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AT A GLANCE

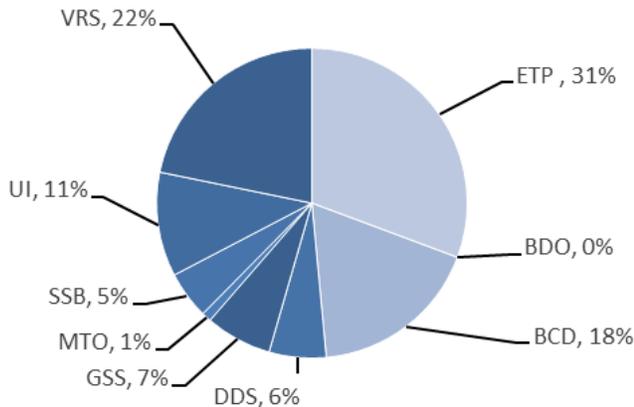
- The mission of the Department of Employment and Economic Development (DEED) is to empower the growth of the Minnesota economy, for everyone.
- DEED is the state’s principal economic development and workforce development agency.
- We work to attract, retain, and expand businesses and create jobs for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

PURPOSE

DEED’s programs provide employment and training for individuals; provide services that help individuals with disabilities achieve personal and vocational independence; promote business recruitment, expansion, and retention; promote career and business opportunities for individuals currently underrepresented in Minnesota’s economy; promote international trade; promote broadband adoption; and support community development. The agency has the following shared values: focus on the customer, communicate early and often, seek solutions, create inclusion, encourage new ideas and be gracious.

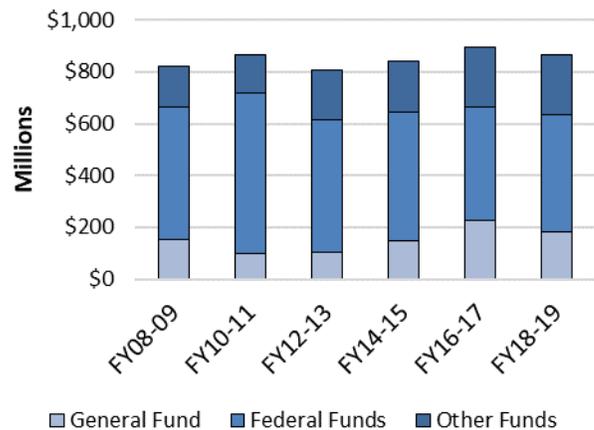
BUDGET

**Spending by Program
FY 2019 Actual**



BCD = Business and Community Development; MTO = Minnesota Trade Office; UI = Unemployment Insurance; ETP = Employment & Training Programs Division; DDS = Disability Determination Services; GSS = General Support Services; VRS = Vocational Rehabilitation Services; SSB = State Services for the Blind; BDO = Office of Broadband Development; CF = CareerForce
 Source: Budget Planning & Analysis System (BPAS)

Historical Spending



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

Source: Consolidated Fund Statement

STRATEGIES

DEED manages federal and state programs that support Minnesota's people, businesses, and communities. Across all of our programs, we set results-driven goals, drafting agency-wide objectives that we track through quarterly performance indicators. It's critical to our approach that we maximize our effectiveness by setting ambitious goals and collaborating to achieve them.

Our focus is on providing superior service, secure systems, and sustainable and equitable investments in order to combat the state's primary economic challenges: economic impacts from the COVID-19 pandemic coupled with deep economic disparities that exist for individuals with disabilities and communities of color throughout the state.

Our *Workforce Development* division works to ensure that businesses have the talent they need to be locally and globally competitive and that workers have the skills and opportunities they need for meaningful and family-sustaining employment. DEED delivers many of these services directly to Minnesotans via our CareerForce System, which includes nearly 50 CareerForce locations (formerly WorkForce Centers) as well as digital services with new ways to provide virtual assistance. We also prioritize partnerships and grants to service providers, non-profits, colleges and universities, and Adult Basic Education programs.

- *Employment and Training Programs*: Provides unemployed and underemployed Minnesotans with services such as career counseling, assessment, job seeker and placement services, education and training, and job development activities through our employment and training programs.
- *CareerForce*: Empowers the growth of the Minnesota economy for everyone by working with businesses to recruit, hire, and train the workforce they need now, and for tomorrow.
- *Governor's Workforce Development Board (GWDB)*: Has statutory responsibility under the federal Workforce Innovation and Opportunity Act (WIOA), which provides leadership on opportunities and key workforce strategies for the state.
- *Office of Economic Opportunity (OEO)*: leads internal DEED efforts and external community engagement to reduce the disparities faced by populations with barriers to employment.

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

- *Business and Community Development*: Provides new and expanding businesses with various business finance incentives, while communities can receive grants, loans, and technical assistance for redevelopment and public infrastructure. This includes the new Launch Minnesota initiative, focused on technology-based businesses.
- *Minnesota Trade Office*: Provides export assistance and training for businesses and helps foreign companies invest in Minnesota through new business startups or expansions.
- *Office of Broadband Development*: Coordinates public, private, and philanthropic efforts to increase availability, speed, connectivity and use of broadband.
- *Labor Market Information*: Develops and refines data on Minnesota's labor market and communicates that data to customers.

The *Workforce Services* division supports Minnesotans who need income and program supports due to a loss of employment or disability and works to connect those workers with employment opportunities.

- *Vocational Rehabilitation*: Assists Minnesotans with disabilities to secure and retain employment, live independently, and reduce their dependence on government supports.
- *State Services for the Blind*: Facilitates the achievement of personal and vocational independence by Minnesotans who are blind, visually impaired, or DeafBlind.
- *Unemployment Insurance*: Pays unemployment benefits to workers unemployed due to no fault of their own to ensure that they are able to support themselves and their families while they search for employment.

- *Disability Determination*: Determines if Minnesota applicants meet federal criteria for disability benefits through the Social Security Administration.

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

- *Commissioner’s Office*: Provides executive leadership through appointment by Office of the Governor of Minnesota.
- *Communications Office*: Publicizes DEED services for customers, partners, and other stakeholders while promoting Minnesota as a place to live, work, and do business.
- *Office of Diversity and Equal Opportunity*: Ensures DEED’s compliance with federal and state laws concerning discrimination, harassment, reasonable accommodation, retaliation, site and program access, and handles complaints of discrimination for any DEED employee, applicant, contractor, or customer.
- *Office of the General Counsel*: Supports DEED’s legal needs, including data requests, ethics questions, litigation, contracts, and other items.
- *Administrative and Financial Services*: Oversees all financial activities (including budgeting, payroll, procurement, continuity of operations and other functions) as well as managing all DEED facilities.
- *Human Resources*: Manages agency personnel, labor relations, and employee training and development.
- *Technical Planning*: Advises DEED on technical investments, coordinates the IT project decision process, and ensures that IT projects are set up, implemented, and maintained successfully.
- *Performance Management*: Supports agency in providing local, state, and federal reporting data, as well as leading agency efforts around continuous improvement, surveying, quantitative and qualitative data analysis, and data management.

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

Minn. Stat. § 116L (<https://www.revisor.mn.gov/statutes/?id=116L>), Minn. Stat. § 116J

(<https://www.revisor.mn.gov/statutes/?id=116J>), and Minn. Stat. § 268

(<https://www.revisor.mn.gov/statutes/?id=268A.11>) provide the legal authority for DEED.

Additional applicable ‘general agency’ statutes and laws: Government Data Practices, Minn. Stat. § 13

(<https://www.revisor.mn.gov/statutes/?id=13>), Official Records Act, Minn. Stat. § 15.17

(<https://www.revisor.mn.gov/statutes/?id=15.17>), Open Meeting Law, Minn. Stat. § 13D

(<https://www.revisor.mn.gov/statutes/?id=13d>), Records Management, Minn. Stat. § 138.17

(<https://www.revisor.mn.gov/statutes/?id=138.17>).

Federal: Workforce Investment Act, the Workforce Investment Act (Public Law 113 – 128)

<https://www.gpo.gov/fdsys/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf>, 29 U.S.C. Sec. 3101, et. seq. This is a non-state website.

Employment and Economic Development

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	91,924	90,185	114,087	154,836	110,448	117,667	168,382	114,376
2000 - Restrict Misc Special Revenue	24,928	25,849	31,007	74,916	36,059	35,882	36,059	35,882
2001 - Other Misc Special Revenue	29,231	507	26,856	23,814	858	885	958	885
2340 - Renewable Development	15,016			1,000	1,000		1,000	
2350 - Petroleum Tank Release Cleanup	4,949	8,523	4,411	12,341	6,200		6,200	
2390 - Workforce Development	63,856	57,234	55,574	95,025	62,297	64,242	67,297	69,242
2403 - Gift	237	302	293	391	380	389	380	389
2801 - Remediation	700	801	1,468	733	700	700	700	700
3000 - Federal	221,777	229,196	216,181	329,343	326,841	311,075	326,841	311,075
3010 - Coronavirus Relief			146	70,000				
4925 - Paid Family Medical Leave								23,880
Total	452,619	412,597	450,024	762,399	544,783	530,840	607,817	556,429
Biennial Change				347,207		(136,800)		(48,177)
Biennial % Change				40		(11)		(4)
Governor's Change from Base								88,623
Governor's % Change from Base								8

Expenditures by Program

Business and Community Development	89,537	74,960	96,451	205,093	99,085	96,726	100,960	97,791
Unemployment Insurance	41,189	44,191	53,813	147,573	92,207	74,272	92,207	74,272
Employment and Training Programs	103,525	104,494	91,506	163,533	134,760	134,182	134,510	133,932
CareerForce Systems	21,256	21,460	20,600	23,315	22,597	23,232	22,597	23,232
Disability Determination Services	24,089	24,689	25,143	28,325	28,790	34,304	28,790	34,304
General Support Services	27,618	29,201	29,566	36,519	32,787	32,628	33,518	33,672
Minnesota Trade Office	1,988	2,840	2,203	2,639	2,638	2,588	2,488	2,438
Vocational Rehabilitation Services	94,350	90,889	89,806	113,830	111,510	112,381	111,510	112,381
State Services for The Blind	20,322	19,287	17,037	19,847	19,761	19,865	19,761	19,865
Broadband Development	28,744	586	23,898	21,725	648	662	50,648	662
Paid Family Medical Leave							10,828	23,880
Total	452,619	412,597	450,024	762,399	544,783	530,840	607,817	556,429

Expenditures by Category

Employment and Economic Development

Agency Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Compensation	109,506	112,384	118,293	144,525	146,297	143,034	149,903	149,095
Operating Expenses	72,732	78,813	94,743	210,954	147,860	138,713	157,952	158,155
Grants, Aids and Subsidies	268,486	220,731	231,568	403,748	250,259	248,742	299,595	248,828
Capital Outlay-Real Property	28	168	358	79	82	84	82	84
Other Financial Transaction	1,867	501	5,062	3,093	285	267	285	267
Total	452,619	412,597	450,024	762,399	544,783	530,840	607,817	556,429

Total Agency Expenditures	452,619	412,597	450,024	762,399	544,783	530,840	607,817	556,429
Internal Billing Expenditures	12,633	14,773	16,377	19,206	20,486	20,233	20,686	20,306
Expenditures Less Internal Billing	439,986	397,824	433,647	743,193	524,297	510,607	587,131	536,123

<u>Full-Time Equivalents</u>	1,307.16	1,300.43	1,309.52	1,498.37	1,492.61	1,490.77	1,516.30	1,575.76
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Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	31,365	37,861	42,756	37,964	25,687	23,691	25,687	23,796
Direct Appropriation	110,724	84,479	121,287	194,737	85,038	85,038	143,077	81,812
Open Appropriation	2,687	6,288	13,493	20,977	25,803	33,151	25,803	33,151
Transfers In	3,148	1,132	3,118	1,920	646	661	646	661
Transfers Out	24,697	4,471	28,512	74,047	3,035	3,050	3,035	3,050
Net Loan Activity	(61)	(1,042)	191					
Cancellations	33	577	282	1,028				
Balance Forward Out	31,210	33,485	37,965	25,687	23,691	21,824	23,796	21,994
Expenditures	91,924	90,185	114,087	154,836	110,448	117,667	168,382	114,376
Biennial Change in Expenditures				86,814		(40,808)		13,835
Biennial % Change in Expenditures				48		(15)		5
Governor's Change from Base								54,643
Governor's % Change from Base								24
Full-Time Equivalents	96.55	107.38	107.09	110.12	110.62	109.60	133.31	123.73

