views in FY 2010.
- Responded to 3,065 labor market and economic analysis requests

### 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** administers 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 & Measures

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

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



## EMPLOYMENT AND ECONOMIC DEVEL

Program: GENERAL SUPPORT SERVICES

Narrative

	2006	2007	2008	2009	2010
Percentage of payments made to vendors within 30 days	98.8%	98.8%	99.2%	98.7%	98.7%
Percentage of job audits completed within 30 days (and total audits completed)	96% (132)	91% (143)	92% (146)	99% (213)	99% (173)
Number of pieces of mail processed (millions)	5.7	4.0	4.1	7.1	6.9
DEED website page views (millions)	2.3	2.1	2.2	1.4*	3.4*

*\*In CY 2009, DEED phased out its old website and in December launched a fundamentally redesigned version. As such, there was a large decline in website page views followed by a large increase.*

### 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

Phone: (651) 259-7114 or (800) 657-3858

TTY: (651) 296-3900 or (800) 657-3973

Email: [DEED.customerservice@state.mn.us](mailto:DEED.customerservice@state.mn.us)

Web: <http://www.positivelyminnesota.com>

# EMPLOYMENT AND ECONOMIC DEVEL

Program: GENERAL SUPPORT SERVICES

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>2012-13</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	2,308	2,253	2,253	2,253	4,506
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			(1,177)	(1,177)	(2,354)
Operating Budget Reduction			(3)	(3)	(6)
<b>Forecast Base</b>	<b>2,308</b>	<b>2,253</b>	<b>1,073</b>	<b>1,073</b>	<b>2,146</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	918	1,197	1,073	1,073	2,146
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	13,151	14,007	14,007	14,007	28,014
Federal Stimulus	513	321	322	0	322
Mdes Federal	2,370	2,651	2,560	2,560	5,120
Gift	0	6	0	0	0
<b>Total</b>	<b>16,952</b>	<b>18,182</b>	<b>17,962</b>	<b>17,640</b>	<b>35,602</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	12,711	13,769	13,803	13,744	27,547
Other Operating Expenses	4,241	4,413	4,159	3,896	8,055
<b>Total</b>	<b>16,952</b>	<b>18,182</b>	<b>17,962</b>	<b>17,640</b>	<b>35,602</b>
<b><u>Expenditures by Activity</u></b>					
General Support Services	16,952	18,182	17,962	17,640	35,602
<b>Total</b>	<b>16,952</b>	<b>18,182</b>	<b>17,962</b>	<b>17,640</b>	<b>35,602</b>
<b>Full-Time Equivalents (FTE)</b>	<b>149.9</b>	<b>156.8</b>	<b>156.8</b>	<b>152.8</b>	

# EMPLOYMENT AND ECONOMIC DEVEL

# Agency Revenue Summary

*Dollars in Thousands*

	Actual FY2010	Budgeted FY2011	Current Law		Biennium 2012-13
	FY2012	FY2013			
<b><u>Non Dedicated Revenue:</u></b>					
<b>Other Revenues:</b>					
General	35	23	21	18	39
<b>Other Sources:</b>					
General	250	177	270	95	365
Petroleum Tank Release Cleanup	4	0	0	0	0
<b>Taxes:</b>					
Workforce Development	17,664	17,776	17,451	17,451	34,902
<b>Total Non-Dedicated Receipts</b>	<b>17,953</b>	<b>17,976</b>	<b>17,742</b>	<b>17,564</b>	<b>35,306</b>
<b><u>Dedicated Receipts:</u></b>					
<b>Departmental Earnings:</b>					
Miscellaneous Special Revenue	708	936	835	855	1,690
<b>Grants:</b>					
Miscellaneous Special Revenue	2,434	5,521	521	521	1,042
Federal	19,721	39,752	35,068	34,668	69,736
Federal Stimulus	58,772	18,960	5,565	1,790	7,355
Mdes Federal	243,625	254,693	254,356	256,836	511,192
<b>Other Revenues:</b>					
Clean Water Revolving Fund	1	1	1	1	2
General	18	0	0	0	0
Miscellaneous Special Revenue	22,994	23,366	23,256	23,246	46,502
Workforce Development	226	175	175	175	350
Federal	62	0	0	0	0
Gift	185	187	165	165	330
<b>Other Sources:</b>					
Clean Water Revolving Fund	73	15	10	10	20
Miscellaneous Special Revenue	1,273	1,023	1,023	991	2,014
<b>Taxes:</b>					
General	146	0	0	0	0
Miscellaneous Special Revenue	128	225	225	225	450
Workforce Development	27,825	27,325	23,949	23,742	47,691
<b>Total Dedicated Receipts</b>	<b>378,191</b>	<b>372,179</b>	<b>345,149</b>	<b>343,225</b>	<b>688,374</b>
<b>Agency Total Revenue</b>	<b>396,144</b>	<b>390,155</b>	<b>362,891</b>	<b>360,789</b>	<b>723,680</b>