2000 - Restrict Misc Special Revenue

Balance Forward In	21,810	29,432	36,164	47,800	8,572	8,136	8,572	8,136
Receipts	30,010	29,637	41,747	34,908	34,828	34,802	34,828	34,802
Internal Billing Receipts	14,431	16,418	18,609	19,330	19,330	19,330	19,330	19,330
Transfers In	1,190	2,172	3,478	1,070	1,070	1,070	1,070	1,070
Transfers Out			2,500					
Net Loan Activity	225	(561)	(81)	(290)	(275)	(300)	(275)	(300)
Balance Forward Out	28,307	34,830	47,801	8,572	8,136	7,826	8,136	7,826
Expenditures	24,928	25,849	31,007	74,916	36,059	35,882	36,059	35,882
Biennial Change in Expenditures				55,145		(33,982)		(33,982)
Biennial % Change in Expenditures				109		(32)		(32)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	130.44	125.58	119.14	129.12	131.37	132.10	131.37	132.10

2001 - Other Misc Special Revenue

Balance Forward In	45,898	51,286	63,921	39,695	49,279	51,962	49,379	51,962
Receipts	9,744	12,433	4,074	6,295	2,550	2,377	2,550	2,377

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Transfers In	24,108	771	58,291	76,420	1,750	1,750	1,750	1,750
Transfers Out	1,750		30,300	514	750	750	750	750
Net Loan Activity	(486)	(1,862)	(29,436)	(48,703)	(9)	(470)	(9)	(470)
Balance Forward Out	48,284	62,121	39,693	49,379	51,962	53,984	51,962	53,984
Expenditures	29,231	507	26,856	23,814	858	885	958	885
Biennial Change in Expenditures				20,932		(48,927)		(48,827)
Biennial % Change in Expenditures				70		(97)		(96)
Governor's Change from Base								100
Governor's % Change from Base								6
Full-Time Equivalents	5.02	4.01	4.57	7.25	6.35	6.37	7.35	6.37

2340 - Renewable Development

Balance Forward In		134			1,000		1,000	
Direct Appropriation	15,150			2,000	0	0	0	0
Cancellations		134						
Balance Forward Out	134			1,000				
Expenditures	15,016			1,000	1,000		1,000	
Biennial Change in Expenditures				(14,016)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.08							

2350 - Petroleum Tank Release Cleanup

Balance Forward In	4,635	6,133	4,352	6,141				
Direct Appropriation	6,200	6,200	6,200	6,200	6,200	0	6,200	0
Transfers In				6				
Transfers Out				6				
Balance Forward Out	5,886	3,810	6,141					
Expenditures	4,949	8,523	4,411	12,341	6,200		6,200	
Biennial Change in Expenditures				3,280		(10,552)		(10,552)
Biennial % Change in Expenditures				24		(63)		(63)
Governor's Change from Base								0

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Governor's % Change from Base								
Full-Time Equivalents	1.54	1.70	1.74	1.85	1.85	1.85	1.85	1.85

2390 - Workforce Development

Balance Forward In	1,445	2,033	1,141	1,878				
Direct Appropriation	34,985	34,034	34,837	33,037	23,237	23,237	28,237	28,237
Open Appropriation	29,107	22,825	22,140	60,110	39,060	41,005	39,060	41,005
Transfers In	17							
Transfers Out	17							
Cancellations	206	1,204	665					
Balance Forward Out	1,475	453	1,878					
Expenditures	63,856	57,234	55,574	95,025	62,297	64,242	67,297	69,242
Biennial Change in Expenditures				29,509		(24,060)		(14,060)
Biennial % Change in Expenditures				24		(16)		(9)
Governor's Change from Base								10,000
Governor's % Change from Base								8
Full-Time Equivalents	8.30	8.83	10.36	12.36	12.24	12.24	12.24	12.24

2403 - Gift

Balance Forward In	254	332	377	496	482	489	482	489
Receipts	312	343	412	377	387	392	387	392
Balance Forward Out	328	373	496	482	489	492	489	492
Expenditures	237	302	293	391	380	389	380	389
Biennial Change in Expenditures				145		85		85
Biennial % Change in Expenditures				27		12		12
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.48	1.47	1.45	1.00	1.00	1.00	1.00	1.00

2801 - Remediation

Balance Forward In	31	101	801	33				
Direct Appropriation	700	700	700	700	700	700	700	700
Balance Forward Out	31		33					

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Expenditures	700	801	1,468	733	700	700	700	700
Biennial Change in Expenditures				700		(801)		(801)
Biennial % Change in Expenditures				47		(36)		(36)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	5,063	8,412	2,469	2,041	132	165	132	165
Receipts	221,958	223,246	216,147	327,434	326,874	311,082	326,874	311,082
Transfers Out		1,070						
Net Loan Activity	(1,545)		(392)					
Balance Forward Out	3,698	1,391	2,042	132	165	172	165	172
Expenditures	221,777	229,196	216,181	329,343	326,841	311,075	326,841	311,075
Biennial Change in Expenditures				94,551		92,392		92,392
Biennial % Change in Expenditures				21		17		17
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1,063.75	1,051.46	1,065.17	1,236.67	1,229.18	1,227.61	1,229.18	1,227.61

3010 - Coronavirus Relief

Balance Forward In				60,000				
Direct Appropriation			60,149	10,000	0	0	0	0
Cancellations			3					
Balance Forward Out			60,000					
Expenditures			146	70,000				
Biennial Change in Expenditures				70,146		(70,146)		(70,146)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

4925 - Paid Family Medical Leave

Direct Appropriation								23,880
Expenditures								23,880

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Biennial Change in Expenditures				0		0		23,880
Biennial % Change in Expenditures								
Governor's Change from Base								23,880
Governor's % Change from Base								
Full-Time Equivalents								70.86

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Direct				
Fund: 1000 - General				
FY2021 Appropriations	144,737	144,737	144,737	289,474
Base Adjustments				
All Other One-Time Appropriations		(63,813)	(63,813)	(127,626)
Current Law Base Change		3,852	3,852	7,704
Transfer Between Agencies		262	262	524
Forecast Base	144,737	85,038	85,038	170,076
Change Items				
Emergency COVID-19 Support Fund	50,000			
Broadband Development		50,000		50,000
Launch Minnesota		2,500	2,500	5,000
Small Business Development Center Program Funding		500	500	1,000
Assistance to Small Businesses		3,000	3,000	6,000
Child Care Economic Development Grants		750		750
Paid Family and Medical Leave Insurance		10,828		10,828
Labor Market Information: Real Time Pandemic Recession and Recovery Data Project		125	125	250
Expanded Job Training Incentive Program		250	250	500
Extended Employment Shift to Workforce Development Fund		(5,000)	(5,000)	(10,000)
Budget Reductions		(5,520)	(5,520)	(11,040)
Operating Adjustment		606	919	1,525
Total Governor's Recommendations	194,737	143,077	81,812	224,889
Fund: 2340 - Renewable Development				
FY2021 Appropriations	2,000	2,000	2,000	4,000
Base Adjustments				
All Other One-Time Appropriations		(2,000)	(2,000)	(4,000)
Forecast Base	2,000	0	0	0
Total Governor's Recommendations	2,000	0	0	0
Fund: 2350 - Petroleum Tank Release Cleanup				
FY2021 Appropriations	6,200	6,200	6,200	12,400
Base Adjustments				
Program or Agency Sunset			(6,200)	(6,200)
Forecast Base	6,200	6,200	0	6,200
Total Governor's Recommendations	6,200	6,200	0	6,200
Fund: 2390 - Workforce Development				
FY2021 Appropriations	33,037	33,037	33,037	66,074
Base Adjustments				

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
All Other One-Time Appropriations		(9,800)	(9,800)	(19,600)
Forecast Base	33,037	23,237	23,237	46,474
Change Items				
Extended Employment Shift to Workforce Development Fund		5,000	5,000	10,000
Total Governor's Recommendations	33,037	28,237	28,237	56,474
Fund: 2801 - Remediation				
FY2021 Appropriations	700	700	700	1,400
Forecast Base	700	700	700	1,400
Total Governor's Recommendations	700	700	700	1,400
Fund: 3010 - Coronavirus Relief				
FY2021 Appropriations	10,000	10,000	10,000	20,000
Base Adjustments				
All Other One-Time Appropriations		(10,000)	(10,000)	(20,000)
Forecast Base	10,000	0	0	0
Total Governor's Recommendations	10,000	0	0	0
Fund: 4925 - Paid Family Medical Leave				
Change Items				
Paid Family and Medical Leave Insurance			23,880	23,880
Total Governor's Recommendations			23,880	23,880
Open				
Fund: 1000 - General				
FY2021 Appropriations	20,977	20,977	20,977	41,954
Base Adjustments				
November Forecast Adjustment		(7,846)	(4,349)	(12,195)
February Forecast Adjustment		12,672	16,523	29,195
Forecast Base	20,977	25,803	33,151	58,954
Total Governor's Recommendations	20,977	25,803	33,151	58,954
Fund: 2390 - Workforce Development				
FY2021 Appropriations	30,566	30,566	30,566	61,132
Base Adjustments				
Forecast Open Appropriation Adjustment	29,544	8,494	10,439	18,933
Forecast Base	60,110	39,060	41,005	80,065
Total Governor's Recommendations	60,110	39,060	41,005	80,065
Dedicated				

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	72,416	36,059	35,882	71,941
Forecast Base	72,416	36,059	35,882	71,941
Total Governor's Recommendations	72,416	36,059	35,882	71,941
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	21,914	858	885	1,743
Forecast Base	21,914	858	885	1,743
Change Items				
Emergency COVID-19 Support Fund	1,900	100		100
Total Governor's Recommendations	23,814	958	885	1,843
Fund: 2403 - Gift				
Planned Spending	391	380	389	769
Forecast Base	391	380	389	769
Total Governor's Recommendations	391	380	389	769
Fund: 3000 - Federal				
Planned Spending	329,343	326,841	311,075	637,916
Forecast Base	329,343	326,841	311,075	637,916
Total Governor's Recommendations	329,343	326,841	311,075	637,916
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	34,908	34,828	34,802	69,630
Total Governor's Recommendations	34,908	34,828	34,802	69,630
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	6,295	2,550	2,377	4,927
Total Governor's Recommendations	6,295	2,550	2,377	4,927
Fund: 2403 - Gift				
Forecast Revenues	377	387	392	779
Total Governor's Recommendations	377	387	392	779
Fund: 3000 - Federal				
Forecast Revenues	327,434	326,874	311,082	637,956
Total Governor's Recommendations	327,434	326,874	311,082	637,956

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	10			
Total Governor's Recommendations	10			
Fund: 2390 - Workforce Development				
Forecast Revenues	62,402	65,081	67,026	132,107
Total Governor's Recommendations	62,402	65,081	67,026	132,107
Fund: 4925 - Paid Family Medical Leave				
Change Items				
Paid Family and Medical Leave Insurance			446,199	446,199
Total Governor's Recommendations			446,199	446,199
Fund: 8200 - Clean Water Revolving				
Forecast Revenues	1	1	1	2
Total Governor's Recommendations	1	1	1	2

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Workforce Development Fund Realignment

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends fiscal and policy changes to the Workforce Development Fund that will realign the Workforce Development Fund to better support its core mission, refocus efforts in the General Fund, and make strategic investments to empower an economic recovery for all Minnesotans.

DEED is seeking to change the source of the programs listed below from the General Fund to the Workforce Development Fund.

Rationale/Background:

The current state funding structure for DEED's Workforce Development programs has a patchwork of General Fund and Workforce Development Fund sources. This leads to a fundamental challenge during state budget crises, as Minnesota's General Fund is most negatively impacted during recessions. To wit: just when Workforce Development programs are needed most, the state is less able to pay for them.

The Workforce Development Fund, by contrast, tends to be more resilient due to the stability of the payroll tax. This makes it a better match for funding workforce development programs. Accordingly, as part of this budget package, we propose realigning all of DEED's Workforce Development programs to be funded by the Workforce Development Fund. These programs include:

Women's Economic Security Act Grants: The Women's Economic Security Act Competitive Grant program works to increase the number of women in high-wage, high-demand, nontraditional occupations. The program prioritizes programs that encourage and assist women of color to enter high-wage, high-demand, nontraditional occupations and STEM occupations.

Pathways to Prosperity Grants: The Pathways to Prosperity (P2P) Competitive Grant programs funds programs and services designed to provide workforce development and training opportunities to economically disadvantaged adults that will help them develop increased career awareness; acquire basic skills education; participate in skills-training programs; and place into employment in high growth, high demand industries with long-term employment opportunities.

Southeast Asian Communities: The Southeast Asian Economic Disparities Relief Competitive Grant Program funds projects that work to eliminate racial disparities and the large economic gaps between white Minnesotans and Minnesotans of Southeast Asian communities.

Self Sufficiency and Job Development Grants: The Self Sufficiency and Job Development grants provide wrap-around services for individuals in workforce development and training programs to assist economically disadvantaged Minnesotans successfully complete training programs.

Youth at Work Grant Program: Youth at Work is a competitive grant program to provide workforce development activities and training to youth in Minnesota.

Capacity for Nonprofits: This direct appropriation funds the Nonprofit Infrastructure Grant Program (NIGP) aimed at supporting the missions of small, culturally led organizations by strengthening their infrastructure (aka, their Core Mission Support).

Proposal:

These programs have existed at DEED for years but are not included in the base budget. The proposed programs are competitive grant programs with awardees selected by a combination of DEED staff and community members. Grant awards vary by program but can range from \$50,000 to \$450,000. The selection panels that choose awards take care to ensure there is appropriate geographic distribution across the state for each program. Combined, these programs have served thousands of individuals with job skills and supportive services.

Workforce Development Fund programs will be divided into three categories:

- Competitive Grants – this funding will be used to implement strong workforce models which create services that include full access, case management, career readiness, hard skills development, support services, and placement. Grants fall into the following categories: Youth Program, Minnesota Family Resiliency Partnership, Pathways to Prosperity, and Bridge to Success.
- Workforce Innovation Grants – this fund will be used to try new approaches and work with organizations with no previous record of accomplishments with DEED. These programs will be designed with an equity lens.
- Workforce Supportive Services – supportive services have been identified as a key component of providing training activities. This fund will be used to provide nominal support services which should be offered adjacent to employment and training services. Areas for supportive services include bridge the digital divide, child care, capacity building and driver’s license assistance.

The above programs will fit primarily into the Competitive Grants category.

Impact on Children and Families:

These programs aim to help families achieve family-sustaining wages. Most of these programs train in job industries that are high-paying and are in long term demand. Some examples include the construction trades, commercial driver’s licenses for trucking, and health care or nursing jobs. Higher wages for families have a direct positive effect on children.

Equity and Inclusion:

These programs are targeted toward underserved communities, particularly communities of color, women, and people with disabilities. Program applications are structured to award more points to programs that intentionally serve these communities.

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Unemployment Insurance Updates

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	20,880	20,880	20,880	20,880
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	20,880	20,880	20,880	20,880
FTEs	0	0	0	0

Recommendation:

The Governor recommends changes to the state’s Unemployment Insurance (UI) program’s eligibility requirements that would make program benefits more equitable for Minnesotans. The Governor’s recommended changes would remove the section of law that makes secondary students ineligible for UI benefits and would make it easier for Minnesotans to access job training while receiving UI benefits. These changes will provide additional supports for Minnesotans and will further broaden this safety-net.

Rationale/Background:

Given the demand on the Unemployment Insurance system during the COVID-19 pandemic, it has become clear that this is an essential economic safety net program that helps families afford life’s necessities when they are unable to work. Unemployment has been experienced unevenly by Minnesotans, with communities of color more deeply affected by the economic impacts of COVID-19 and lower-wage employment has experienced more layoffs. Making changes to the program that would allow more Minnesotans to receive benefits when they are not working and that would expand the types of training programs that Minnesotans can access while receiving UI benefits will ensure that the program provides a wider safety net for more Minnesotans.

Currently, Minnesota Statute §268.085 details eligibility requirements for the UI program as well as payments that affect UI benefits. This section includes Minnesota Statute §268.085 Subd. 2 (3) which makes secondary students ineligible for UI benefits. Secondary students in Minnesota primarily work in covered employment, meaning that UI taxes are being paid on the majority of secondary student workers’ wages, but these individuals are categorically ineligible for UI benefits.

Furthermore, Minnesota Statute §268.035, Subd 21c defines when an applicant is in “reemployment assistance training.” The current list does not make clear that ESL, GED and other, basic skills training can be treated as reemployment assistance training even if other, suitable employment exists. Changing the statute to explicitly add ESL, GED and other basic skills training would support applicants with unemployment insurance while they are engaged in these types of reemployment assistance training and would further incent applicants to enroll in such training.

Proposal:

The Governor recommends two statutory changes to the state UI program that would remove the section of law that makes secondary students ineligible for UI benefits and would make it easier for Minnesotans to access job training while receiving UI benefits.

This proposal requires statutory and systems modifications to align this change with the administration of public programs. Changes to the technical systems operated by the Department of Human Services (DHS) cost \$8,000 in FY 2022-23 and \$2,000 in FY 2024-25. The Governor recommends DHS absorb the costs required to make these changes.

Impact on Children and Families:

Unemployment Insurance is a critical tool for providing income to those who have lost their job due to no fault of their own. It is a key safety net for keeping families afloat while they search for new jobs.

Equity and Inclusion:

Unemployment Insurance is accessible statewide, and the recommended changes would broaden eligibility for UI benefits for additional Minnesotans.

IT Related Proposals:

N/A

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Emergency COVID-19 Support Fund

Fiscal Impact (\$000s)	FY 2021	FY 2023	FY 2024	FY 2025
General Fund				
Transfer-Out	50,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Transfer-In	50,000	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	50,000	0	0	0
FTEs	1.0	0	0	0

Recommendation:

The Governor recommends \$50 million in FY 2021 from the General Fund to support a new Small Business COVID Support Program. This proposal would create a \$50 million small business support loan program to assist the hardest hit industries in sustaining their operations and to enable these businesses to emerge from the pandemic. Forgivable loans will be provided to a series of consumer-facing businesses and non-profits that are in the entertainment and cultural segment that have seen a significant drop in revenue as a result of the limits on these organizations and, consumer confidence.

Rationale/Background:

Consumer-facing industries have been significantly impacted as a result of COVID-19. Theaters, entertainment venues, convention centers, hotel stays, and museum visitors have all seen dramatic drops in revenue year over year. These institutions are critical to the long term and the state has historically prioritized these facilities as important to our quality of life and mental health. This proposal would help sustain and more importantly, assist these organizations in emerging from this devastating pandemic. Some background on the effect on hospitality:

- Ticket sales have fallen 83% for cultural institutions and the downward trend has only worsened as sales in August and September brought in only a third of what was earned in March and April. On top of that, reports show that income from individual giving to nonprofits have fallen by 24 percent, even as the number of gifts made has risen.
- 33% of hospitality operators indicate they will face insolvency in the next 4-6 months without further help. For restaurant and foodservice operators, the number is higher with 52% facing closure. According to the National Restaurant Association 1 in 6 restaurants have already closed;
- 40% of hotel operators (and 27% of hospitality operators broadly) are currently cutting staff. If 33% of operators are forced to go out of business in the next 4-6 months, that could translate to an estimated 100,000 jobs potentially lost in Minnesota;
- 75% of hotel and motel operators and 70% of restaurant and foodservice operators expect revenue to be significantly lower through the rest of the year compared with last year during this period;
- The American Hotel and Lodging Association projects that without further aid, 674 of Minnesota's 1,006 hotels will close, noting Minnesota has already lost 13,164 of 35,550 hotel jobs.

Aside from consumer confidence, the pandemic has dramatically impacted these sectors of the economy, either shutting down these sectors completely for a time or reducing occupancy so dramatically that it has been very difficult for these businesses to operate. These closures and occupancy reductions have had a positive impact on

public health. They have curbed the spread of COVID-19, and ensured that providers and facilities have adequate medical capacity, but not without an impact on business.

Many agencies have been at the forefront of interacting with businesses either through listening to their concerns about the regulations or communicating the intent and implementation of the regulations. We all feel the pain that business owners and our non-profits have displayed and what it means to their livelihoods. Most organizations that represent these industries have had regular dialogue with the administration since last March. Furthermore, many of the relief programs previously authorized by the state, have not been available to these segments due to size or industry restrictions.

This industry segment has been severely impacted by the pandemic and the corresponding consumer confidence. This proposal will provide much needed resources to businesses to retain operations and their staff. The department would begin work upon passage with plans to announce the opportunity by July 1st and work to disburse the funding as quickly as possible to the lenders who would then lend funds to the businesses who need this funding so desperately. This proposal aims to help sustain these businesses and organizations and help them emerge from the pandemic stronger.

Proposal:

The Governor recommends \$50 million in FY 2021 to support the new Small Business COVID Support Program. This is a new program and in addition to DEED’s regular service offerings. The funds will be used to create a new loan program that will be distributed to businesses by community partners. \$50 million is being requested for this activity to provide forgivable loans that will support our cultural and entertainment and hospitality industries that have been impacted by COVID-19 and the Governor’s executive orders. Loans will be 50% forgivable and offered at a 0% interest rate and loans will be provided based on the business size, with amounts available from \$5,000 to \$100,000. Depending on the size of the loans offered to businesses, DEED estimates this emergency loan program will provide needed resources to between 1,400 (\$36K average loan) and 1,700 (\$29K average loan) businesses.

In making awards, the Governor proposes minimum set asides for various targeted groups and categories of businesses:

- 50% of funds available for businesses based in Greater Minnesota.
- 50% of funds available for businesses based in the 7-county metro area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties).
- A minimum amount of funds would be awarded as follows:
 - \$15 million for businesses with six or fewer full-time workers
 - \$10 million for majority-owned minority businesses enterprises
 - \$3 million for operators of indoor retail and food markets with an ethnic cultural emphasis
 - The balance of funds will be awarded to hospitality businesses

DEED will work with nonprofit lending partners to execute this program. This proposal also includes \$200,000 for staff support at DEED along with up to 10% per loan for the partners to support administration of this program.

Impact on Children and Families:

Most businesses that have been affected are owned by individuals, corporations or families. Any way that you slice it, children and families have been affected as the livelihood of people is threatened. Therefore, this proposal aims to stabilize the businesses so they can continue to pay their owners and staff that in turn, will assist children and families.

Equity and Inclusion:

Many of the employees that work in this industry segment unfortunately are from communities of color. This proposal hopes to stabilize and empower the businesses to continue to operate and provide jobs to communities of color.

Statute(s):

This proposal would be included in session law.

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Broadband Development

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	50,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	50,000	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$50 million in FY 2022 for the Border-to-Border Broadband Grant program. The recommendation allows the Department of Employment and Economic Development (DEED) to reserve up to 3% of grant funds for program administration and broadband mapping.

Rationale/Background:

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

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

This funding would continue the work from the first seven years of the program, which is a competitive matching-fund grant program designed to act as a catalyst to public and private investments in broadband infrastructure in unserved and underserved areas of the state.

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

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

It is critical infrastructure needed so that our rural areas can continue to thrive. Ubiquitous high speed broadband internet access provides the platform for full adoption of telehealth applications, smart farming and precision agriculture tools to boost productivity and competitiveness of our agriculture sector, and supports modern education technologies that allow rural schools to deliver education experiences on par with their urban peers.

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

Proposal:

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

Impact on Children and Families:

Broadband has been shown to be a critical need throughout the pandemic. Adults need it to work from home and children need it to access distance learning and other online materials. It has been reported that students without access to broadband have had to sit in parking lots outside establishments where public Wi-Fi is available simply to access their coursework. Broadband access also enables telemedicine. Broadband is needed by all and will only become a greater need in the future.

Equity and Inclusion:

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

IT Related Proposals:

N/A

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Launch Minnesota

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	2,500	2,500	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,500	2,500	0	0
FTEs (Temporary)	3	3	0	0

Recommendation:

The Governor recommends \$2.5 million in FY 2022 and FY 2023 to continue funding for Launch Minnesota (LM). LM contains a series of initiatives focused on growing Minnesota’s innovation economy by accelerating the growth of our startup ecosystem and attracting top technology talent to the state. Comprised of a collection of grant programs, education and training, and a statewide network to connect and grow our startup community. LM will build on the previous efforts of the state to support and enhance our visibility and interest in the innovation ecosystem. It has and continues to bring together all the key players: founders, venture capitalists, researchers, academia, businesses (including Fortune-500s), and educators in one space. The intention was originally to separate pieces of the initiative from state government but currently the private sector does not have the capacity to take it over. Over the biennium, staff will continue to engage businesses, higher education, investors and communities to provide resources to match state investments to sustain and grow the locations and educational services available to entrepreneurs and startups beyond the biennium.

Rationale/Background:

In the last decade, America’s economy has continued its transition from manufacturing to technology and services. States and cities that create attractive environments for startups, entrepreneurs, and innovative talent are quickly distancing their economies from those who do not. The businesses of the future are the startups of today, and our established businesses need an innovation ecosystem to provide the ideas and talent to continue to be global leaders. The innovation ecosystem in Minnesota is not well defined nor is there a central organizing body or effort that coordinates or promotes the ecosystem. Our state government is behind other states in filling key market gaps necessary to accelerate growth. Because of this, Minnesota needs to significantly expand our efforts to make our state a top destination for homegrown and outside entrepreneurs to start, build, and grow businesses.

Proposal:

The Governor recommends \$5 million in FY 2022-23 to continue funding for Launch Minnesota (LM). These resources would support a series of initiatives designed to accelerate the growth of startups. Each initiative is uniquely designed to lower the risk required to fund, start, or grow a venture-backed startup in Minnesota. LM has brought these initiatives together under and acts as a touchstone for the state to support and enhance our visibility and interest in the innovation ecosystem. LM has a small central office but has built and engaged stakeholders throughout the state to offer programming and accessibility in multiple Greater Minnesota markets. These resources will support the continued funding of three FTE that support this work.

LM staff has partnered with other organizations to execute programs designed for entrepreneurs and small businesses, work with to ensure all key players in MN's startup ecosystem can take advantage of the programs designed to accelerate their growth. The proposal would allow DEED to continue to provide leadership, grant funding and forward-thinking approaches to support the innovation ecosystem in Minnesota and increase the amount of technical support available to entrepreneurs:

1) Launch Minnesota Leadership (\$1 Million, FY 2022-2023 biennium)

Funding for Launch MN would include up to three new positions – a director, a grant manager, and a staff person to manage administrative and programming needs. These positions would be responsible for overall program coordination, grants management, partnerships, board relations, outreach and promotions and hosting events and meetings for the entire ecosystem. This would be an increase of \$50,000 for administrative funding.

2) Minnesota Innovation Grants (\$3 Million, FY 2022-2023 biennium)

Launch MN would continue to award grants to eligible Minnesota startups involved in developing or producing products or services in Minnesota that will provide quality jobs for Minnesotans for the next generation. The grants are targeted to the most promising technology businesses in the early stages of development that are generally not yet able to attract adequate private sources of capital, such as commercial bank loans and angel or venture investment funding. Third party evaluations of the board assist DEED in determining funding levels and recipients. The funds require matching from non-DEED sources and may be used for business liquidity grants (up to \$35,000) and small business innovation research (SBIR) matching funds.

3) Entrepreneurship Education Grants (\$1 Million, FY 2022-23 biennium)

Launch MN would continue to competitively award grants to organizations throughout the state that can deliver best-in-class educational programming to entrepreneurs and provide outreach on the state's innovation ecosystem. Local match and involvement from LM are required. DEED staff outside of LM provide grant management/administrative support. Organizations are required to help promote entrepreneurship and assist new businesses launch, build and scale. They support activities that enhance Minnesota's innovation ecosystem such as outreach and education, mentorship, assistance for entrepreneurs seeking federal grant funding, host event and meetings to bring together key players in their area ecosystem.

Impact on Children and Families:

The entrepreneurship that LM supports would improve the lives of the next generation, with a specific focus on targeted populations and businesses.

Equity and Inclusion:

This proposal seeks to grow Minnesota's innovation economy and provides the kinds of wrap around programming and supports necessary for communities who are less able to become entrepreneurs to grow their businesses. The groups most likely to benefit from this intense programming are low-wealth and rural communities. LM provides capital, education, networks and resources that aren't always accessible to entrepreneurs facing inequities.

The LM innovation grants prioritizes entrepreneurs and founders from targeted populations: women, people of color, veterans and residents located in greater Minnesota. Our data shows we are providing over 50% of grants to targeted population, that is typically harder to secure capital for new ventures. LM is expected to grow Minnesota's economy and will spur increased technological innovation and long-term, high-wage job growth.

Statutory Change(s):

Subd. 2. Definitions.

Definition of ~~High Innovative Technology or Business:~~

~~(g) "High technology" includes aerospace, agricultural processing, renewable energy, energy efficiency and conservation, environmental engineering, food technology, cellulosic ethanol, information technology, materials science technology, nanotechnology, telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar fields-~~

(g) Innovative technology or business includes: a new novel business model or product; a derivative product incorporating new elements into an existing product; a new use for a product; a new process or method for the manufacture, use, or assessment of any product or activity, patentability and scalable. Innovative technology or business model does not include: retail, lifestyle, business service, locally based. The business is not engaged in real estate development, insurance, banking, lending, lobbying, political consulting, information technology consulting, wholesale or retail trade, leisure, hospitality, transportation, construction, ethanol production from corn, or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants

2. Innovation Grants

Subd. 5. **Application process**

(f) Grantees must provide 50% in matching funds ~~by equal expenditures~~ and grants payments must be provided on a reimbursement basis after review of submitted receipts by the department.

Subd. 6. **Innovation grants.**

~~(c) The commissioner shall provide a grant of up to \$7,500 to reimburse an entrepreneur for housing or child care expenses for the entrepreneur or their spouse or children. Each entrepreneur may receive only one grant per biennium under this paragraph.~~

(d) The commissioner shall provide a grant of up to \$35,000 (Phase 1) or \$50,000 (Phase 2) to an eligible business or entrepreneur that, as a registered client of the Small Business Innovation Research (SBIR) program, has been awarded a first time Phase 1 or a Phase 2 award pursuant to the SBIR or Small Business Technology Transfer (STTR) programs after July 1, 2019. Each business or entrepreneur may receive only one grant per biennium under this paragraph. Grants under this paragraph are not subject to the requirements of subdivision 2, paragraph (l), but do require a recommendation from the Launch Minnesota Advisory Board.

4. Education Grant

Subd. 7. **Entrepreneur education grants.**

(a) The commissioner shall make entrepreneur education grants to institutions of higher education and other organizations to provide educational programming to entrepreneurs and provide outreach to and collaboration with businesses, federal and state agencies, institutions of higher education, trade associations, and other organizations working with entrepreneurs to advance innovative, ~~high~~ technology and businesses throughout Minnesota.

(d) Grantees may use the grant funds to deliver the following services:

(1) development and delivery to ~~high~~ innovative technology businesses of industry specific or innovative product or process specific counseling on issues of business formation, market structure, market research and strategies, securing first mover advantage or overcoming barriers to entry, protecting intellectual property, and securing debt or equity capital. This counseling is to be delivered in a classroom setting or using distance media presentations;

(2) outreach and education to businesses and organizations on the small business investment tax credit program under Minnesota Statutes, section 116J.8737, the MNvest crowd-funding program under Minnesota Statutes, section 80A.461, and other state programs that support ~~high~~ innovative technology business creation especially in underserved communities;

5. ADMIN

Subd. 4. Administration

(b) To the extent possible, the space that Launch Minnesota ~~shall~~ may occupy and lease must be a private coworking facility that includes office space for staff and space for community engagement for training entrepreneurs. The space leased under this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24, subdivision 6.

(c) At least three times per month, Launch Minnesota staff shall visit with organizations in greater Minnesota that have received a grant under subdivision 7. To the extent possible, Launch Minnesota shall form partnerships with organizations located throughout the state.

Subd. 3.

Duties. Launch Minnesota shall:

(1) support innovation and initiatives designed to accelerate the growth of ~~high-~~ innovative technology and business start-ups in Minnesota;

Session Laws

Subd. 2.

Business and Community Development

- (1) 1,6500,000 each year is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;
- (2) \$45500,000 each year is for administration of Launch Minnesota and;
- (3) \$45500,000 each year is for grantee activities at Launch Minnesota

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Angel Tax Credit

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	(7,000)	0	0	0
Other Funds				
Expenditures	256	0	0	0
Revenues	187	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	7,069	0	0	0
FTEs	1	0	0	0

Recommendation:

The Governor recommends \$7 million in FY 2022 for the Angel Tax Credit program.

These funds provide a tax credit to investors or investment funds that make equity investment in early stage companies focused on high technology, new proprietary technology, or a new proprietary product, process, or service in specified fields. The program has been funded at various levels since its inception in 2010, ranging from \$10 million to \$15 million, though the program was not funded in 2018 or 2020. Other funds in this program include fees collected for processing applications and annual report filings, as well as expenditures for Department of Employment and Economic Development (DEED) program staff to certify participating businesses and administer the program.

Rationale/Background:

The Angel Tax Credit program is Minnesota’s primary economic development tool for assisting early stage businesses and is part of DEED’s commitment to fostering innovation in the state. Minnesota has earned its reputation as one of the best states for business by encouraging the growth and economic competitiveness of businesses of all sizes. As high-tech startups look outside the confines of traditional hubs like Silicon Valley, Minnesota has the opportunity to provide incentives that will encourage job growth and technical expertise in the state. The Angel Tax Credit program has resulted in over \$461 million in private investment in Minnesota startups, leveraged by the state’s issuance of \$111 million in tax credits to angel investors. The program spurs economic growth and builds on Minnesota’s existing ecosystem of high tech, high innovation companies, including the state’s clean energy technology and biotech/bioscience businesses.

The program is also an important tool for wealth creation in communities across the state. Since its inception, DEED has sought to broaden the base of individuals, communities, and businesses that benefit from the program. DEED believes it is critical that all qualifying businesses in Minnesota have access to the benefits of the program. As a result of past changes to the program, in 2019 32% of the number of businesses that received investment were in targeted groups, including businesses owned by people of color, women-owned businesses, and/or businesses in headquartered in Greater Minnesota.

Proposal:

The Governor recommends \$7 million in FY 2022 for the Angel Tax Credit Program.

Expenditures are based on actual program figures from 2019, the last year the program was in operation (the program is authorized again for 2021). The program was funded with \$10 million in credits in 2019; a decrease in

funding by \$3 million will not result in operational savings. Revenues are based on 2019 figures, reduced by 30% because with fewer credits available, there will be fewer fee-paying participants using the program.

Equity and Inclusion:

The Angel Tax Credit Program specifically targets businesses owned and managed by minorities and women and businesses located in Greater Minnesota, reserving half of the credits available for investments in these businesses to ensure that these underrepresented groups and geographic regions benefit from the program.

Results:

	2015	2016	2017	2019
Number of businesses certified	182	187	163	124
Number of businesses receiving investments	114	105	101	72
Investment made in qualifying businesses	\$70,411,833	\$58,894,095	\$44,474,766	\$39,875,431
Credits issued for these investments	\$15,542,608	\$14,723,711	\$10,723,963	\$9,774,038
Number of Greater MN businesses receiving investment	13	10	10	7
Women owned & managed businesses	10	12	11	11
Minority owned & managed businesses	13	7	5	7

Statutory Change(s):

Minnesota Statutes, Section 116J.8737

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Additional Small Business Development Center Program Funding

Fiscal Impact (\$1,000)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	500	500	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	500	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$500,000 each year in FY 2022-23 from the General Fund to support the Small Business Development Centers (SBDCs). The statewide network of SBDCs provides professional expertise and guidance that can benefit every small business owner in today's competitive and ever-changing business world. This is especially true given the devastating impact that the COVID-19 pandemic has had on small businesses in the state and worldwide. The funds will be used to increase the number of entrepreneurs and small businesses that will receive business assistance and counseling by the SBDC's, and supplement the matching requirement of our regional centers to meet the federal matching requirements. The SBDC budget is approximately \$4.5 million per year with 45% coming from the federal government, 45% from the regional network and 10% from the state. This funding would assist the regional network with the required matching fund requirement.

Rationale/Background:

Small business development support is heightened during times of recession and today is no different. Start-ups tend to increase during downturns as people consider starting a business when they are out of work. This proposal would increase the services and support that is offered to small business. Additionally, matching funds have been a challenge over the past number of years for our regional network which is largely made up of higher education institutions as hosts. Thus, we have a shortage of matching funds necessary to draw down the full amount of federal funding to support the SBDC program.

DEED, the network of supporting host institutions that make up the SBDC network and the SBDC State Advisory Board have all identified this as a risk to the program and for delivery of the services to the many clients seeking services.

These funds will provide the matching funds necessary to draw down the federal funds and support the work of the host institutions that make up the SBDC network. The funding will also allow for increased services to entrepreneurs and small businesses and allow the regional centers to increase services to more than 500 entrepreneurs and small businesses.

Proposal:

The Governor recommends \$500,000 each year in FY 2022-23 to support the SBDCs. This appropriation will add additional resources to an existing program so that additional services can be provided to Minnesotan entrepreneurs and small businesses. This request is for additional operating funds necessary to maintain and increase the agency's current level of service.

By statute [Minn. Stat. 116J.68 subd. 2(13)] DEED serves as the host institution for operation of the Minnesota Small Business Development Center (SBDC) program authorized by federal law [15.U.S.C. 648] using funds administered by the U.S. Small Business Administration (SBA). Federal funds must be matched dollar-for-dollar with non-federal funds and fifty percent of that match must be in cash. Under a cooperative agreement grant with the SBA, DEED received approximately \$2.1 million in 2020 to deliver small business counseling and assistance services throughout the state and will receive similar amounts in 2021 and 2022. DEED uses a network of nine regional centers located at 7 public and private institutions of higher education and 2 offices of the Initiative Foundation to deliver the program and those regional centers are the ones who contribute the bulk of funds to match the federal funding. The regional director at each center is responsible for raising the matching funds.

Every educational host institution has faced dramatic financial challenges and reductions in their budgets, particularly as a result of the COVID-19 pandemic. Many hosts have had to reduce funds formerly provided to the SBDC, and in greater Minnesota there are a number of host institutions struggling to find matching funds. It is critical to note that we cannot effectively deliver the SBDC program without participation of these host institutions.

This proposal allows for the appropriation of additional cash matching funds to be provided from the state to offset a portion of the match requirements of host institutions. The intent is not to fully replace the matching funds requirement but to supplement in order to provide stability to the program and more services to small business clients.

This grant program would provide each of the regional centers 22.5% of their matching requirement. Each regional center must match the federal funding 1:1. DEED would receive \$31,172 of the funding for program administration.

Grantees are selected through an RFP process conducted every 3 years. The amounts of the grants are based on the census population of the number of businesses within the region, general population and the ability of the host to provide the required matching funds.

This appropriation would allow SBDC's to focus on early stage business assistance including pre-ventures and entrepreneurs from communities of color. These are some of the most vulnerable businesses. By increasing the resource allocation, it allows DEED to address two systemic issues:

- The lack of technical assistance available to support business growth on a statewide basis and link the business planning experts to this segment
- Allow for the directors of the regional centers to concentrate more of their time on client services rather than fundraising to meet the program match requirements.

The proposed appropriation would increase the number of consulting hours available to small business clients and focus on early stage businesses - those in pre-venture and start-up phase - to ensure the appropriate technical assistance is being provided. On average, \$1,000 provides for an additional 10 hours of consulting services which means more than 500 additional entrepreneurs and small businesses will receive services.

Based on a long-term analysis of historical performance and the SBDC Strategic Plan, our current financial resources are sufficient to provide a minimum of 30,000 hours of consulting service. Those 30,000 hours will result in the following:

- 4,625 jobs created or saved (1,974 direct jobs and 4,015 indirect and induced jobs in 2019)
- 200 new businesses created (173 in 2019)
- \$100 million in small business capital infusion (\$153.5million in 2019)
- \$25 million in increased sales revenues (\$20.1 million in 2019)

- In 2019, businesses assisted by the SBDC generated additional state tax revenues of \$9 million and federal tax revenues of \$11.7 million based upon the number of jobs created and retained.
- The SBA Cooperative Agreement that awards the funds to DEED also identifies priority areas for SBDC activities— for 2021 those include outreach to rural areas and communities of color, cybersecurity, intellectual property, veterans and international trade.

This appropriation may leverage additional support from work units within DEED including the Small Business Assistance Office, the Minnesota Trade Office, the Office of Business Development and the Office of Business Finance. Outside DEED the work of the SBDC compliments other agencies including USDA, Minnesota Technology Association, Enterprise Minnesota MN Dept. of Agriculture and many Economic Development Authorities and non-profit organizations.

The effective date for putting the funds in action is July 1, 2021.

Impact on Children and Families:

The SBDC is creating an alliance with First Children’s Finance, Inc. to provide one-on-one technical consultation and funding support to new and existing child care centers and home-based child care providers. Additionally, through our relationship with higher education institutions, the cornerstone of this program is student engagement. Many students are engaged in research projects, internships and other learning opportunities to expose them to starting, growing and operating a business.

Equity and Inclusion:

The SBDC has increased its outreach to communities of color and underserved populations year after year. This appropriation will only help to increase our outreach yet again. We partner with other organizations to achieve this goal. Providing these matching funds places significantly less burden on those organizations having to contribute matching funds to participate in the SBDC program. They can focus exclusively on providing services to minority and underserved clients. In 2019, 14% of clients were from communities of color. Approximately 7% were veterans and over 60% were from rural Minnesota (outside SMSAs).

This appropriation provided a definite positive impact to the SBDC and the Minnesota residents we serve. It will help to stabilize the funding model for the SBDC for the next biennium but will also provide a path toward solving long-term sustainability.

Statute(s):

This proposal would be included in session law.

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Assistance to Small Businesses

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	3,000	3,000	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	.5	1	0	0

Recommendation:

The Governor recommends \$3 million per year in FY 2022 and FY 2023 from the General Fund to provide assistance to small businesses.

The state has a robust network of small business technical assistance providers. With additional resources, nonprofit providers will be able to provide additional technical assistance, capital and incubator spaces to small businesses particularly focused on BIPOC-owned businesses most impacted by the COVID-19 pandemic and its economic impacts.

Rationale/Background:

The COVID-19 pandemic and the public health responses needed to combat it have hit Minnesota's small businesses especially hard. According to the Federal Reserve for the Ninth District, there has been a 20% drop in small business employment in Minnesota compared to the 7-day rolling average for Jan 4-31st. At the same time, layoffs have led to the increase in business formations as recently laid off workers look to entrepreneurship as their next opportunity.

The state has a robust network of small business technical assistance providers who are well positioned to provide additional assistance to small business; providing assistance around business formation and growth as we recover from the economic impacts of the public health emergency.

Proposal:

The Governor recommends \$3 million each year in FY 2022 and FY 2023:

- \$750,000 each year in additional funding for organizations that support entrepreneurs across Minnesota to expand their outreach and technical assistance to businesses and entrepreneurs impacted by the COVID-19 pandemic. Grants would be issued via a request for proposals process. Average grant size would be \$65,000 and these additional resources are expected to fund approximately 7 additional organizations across Minnesota.
- \$1.5 million each year for nonprofit lenders to provide additional equity support to leverage other capital sources. Grants would be issued via a request for proposals process with an average grant size estimated to be \$500,000. The funds would represent equity and would not be used for loans or grants but rather fuel additional capital raise and additional lending. The grants would be repaid to the state over the period of 10 years and dollars would be split evenly between Greater Minnesota and the Twin Cities.
- \$750,000 in funding would be directed towards establishing new or expanding existing small business incubators serving minority, veteran, and women business owners that would provide new below market-

rate commercial space for early stage start-ups to launch and operate their business while providing wrap around on-site technical assistance and education services. In addition, these facility would provide shared technology, communications and production resources ranging from high-quality broadband and professional virtual presence technology, to rapid prototyping technology and professional audio-visual production technology. Funds would be used for capital and equipment cost related to launching new or expand existing incubators.

Impact on Children and Families:

This budget proposal does not directly address issues related to increasing equity and bridging the opportunity gap for children, youth, and families through improved access to resources and services within their community.

Equity and Inclusion:

This budget proposal seeks additional resources for small businesses and entrepreneurs with a focus on businesses owned by Black, Indigenous and People of Color, Women and Veterans.

IT Related Proposals:

Not applicable.

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Child Care Economic Development Grants

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	750	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	750	0	0	0
FTEs	.20	.20	.20	.20

Recommendation:

The Governor recommends \$750,000 in FY2022 for the Child Care Economic Development Grant program to provide grants to communities to increase the supply of quality child care in order to reduce regional child care shortages, support increased workforce participation, business expansion and retention and new business development.

Rationale/Background:

The agency continues to be enthusiastic about efforts to address the child care shortage. Therefore, we propose continuing funding for this program for FY22 consistent with funding levels from the last biennium.

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

Proposal:

The Governor recommends \$750,000 in FY 2022 to support the Child Care Economic Development Grant program. This program will provide grant funds to communities to implement innovative and shovel ready solutions to reduce regional child care shortages, including but not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. These investments will lower the barriers for child care providers to start new operations or expand the capacity of existing operations resulting in more families being able to access child care allowing more parents to pursue job opportunities in their communities.

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

In fiscal years 2017-2020, DEED received 39 proposals totaling \$6.3 million in request for \$1.7 million in available funds. A total of 25 awards were made leveraging a total local match of \$11.5 million. Awards range from \$1,500 to \$150,000 and with \$75,000 as the average sized award. These projects are projected to provide child care services to an additional 4,400 children when facilities reach their full licensed capacity.

Communities throughout Minnesota have expressed strong demand for these funds and have demonstrated that there are a large number of shovel ready projects ready to go to expand child care capacity should additional funding be made available. Based on the past two rounds of funding, we estimate that an additional \$750,000 round of funding would leverage over \$3.5 million in local matching funds, result in 10-15 new projects, and would serve an additional 1,200-1,800 children and their families throughout Minnesota.

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

Impact on Children and Families:

Expanding access to quality affordable child care helps achieve the administration’s priorities for children and families by ensuring all more children have access to affordable and quality child care.

Equity and Inclusion:

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

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Debt Service for Capital Investments

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	10,364	10,364	14,364	18,364
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	10,364	10,364	14,364	18,364
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$20.728 million in FY 2022-23 from the general fund to support recommended capital investments.

In addition, the Governor is holding the general fund cash required to finance the debt service for \$240 million in general obligation bonds, which is the level assumed in the November 2020 forecast and thus has no fiscal impact compared to forecast levels.

Rationale/Background:

The Governor recommends \$250 million in Appropriation Bonds: \$100 million in Housing Infrastructure Bonds at Minnesota Housing and \$150 million in Redevelopment Appropriation Bonds at the Department of Employment and Economic Development. General fund cash is required to finance debt service for these projects.

Proposal:

This recommendation includes two authorizations for Appropriation Bonds.

1. Minnesota Housing: Housing Infrastructure Bonds
Annual Impact (in thousands): FY 2022: \$0, FY 2023: \$0, FY 2024: \$4,000, FY 2025: \$8,000

The Governor recommends authorizing the Minnesota Housing Finance Agency to sell \$100 million in Housing Infrastructure Bonds and recommends a corresponding appropriation of up to \$8 million annually for 20 years from the general fund to pay the debt service on the bonds. This resource is critical to preserving and building new housing opportunities across the state. Housing Infrastructure Bonds are the largest state source of development resources. Funds will be awarded through a competitive request for proposal process to private for-profit and non-profit developers for supportive housing, preservation, homeownership development including community land trusts, senior housing, and manufactured home park infrastructure.

2. Department of Employment and Economic Development: Redevelopment Appropriation Bonds
Annual Impact (in thousands): FY 2022: \$10,364, FY 2023: \$10,364, FY 2024: \$10,364, FY 2025: \$10,364

The Governor recommends authorizing \$150 million in Redevelopment Appropriation Bonds and recommends a corresponding appropriation of up to \$10.364 million annually for 20 years from the general fund to pay the debt service on the bonds. This resource will support rebuilding efforts in the

cities of Minneapolis and St. Paul arising from the damage and destruction to small businesses and other private property that occurred in response to the killing of George Floyd and compounded by long-standing structural systems of inequality and racism within the cities, state, and nation. The financing provided by these appropriation bonds will serve a public purpose and redevelop the areas damaged by civil unrest. These redevelopment efforts will support enterprise development and wealth creation for persons adversely affected by long-standing structural racial discrimination and poverty, and prevent displacement of small businesses owned by people of color and Indigenous people.

Impact on Children and Families:

The resources made available by Housing Infrastructure Bonds will impact children and families by increasing affordable housing and creating new supportive housing opportunities for the most vulnerable families and youth experiencing homelessness. People in families accounted for over 40% of the total number of people experiencing homelessness in 2020. 9,060 students experiencing homelessness were enrolled in Minnesota schools on October 1, 2019. These students were in 1,172 schools and 309 school districts in 77 of Minnesota's 87 counties. Housing stability is proven to increase family incomes and improve school attendance.

The resources made available by Redevelopment Appropriations Bonds will impact children and families by building generational wealth and employment opportunities in neighborhoods that currently have high poverty rates resulting from structural racism.

Equity and Inclusion:

The resources made available by Housing Infrastructure Bonds will increase affordable housing and create new housing for individuals, families, and youth experiencing homelessness, which disproportionately impacts certain populations, such as African Americans, American Indians, people with disabilities, and lesbian, gay, bisexual, transgender, or questioning/queer (LGBTQ) people. Black, Indigenous and people of color are more likely to pay a higher percentage of their income on housing, be evicted, experience homelessness and sleep outside.

The resources made available by Redevelopment Appropriations Bonds include a focus on equity. The damage and destruction from these incidents were primarily focused in areas of the cities with a high proportion of people of color and Indigenous people. The redevelopment efforts that these Redevelopment Appropriations Bonds will support will help persons adversely affected by long-standing structural racial discrimination and poverty to build wealth, start or maintain businesses, and stabilize these impacted neighborhoods.

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Paid Family And Medical Leave Insurance

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures				
DEED	10,828	0	0	0
MMB	28	0	0	0
MMB Non-Operating	0	1,930	3,727	3,727
DLI	528	0	0	0
Supreme Court	20	0	0	0
Legislature-LCC	11	0	0	0
Transfer In	0	11,416	0	0
Paid Family Medical Leave Fund				
Expenditures				
DEED	0	23,880	51,671	50,755
MMB	0	23	13	13
DLI	0	518	468	618
DHS	0	574	0	115
Court of Appeals	0	0	0	5,600
Benefits	0		780,569	780,569
Revenues	0	446,199	862,769	880,024
Transfer Out	0	11,416	0	0
Net Fiscal Impact = (Expenditures – Revenues)	11,416	(419,848)	(26,321)	(38,626)
FTEs	14	75	301	326

Recommendation:

The Governor recommends \$11.416 million from the general fund in FY 2022 only and applying a 0.6% employer premium rate to employee wages beginning in calendar year 2023 to establish a Paid Family and Medical Leave Insurance program. The Governor recommends allowing employees to pay for one-half of the premium rate. In FY 2023 only, the Governor recommends a transfer of \$11.416 million from the Paid Family and Medical Leave fund to the general fund to reimburse agencies' startup costs. State appropriations will support the development of an IT system for collecting premiums and paying benefits, as well as initial staffing and administrative resources required to implement and operate this program at the Department of Employment and Economic Development, Minnesota Management and Budget, Department of Labor and Industry, the Supreme Court, Court of Appeals and the Legislative Coordinating Commission.

Rationale/Background:

Paid Family and Medical Leave is a program that most employees will need at one point but approximately 26 percent of all family and medical leaves do not include any wage replacement. According to the "Paid Family & Medical Leave Insurance: Options for Designing and Implementing a Minnesota Program" released in February 2016, around 10% of Minnesota workers take a family or medical leave in any given year. Fifty-nine percent (59%) of current leaves in Minnesota are for own-health reasons (other than pregnancy), 17 percent are for

bonding/parental leave (including pregnancy disability), and 24 percent of leaves are for caretaking a seriously ill family member.

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

Without a comprehensive state paid family and medical leave program, Minnesotans are missing out on the economic stability and economy-boosting effects of keeping people employed while welcoming a new family member, caring for a sick loved one, or recovering from an illness or injury.

Proposal:

The Governor recommends creating a new Minnesota Family and Medical Leave Program administered by DEED. This program will provide wage replacement for family and medical leaves and will provide job protections for recipients, so they are assured of continued employment with their employer upon their return. Premiums collected will fund program benefits and ongoing administrative costs. Appropriations from the general fund and the new Paid Family and Medical Leave Fund will allocate:

- \$34.708 million in FY 2022-23 and \$102.426 million in FY 2024-25 for the Department of Employment and Economic Development will support the creation of a premium collection system, benefits payment system, user interface development, and program administration.
- \$1.930 million in FY 2022-23 and \$7.454 million in FY 2024-25 will be provided to Minnesota Management and Budget Non-Operating to offset employer-paid premium costs in the general fund for state executive and judicial branch agencies and offset the costs to agencies for obtaining notice acknowledgments from employees.
- \$51 thousand in FY 2022-23 and \$26 thousand in FY 2024-25 for Minnesota Management and Budget will fund state executive branch employee workplace notice costs as well as upgrades to the state’s payroll system necessary for the collection of premiums.
- \$1.046 million in FY 2022-23 and \$1.086 million in FY 2023-25 for the Department of Labor and Industry will fund oversight and compliance costs related to the program as well as IT systems upgrades.
- \$20 thousand in FY 2022-23 for the Supreme Court will fund a onetime update to the existing case management system that would calculate interest on judgments against employers.
- Starting in FY 2025, \$5.6 million per year would fund costs related to appeals filed with the Court of Appeals for denied benefit claims.
- \$11 thousand in FY 2022-23 for the Legislature-LCC will support onetime payroll system updates.
- \$574 thousand in FY 2023 and \$115 thousand ongoing starting in FY 2025 for the Department of Human Services to make systems modifications necessary for the implementation of the program. Income generated by individuals through participation in the family and medical leave program will be considered in eligibility determinations for MFIP, DWP, SNAP, Housing Support, MSA, GA, RCA, MA, MinnesotaCare, and CCAP.

Impact on Children and Families:

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

Equity and Inclusion:

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

IT Related Proposals:

This recommendation includes funding for IT costs to create a system for collecting premiums from employers and paying program benefits to recipients. The development of the Paid Family and Medical Leave system will be a multi-year project. The total cost to build the system between FY 2022-2026 is \$67.841 million, including \$5.973 million for staff costs.

Results:

Department of Employment and Economic Development will track the following:

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

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Labor Market Information: Real Time Pandemic Recession and Recovery Data Project

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	125	125	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	125	125	0	0
FTEs	1	1	0	0

Recommendation:

The Governor recommends \$125,000 each year in FY 2022-23 from the General Fund for the Labor Market Information office to support the Real Time Pandemic Recession and Recovery Data Project. The Labor Market Information (LMI) office has seen a significant growth in demand for its services during the recession. This increase in funding will support service levels through the economic recovery as well as new projects relevant to the pandemic recession and recovery. The funds will be used for staffing and additional data storage space and software to accommodate increased database size and analytical intensity.

Rationale/Background:

LMI has been tapped to provide timely analysis of the labor market and demand conditions in Minnesota during the pandemic recession and recovery for a variety of audiences including policy makers at the local, county and state level, employers, education planners, workforce development staff and job seekers. Specifically, LMI has been tapped to provide Unemployment Statistics in an economically relevant, consumable format and real time job postings data out of the National Labor Exchange in order to better track occupational demand conditions. This is distinct from the office's primary charges of producing data and analysis of federal data, which are federally funded.

LMI has been a primary source of data and analysis for the Legislature, state agencies and the Governor's office throughout the pandemic recession and recovery, providing insights to understand the impact of the pandemic on the state's economy. The intended result of this request is to provide financial support so the LMI office can provide relevant, timely labor market data and analysis, including Unemployment Insurance statistics and occupational demand data, to help policy makers, employers, colleges and universities, workforce development staff and job seekers make informed decisions during the pandemic recession and recovery.

Proposal:

The Governor recommends \$125,000 each year in FY 2022-23 to support the new Real Time Pandemic Recession and Recovery Data Project. This is a new initiative resulting from the pandemic recession. The increased funding will support increased capacity and additional programming around state data that will assist policy makers, business and community leaders in understanding and responding to the economic impacts from the pandemic. The program, Real Time Pandemic Recession and Recovery Data Project, includes the addition of Unemployment Insurance statistics and real time job postings data out of the National Labor Exchange reporting and analysis. Both of these datasets are critically important during the pandemic recession and recovery because of the detail and timeliness of the information they provide on Minnesota's workforce and occupational demand

conditions. Specifically the funds will buy additional UI analysis such as is found [here](#). It will also fund the development of monthly updates of in-demand occupations and credentials from job postings found in the NLX.

The increased funding buys increased capacity in state data analysis which is distinct from the federal analysis that this office provides and is federally funded. Demand for labor market analysis, reports and presentations has increased during this period as individuals and organizations strive to make informed decisions. At the same time our normal systems of data collection and analysis have been disrupted and have needed to be overhauled in some cases and tweaked in others. The increased funding will buy additional training on and marketing of labor market information, new formats (e.g. video trainings and updates) and additional live and virtual presentations. The increased funding will also ensure that we can maintain a staffing level that allows us to reach high response rates to ensure data quality.

We will use the increased funding for one additional FTE. It will also pay for additional data storage and off the shelf software.

Year	1.75 FTE	Software + storage
FY22	\$ 229,356.21	\$ 20,643.79
FY23	\$ 234,117.21	\$ 15,882.79

This assumes a 2% increase in base plus fringe, and a 0.5% increase in indirect per year.

- DEED’s LMI office provides workforce development staff and partners with the information they need to provide job counseling and career exploration services to job seekers. It is also used to compliment the work done by our economic development staff and partners to help target industries for retention and expansion.
- Without this additional funding, we will be less able to respond to increasing demand for this critical information.
- Funding is needed at the start of the 2022 for this project.

Impact on Children and Families:

This budget proposal aligns with innovations from other public, private and Tribal agencies to increase equity and bridge opportunity gaps for children, youth and families by providing the information necessary for good decision making, specifically around educational planning and workforce development goals but also around better understanding the needs of workers and working families during the pandemic recession and recovery period. This proposal also informs economic decision making and employer planning, both critical to regaining full employment over the next several years.

This budget proposal helps to achieve the administration’s priorities around children and families by providing information for better decision making both at the individual/family level and at the employer/public program level. For example, LMI has been useful to the Children’s Cabinet in better understanding and describing the short and long term workforce pipeline and skills gaps in the early care and education industry, an industry that is critical to the wellbeing of working families, employers and the long-term quality of Minnesota’s workforce.

Based on LMI data through September 2020, there were approximately 188,000 unemployed Minnesotans. Many of these workers will need to find new employers and many will also need to prepare for new occupations. All job counselors use LMI data to assist and guide these unemployed Minnesotans to high demand occupations that match their skills and educational on a daily basis. Minnesota’s colleges and universities rely on LMI data to plan for educational programs in demand, which will train our state’s future workforce. Data is also shared with secondary schools to help prepare students to make informed college and career decisions.

Equity and Inclusion:

Economic inequities, and particularly racial disparities in employment and wages were negatively impacted by the pandemic recession. Economic inequality and particularly racial disparities in employment and wages are positively impacted by a healthy labor market, good career planning and strong decision making on the part of policy makers, particularly in the areas of education and workforce planning. Timely and relevant labor market information, specifically information on those who have experienced layoffs as a result of the pandemic recession as well as occupational demand information, helps these groups make better decisions on an individual, program and policy level. Providing the necessary information is the goal of this program expansion.

This information will have a positive impact on all groups who use it to make better decisions. However, since BIPOC workers, workers with disabilities, veterans, and low income and workers with lower educational attainment were all disproportionately impacted during this pandemic, they will benefit the most from it.

The goal is to build these new tools and products in a way that makes it easy and inexpensive to sustain and maintain them for as long as they are relevant.

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Allow Donations to be Deposited into Foundations

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends a change to 116J.035, subdivision 1 that will allow for donations made from public or private sources to be deposited into a Foundation account. This statutory change will allow the State Services for the Blind Communication Center to continue fundraising efforts that augment state and federal resources. Donations allow the Communication Center to provide significant resources for Minnesotans who are blind, visually impaired, DeafBlind or have a print disability. No additional resources are requested.

Rationale/Background:

To financially support and maintain our Communication Center operations, State Services for the Blind (SSB) must raise funds through private donations and other fundraising efforts. For this reason, SSB's Communication Center has had a longstanding relationship with the St. Paul Foundation dating back 50 years. The Communication Center provides a wide variety of services to individuals who are blind, visually impaired, DeafBlind, or have a print disability. Services include Braille transcription, audio and digital conversion, and the Radio Talking Book (RTB) reading service. When the RTB program was established in 1969, it was a private/public partnership.

The St. Paul Foundation development staff was fundraising on our behalf until 2003 when they could no longer do so. At that time, SSB and the St. Paul Foundation entered into an agreement where the Hamm Family Fund contributed \$50,000 towards the implementation of a development office at SSB. The development director who ran the development office was a sub-contractor of the St. Paul Foundation but was housed at SSB. Two funds were set up with the St. Paul Foundation at that time: one to fund the development director position and one for the donations raised through these efforts. In 2008, the development director became a State of Minnesota employee and no longer a sub-contractor; however, SSB still receives financial support to maintain the position.

In addition the Hamm Family Fund contributes \$45,000 annually to pay certain agreed upon expenses for the Communication Center such as conferences, staff training and any associated costs and miscellaneous expenses based on invoices submitted by the Communication Center. The intent is to pay expenses that the Communication Center may not incur through its operating budget as a part of the State of Minnesota. The dollars the Hamm Family Foundation contribute to the Communication Center are deposited in the St. Paul Foundation fund for the SSB.

Since 2003, DEED has been depositing SSB donations in the St. Paul Foundation. MN Statute 116J.035 was revised in 2008, and allows the department to accept gifts and donations but requires all receipts to be deposited into a separate account in the state treasury and to be invested by the State Board of Investments. DEED is proposing a

statutory change that will allow for donations to SSB to be deposited into a Foundation account, essentially allowing the agency to continue the fundraising activities for the Communication Center that have been ongoing for the past 50 years.

Proposal:

The Governor recommends that donations to SSB be allowed to be deposited into a Foundation, which would allow the agency to continue fundraising activities for the Communication Center that have been ongoing for the past 50 years. This is a change to DEED's statutory authority and will allow State Services for the Blind to continue their fundraising activity. No new or additional funds are being requested.

Impact on Children and Families:

Allowing for donations to continue to be deposited into the Foundation will allow SSB's Communication Center to continue operating at the same level it has been. These services are available to blind, visually impaired, DeafBlind, and print-disabled Minnesotans of all ages.

This change will help continue the work of the State Services of the Blind Communication Center. By maintaining the same level of Communication Center service provision, we can continue providing accessible materials to individuals who require them. This includes educational materials.

The Communication Center will continue to provide services that are depended on by Minnesotans who cannot access the printed word.

Equity and Inclusion:

This proposed item intends to ensure individuals who are blind, visually impaired, DeafBlind, or have a print disability continue to have the same level of service provision from the Communication Center.

The positive impact is Minnesotans can expect to receive a similar level of service from the Communication Center. There are no expected negative impacts.

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Expanded Job Training Incentive Program

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	250	250	250	250
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	35	35	35	35
Net Fiscal Impact = (Expenditures – Revenues)	215	215	215	215
FTEs	.25	.25	.25	.25

Recommendation:

The Governor recommends an ongoing increase of \$250,000 per year from the General Fund beginning in FY 2022-23 to support an expansion of the Job Training Incentive Program (JTIP). Funding would be used to fold a small program DEED piloted, the Automation Training Incentive Program (ATIP), into the JTIP. The funds could be used for either program based on demand. The ATIP program assists small businesses in manufacturing and skilled assembly production industries that are investing in new automation technology/equipment by providing grants for the purpose of training their workers on the new automation technology/equipment. Funding would also be used to support a .25 FTE to administer the JTIP and ATIP grant programs. This change would increase the annual funding for the JTIP program from \$1,350,000 to \$1,600,000.

Rationale/Background:

As a result of growing trends of workforce talent shortages, combined with an increasing pace of retirement of existing skilled workers, businesses are by necessity, automating more and more processes to maintain continuity and competitiveness, increase efficiency, increase productivity and address greater flexibility and complexity in market demands. Our experience has shown an increased demand in MN Job Skills Partnership applications for automation related training. The ATIP program assists small businesses in manufacturing and skilled assembly production industries that are investing in new automation technology/equipment by providing grants for the purpose of training their workers on the new automation technology/equipment; retaining the existing workforce while creating efficiencies in manufacturing.

The Department piloted this program for the past year and developed the program alongside Enterprise MN, small businesses, MN Precision Manufacturing Association, and Minnesota State Colleges and Universities. Through the ATIP pilot, grants of up to \$25,000 were awarded to businesses with 100 or fewer employees, in the manufacturing or skilled production industries, that had recently invested in new automation technology/equipment. The program required that those being trained through program funds were in permanent, full-time jobs that paid wages of at least 120% of federal poverty guidelines for a family of four. Grants were awarded on a first-come, first-served basis for projects receiving a specified minimum score on the grant application evaluation. Projects were scored on a number of criteria including business location, wage rates, business size, leveraging of private funds, retention of jobs at risk, etc. Overall, 19 grants were awarded with an average award of \$21,515. Grants were awarded statewide although extra points were awarded for businesses located in Greater MN. For this new initiative, the Governor recommends increasing the business size to 150 or fewer employees and the maximum grant amount to \$35,000.

This change will encourage small businesses to invest in automation technology and help them train their workers in the new technology as quickly and efficiently as possible so that the business can maintain continuity and competitiveness, increase productivity and efficiency, and address greater flexibility and complexity in market demands while retaining their workforce.

Proposal:

The Governor recommends an ongoing increase of \$500,000 starting in FY 2022-23 from the General Fund to support folding a new initiative, the ATIP program, into the existing JTIP program. It is anticipated that with these funds, an additional seven small businesses throughout Minnesota would benefit from the upskilling of 60-65 workers through the ATIP program. This assumes an average grant award of \$30,000. JTIP grant awards currently average approximately \$118,000 to train an average of 24 workers.

A portion of the additional funding would also be used towards a .25 FTE to specifically administer the ATIP and JTIP programs. Funds for program administration would be supplemented by the \$500 application fee collected on projects that are funded. The additional funds would result in improved quality of services for businesses by allowing more time to be dedicated to administering the JTIP and ATIP grants. Through both programs DEED typically works with small businesses with limited HR capacity. Most of these businesses are not familiar with operating a state grant and require a significant amount of guidance. This program would complement the Job Training Incentive Program and the MN Job Skills Partnership programs by providing assistance specifically targeted towards small businesses investing in new automation technology. This program would provide more flexible training options in that the training could be provided in-house, through the equipment vendor, or consultants.

The implementation date for this change would be July 1, 2021. In order for this to occur, language changes would need to be made to M.S. 116L.40-116L.42.

Impact on Children and Families:

This proposal would result in the upskilling of Minnesota workers thereby helping them retain their jobs and maintain economic stability including access to healthcare and stable housing.

Equity and Inclusion:

This proposal could potentially impact communities experiencing economic disparities by assisting small, minority-owned businesses and by providing training to workers facing economic disparities. As with the pilot program, it would be recommended that preference be given to businesses located in Greater MN or in locations that meet economic distress criteria. Through the pilot, we have also given preference to businesses that utilize strategies to recruit/retain individuals with disabilities, people of color, and/or economically disadvantaged workers.

IT Related Proposals:

Not applicable

Statutory Change(s):

Language changes would need to be made to M.S. 116L.40-116L.42

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Funding Shift for Extended Employment Program

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(5,000)	(5,000)	0	0
Revenues	0	0	0	0
Workforce Development Fund				
Expenditures	5,000	5,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends shifting \$5 million of the current General Fund funding for the Extended Employment program for FY 2022 and FY 2023 to the Workforce Development Fund. This proposal reduces spending from the General Fund but maintains full funding for the program.

This change is budget neutral to the entirety of the Extended Employment program.

Rationale/Background:

The Extended Employment program has been funded through state appropriations from both the General Fund and Workforce Development Fund for many years. Prior legislatures split the funding in order to use General Fund resources for other state spending. The Workforce Development Fund is a special revenue fund and is statutorily to be used “to provide for employment and training programs.” The Extended Employment program is an employment program that provides ongoing employment support services to individuals with disabilities so individuals can keep their jobs and advance in their careers. Utilizing the Workforce Development Fund for the Extended Employment program is in line with the intent of this fund and the program’s connection to employment, and temporarily reduces general fund spending during a time of forecast budget deficit.

Proposal:

The Governor recommends shifting \$5 million per year in FY 2022 -23 for the Extended Employment program from the General Fund to the Workforce Development Fund. Appropriations would return to \$8.995 million the General Fund and \$6.830 million from the Workforce Development Fund starting in FY 2024-25.

The Extended Employment program operates by providing pay-for-performance grants directly to a network of 27 community rehabilitation providers across the state. These community partner organizations provide the direct, individualized services to individuals with disabilities. Over 3,500 workers are served by the Extended Employment program each year. Ongoing employment support services typically include assistance in training or retraining job tasks, scheduling changes, adjusting to new supervisors, advancement to new job tasks or positions, and managing changes in non-work environments or life activities that affect work performance.

Equity and Inclusion:

People with disabilities in Minnesota are about 43% less likely than their non-disabled counterparts to have a job. This employment disparity results in a disproportionately high level of poverty among people with disabilities and, in more general terms, poses a threat to the health and well-being of communities and people across the state.

BIPOC individuals have disabilities too. The Extended Employment program serves BIPOC people with disabilities across Minnesota. Services to empower individuals to find and maintain employment is key to achieving equity for marginalized Minnesotans. The programs in the Vocational Rehabilitation Services division help remedy this disparity by helping people with disabilities get and keep jobs. We know engaging in productive employment is important for Minnesotans to have the opportunity to live close to their families and friends, to live more independently, and to participate in community life.

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Budget Reductions

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(5,520)	(5,520)	(600)	(600)
Revenues	0	0	0	0
Other Funds				
Expenditures		0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(5,520)	(5,520)	(600)	(600)
FTEs	(.12)	(.12)	(.12)	(.12)

Recommendation:

The Governor recommends an overall reduction in base funding for the agency of \$11.04 million for FY 2022-23 and continued reduced base funding of \$100,000 in FY 2024-25. Reductions will come from budgets for the Minnesota Investment Fund (MIF), the Higher Ed Career Advising Program, the Trade and Policy Advisory Council, and State Trade Expansion Program.

Rationale/Background:

MIF/JCF Reduction

This change will temporarily reduce the funding available in the Minnesota Investment Fund and in the Job Creation Fund to levels consistent with current and expected demand over the 2022-23 biennium. This reduction is expected to reflect the reduced demand for these programs in the current economic climate but will ensure resources are available to meet demand.

Higher Ed Career Advising Program Elimination

The Higher Ed Career Advising Program started as a pilot in State Fiscal Years (SFY) 2016 and 2017 for pilot programs in the Workforce Development Areas (WDAs), to combine career and higher education advising. This program has never expanded beyond a pilot program in the subsequent two biennia, has not received significant funding from the legislature nor has this grown into a significant area of focus for the agency. This is a reduction of .12 FTE at DEED. There are currently 10 organizations that received funds from this program through an RFP.

Trade Office Reductions

Eliminating funding for the TPAC, which sunset January 1, 2020, addresses a budgetary oversight that the prior legislature did not correct. The reduction in funding for the STEP program is reflective of the reduced capability of Minnesotans to travel during the pandemic and will likely reflect reduced demand for this program while the economy rebounds from a pandemic-induced constriction.

Proposal:

The Governor recommends an overall reduction in base funding for the agency of \$11.04 million in FY 2022-23 and an ongoing reduction in base funding of \$100,000 in FY 2024-25. Specifically, the Governor recommends:

- Reducing base funding for the Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) for the FY 2022-23 biennium by \$10.240 million. Funding for both programs will return to base levels for the FY 2024-25 biennium.
- Eliminating \$250,000 per year in FY 2022-23 and FY 2024-25 by eliminating funding for the Higher Ed Career Advising Program.

- Reducing base funding for the Trade and Policy Advisory Council (TPAC) and State Trade Expansion Program (STEP) for the FY22-23 biennium by \$300,000. Funding for STEP will return to base levels for the FY 24-25 biennium. The TPAC sunset on January 1, 2020 but the budget continued to fund this Council in the base and this recommendation would eliminate base funding for that program.

Impact on Children and Families:

N/A

Equity and Inclusion:

N/A

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund					
Expenditures	(1,022)	606	919	919	919
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,022)	606	919	919	919
FTEs	0	6	9	9	9

Recommendation:

The Governor recommends a reduction of \$1.022 million to the FY2021 general fund operating appropriation and additional funding of \$606,000 in FY2022 and \$919,000 in FY2023 for a total of \$1.525 million in the FY22-23 biennium. The Governor further recommends \$919,000 in each subsequent year of the FY2024-25 biennium from the general fund to maintain the current level of service delivery at Department of Employment and Economic Development.

The change is a 1.0% increase in FY2022 and a 1.4% increase each year thereafter in the agency’s general fund appropriation.

Rationale/Background:

The FY 2021 operating reduction amount reflects the savings generated by a - 5% reduction - in the current fiscal year. DEED experienced some operations impacts due to the coronavirus pandemic that led to one-time cost savings in FY21. These savings were generated from decreases in the Minnesota Investment Fund and MN Job Creation Fund opportunity services.

The FY 2021 saving represents a decrease of \$511,000 of funds in the Minnesota Investment Fund to local units of government who provide loans to assist expanding businesses. The other was a \$511,000 decrease of funds in the MN Job Creation Fund, which is available to businesses engaged in manufacturing, warehousing, distribution, technology-related industries, and other eligible activities. Companies work with local governments where the project is located to receive Job Creation Funds.

To manage these costs, agencies continually look for ways to become more efficient with existing resources, but there are limits to the extent to which additional efficiencies can offset inflation-related cost increases. DEED will seek additional efficiencies in FY22-23 through the following initiatives:

- Completing the implementation of a service delivery model redesign in the DEED’s business offices throughout the state;
- Examining opportunities to continue a portion of the COVID-related increase in telework post-pandemic, which will allow additional efficiencies in office space; and
- Deploying new technology tools including electronic document management, new communication platforms, and work efficiency applications.

DEED's impact on services if the operating adjustment is not provided would result in the following issues:

- Reduced agency efficiency and effectiveness
- Decreased ability to strategically manage risk
- Lower government transparency and accountability
- The decline in continuity for grantees
- Increased burden on other program budgets
- Significant increase in audit risks
- Decrease capacity of DEED staff to provide direct client services;
- Decreased ability to meet current and future demands for technology investment obligations
- Decreased ability for DEED to meet demands to mitigate cyber-security risk, directly leading to increased security and privacy protections for clients and customers

Proposal:

The Governor recommends reducing the FY 2021 general fund operating appropriation by \$1.022 million. In addition, the Governor recommends increasing agency operating budget to support the delivery of current services for a total of \$1.525 million for the FY 2022-23 biennium, an overall increase of \$503,000. This increase is below the assumed level of inflation, acknowledging continued efficiencies achieved by Department of Employment and Economic Development.

Impact on Children and Families:

- These are internal-facing needs for agency operations, all Minnesota and Minnesota taxpayers will benefit from this general fund budget fund increase. Allowing for the continuation of direct and indirect services operations to continue to maintain, build on and/or align with innovations from other public, private, and Tribal agencies to increase equity and bridge the opportunity gap for children, youth, and families of Minnesota.

Equity and Inclusion:

- The items presented in the proposal are not targeted to reduce or eliminate disparities-though improvements and continued current services in DEED's operation will improved DEED's ability to serve people of color, LGBT people, people with disabilities, and veterans.

Employment and Economic Development

FY 2022-23 Biennial Budget Change Item

Change Item Title: Federal Unemployment Insurance Expansions to address COVID-19 Economic Downturn

Fiscal Impact (\$000s)	FY 2021	FY 2022	FY 2023	FY 2024
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends that the state's Unemployment Insurance Program continue implementing and administering federal Unemployment Insurance provisions in response to the COVID-19 pandemic. Legislative approval is not required, this is for informational purposes only.

Rationale/Background:

The COVID-19 pandemic has forced many businesses to close; laying off employees for the sake of protecting public health and reducing the potential for viral spread. Thousands across the state and country became unemployed as a result. The federal government passed legislation first in March 2020 and then passed extensions and revisions to those programs in December of 2020 to address the unemployment challenges facing not only employees, but also business owners and independent contractors.

Proposal:

Congress passed and the President signed an extension of several unemployment insurance provisions from the 2020 CARES Act on December 27, 2020. The Unemployment Insurance team should continue to implement federal extensions and new federal programs.

Federal unemployment insurance provisions include:

- 11 more weeks of benefits under the Pandemic Emergency Unemployment Compensation (PEUC) program.
- 11 more weeks of benefits under the Pandemic Unemployment Assistance (PUA) program. The PUA program is a new benefit program for the self-employed, independent contractors, and others not normally covered by regular Unemployment Insurance and created by Congress in 2020.
- A \$300 per week supplemental payment to anyone receiving unemployment benefits from any program. These benefits will be available only for the weeks of unemployment benefits between December 27, 2020 and March 14, 2021.
- Mixed Earner Unemployment Compensation. This is a new program passed by Congress in December that provides benefits to some individuals who both have self-employment income and traditional employment income.

These programs are federally funded and do not require legislative approval. The amount of funding provided to Minnesota is subject to the number of individuals who apply and are eligible.

Impact on Children and Families:

Unemployment Insurance has been critical for children and families by providing a partial wage replacement to those who have lost their job due to no fault of their own. Even more so, this has helped keep children and families safe by providing a wage replacement for those whose work environment has been threatened by the pandemic.

Equity and Inclusion:

During economic downturns, people of color are often the first to lose their jobs and the last to regain them. Unemployment Insurance has been critical in sustaining diverse communities as the pandemic continues to threaten public health and the economy. Unemployment Insurance works to make sure that services and materials are available in different languages.

IT Related Proposals:

None

Program: Business and Community Development

mn.gov/deed/business/

AT A GLANCE

- Serves businesses and communities in every region of the State of Minnesota.
- Administers financing programs to help businesses retain existing jobs and create new high-quality jobs.
- Administers financing programs and special appropriations to support community development.
- Provides information and access to resources to help entrepreneurs and small businesses.
- Funds cooperative training projects involving partnerships between businesses and educational institutions that build the skills of new employees and/or retrain existing employees.
- In SFY 2020, across all programs both federal and state, DEED awarded \$182 million for 1,574 projects resulting in a minimum of \$1.5 billion in leveraged investment, the creation of 4,050 new jobs and the retention of nearly 8,000 jobs (FY 20 was impacted by COVID-19 response).

PURPOSE & CONTEXT

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

We provide financial and technical services to businesses and communities to support the creation, expansion, attraction, and retention of businesses in and to Minnesota. We also work to help communities become affordable, quality places for people and businesses to locate, grow, and prosper. BCD programs have played an important role in response to the pandemic.

SERVICES PROVIDED

We accomplish our mission via the following activities:

- **Business Finance:** We administer over 20 financing programs that provide capital to growing businesses in Minnesota. Some key programs include:
 - *Minnesota Job Creation Fund*, which provides performance-based awards to new and expanding businesses after they meet job creation and capital investment targets
 - *Minnesota Investment Fund*, which provides upfront financing that targets job creation in industrial, manufacturing and high-tech industries
 - *The Emerging Entrepreneur Program* - provides loans targeted toward Minnesota small businesses owned by women, veterans, people with disabilities, and people from communities of color and/or low-income individuals.
 - *The Minnesota Angel Tax Credit and Launch MN Grants* – provides a 25% tax credit to investors who invest in emerging and small technology related business and grants to start-ups looking to raise capital
- **Business Development:** Our regional business development managers (BDM's) assist businesses and communities to access DEED services and other available resources to support the growth, retention and attraction of workforce and businesses. The office also promotes specific industry sectors where Minnesota has strength and/or potential for growth. Other business units include:
 - *Workforce Strategy Consultants:* Through a partnership with our Employment and Training Division, our network of Workforce Development Strategy Consultants provide employers with a front-door to all workforce development programs available through the department and

partners to assist growing and expanding businesses. Like the BDM's, this office also works in specific industry sectors such as manufacturing and healthcare to build pipelines of talent.

- *Minnesota Job Skills Partnership (MJSP)*: Our Minnesota Job Skills Partnership program provides funding for cooperative training projects that build the skills of new employees and/or retrain a company's existing employees. These grants are awarded to educational institutions with businesses as partners. This program can also provide training to low-income individuals to help them advance their career, achieving higher paying jobs and economic self-sufficiency.
- *Community Finance*: We administer programs that assist local governments in attracting and retaining businesses and jobs and to position communities for future economic growth. Key programs include the Business Development Public Infrastructure Program, Innovative Business Development Public Infrastructure Program, and the Transportation Economic Development Infrastructure Program. The office also manages a variety of special appropriations and bond projects all across the state in addition to large projects such as the Destination Medical Center and the Duluth Regional Exchange District. Other programs include:
 - *Brownfields and Redevelopment*: The program assists local units of government with investigation and cleanup of contamination and the redevelopment of underutilized properties. The Contamination Cleanup and Investigation Grant Program helps pay for assessing and cleaning contaminated sites for private or public redevelopment. The Redevelopment Grant Program assists with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use. The Demolition Loan Program assists with costs of demolishing blighted buildings that have future development potential but no current plans.
 - *Small Cities Development Program*: The program assists cities and counties with funding for housing, public infrastructure and commercial rehabilitation projects. Funding for the program is received through the U.S. Department of Housing and Urban Development. Projects must meet federal objectives such as removal of blight, benefit low and moderate-income individuals and/or eliminate a public health threat or safety.
- *Small Business*: We administer programs and services that provide information and resources to entrepreneurs and small businesses. The office also manages a variety of special appropriations and other programs that work with communities and non-profits such as the Child Care Development Program, Launch MN Network Grants and the Business Development Competitive Grant Program. Other programs include:
 - *Launch Minnesota*: Launch MN aims to catalyze and connect the entrepreneurial ecosystem to better prepare technology-based businesses for success. The initiative has quickly established a variety of partners across the state to assist technology companies with education and capital connections. The office is also responsible for the Launch MN Advisory Board consisting of professionals from across the state interested in building a more robust network and ecosystem for growing technology businesses.
 - *Small Business Assistance Office (SBAO)*: The SBAO works to reduce costs for small businesses by providing timely, accurate, and comprehensive information and technical assistance on all aspects of the start-up, operation, or expansion of a small business. The Office produces a variety of publications and manages transactional activities through a phone and email contact center.
 - *Small Business Development Centers*: SBDCs aid in the development of new and existing businesses through a statewide network of offices offering entrepreneurs business consulting, training services and assistance in locating and securing capital. DEED serves as the Lead Center and primary liaison with the U.S. Small Business administration that provides the funding for the program. Nine regional centers across the state deliver the services.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>SFY 17-18</i>	<i>SFY 19-20</i>
Quantity	Leveraged private investment through all programs	\$3.3B	\$3.55B
Results	# of jobs to be created/retained through all programs	31,850	32,589
Results	# of jobs to be created through the Minnesota Job Creation Fund	2,415	2,565
Results	# of awards made to early stage technology businesses	173	166
Quantity	Number of awards made (all programs)	978	1,933
Quantity	Number of loans to underserved Minnesotans through Emerging Entrepreneur Loan program	66	98
Quantity	# of workers trained through the Minnesota Job Skills Partnership Program	18,177	16,758
Quantity	# of small business clients assisted by the SBDC, SBAO and Launch MN	63,162	62,962
Quantity	Leveraged private investment through the Contamination Investigation and Cleanup Grant Program	\$1.06B	\$1.5B
Quantity	Leveraged private investment through the Redevelopment Grant Program	\$329M	\$557M
Quantity	Leveraged non state investment through the Business Development Public Infrastructure program, Innovative Business Development Public Infrastructure program and the Transportation Economic Development Infrastructure program	\$157.5M	\$22.5M

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

Business and Community Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	47,887	45,276	69,303	80,559	63,251	70,470	65,026	71,535
2000 - Restrict Misc Special Revenue	379	1,210	5,362	6,925	796	803	796	803
2001 - Other Misc Special Revenue	622	101	2,982	2,338	442	455	542	455
2340 - Renewable Development	15,016			1,000	1,000		1,000	
2350 - Petroleum Tank Release Cleanup	4,949	8,523	4,411	12,341	6,200		6,200	
2390 - Workforce Development	1,856	805	2,874	3,475	1,350	1,350	1,350	1,350
2403 - Gift	35	6	32	70	45	45	45	45
2801 - Remediation	700	801	1,468	733	700	700	700	700
3000 - Federal	18,093	18,238	10,018	27,652	25,301	22,903	25,301	22,903
3010 - Coronavirus Relief				70,000				
Total	89,537	74,960	96,451	205,093	99,085	96,726	100,960	97,791
Biennial Change				137,048		(105,733)		(102,793)
Biennial % Change				83		(35)		(34)
Governor's Change from Base								2,940
Governor's % Change from Base								2
<u>Expenditures by Activity</u>								
Business Development-DEED	3,485	1,930	1,552	3,584	1,536	1,521	1,636	1,521
Community Finance	46,880	38,591	43,137	71,449	61,560	60,520	61,560	60,520
Entrepreneurship & Sm Bus Dev	8,336	6,860	6,571	80,860	6,195	5,010	7,445	5,510
Business Finance	24,178	22,858	35,570	40,226	24,116	24,124	21,891	21,939
Job Skills Partnership	6,658	4,720	7,328	6,394	5,551	5,551	5,801	5,801
Launch Minnesota-Admin			2,293	2,580	127		2,627	2,500
Total	89,537	74,960	96,451	205,093	99,085	96,726	100,960	97,791
<u>Expenditures by Category</u>								
Compensation	4,505	4,706	5,099	5,855	5,601	5,436	6,093	5,883
Operating Expenses	1,950	4,849	12,299	3,030	2,121	1,965	2,330	2,159
Grants, Aids and Subsidies	81,564	65,371	74,395	193,402	91,363	89,325	92,537	89,749
Capital Outlay-Real Property	1							
Other Financial Transaction	1,517	33	4,659	2,806				
Total	89,537	74,960	96,451	205,093	99,085	96,726	100,960	97,791

Business and Community Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Total Agency Expenditures	89,537	74,960	96,451	205,093	99,085	96,726	100,960	97,791
Internal Billing Expenditures	568	667	748	852	814	785	894	858
Expenditures Less Internal Billing	88,969	74,292	95,703	204,241	98,271	95,941	100,066	96,933

<u>Full-Time Equivalents</u>	45.25	45.84	48.21	52.95	50.95	49.95	55.70	54.20
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Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	29,356	33,911	40,305	34,614	25,687	23,691	25,687	23,796
Direct Appropriation	43,663	38,124	50,756	102,206	36,143	36,143	38,023	37,273
Open Appropriation	2,687	6,288	13,493	20,977	25,803	33,151	25,803	33,151
Transfers In	2,946	528	2,596	526	374	389	374	389
Transfers Out	2,876	828	3,216	52,077	1,065	1,080	1,065	1,080
Net Loan Activity	(61)	(1,042)	191					
Cancellations		119	207					
Balance Forward Out	27,828	31,587	34,616	25,687	23,691	21,824	23,796	21,994
Expenditures	47,887	45,276	69,303	80,559	63,251	70,470	65,026	71,535
Biennial Change in Expenditures				56,699		(16,141)		(13,301)
Biennial % Change in Expenditures				61		(11)		(9)
Governor's Change from Base								2,840
Governor's % Change from Base								2
Full-Time Equivalents	35.34	37.71	39.16	40.76	39.51	38.49	43.26	42.74

2000 - Restrict Misc Special Revenue

Balance Forward In	5,363	7,896	8,462	13,965	7,731	7,442	7,731	7,442
Receipts	2,687	858	10,946	981	782	784	782	784
Transfers In		1,070	2,500					
Transfers Out			2,500					
Net Loan Activity	225	(561)	(81)	(290)	(275)	(300)	(275)	(300)
Balance Forward Out	7,895	8,053	13,965	7,731	7,442	7,123	7,442	7,123
Expenditures	379	1,210	5,362	6,925	796	803	796	803
Biennial Change in Expenditures				10,698		(10,688)		(10,688)
Biennial % Change in Expenditures				673		(87)		(87)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.77	1.28	2.08	2.01	2.26	2.26	2.26	2.26

2001 - Other Misc Special Revenue

Balance Forward In	36,637	47,862	59,367	38,264	48,734	51,507	48,834	51,507
Receipts	8,919	11,630	3,323	5,705	2,224	2,199	2,224	2,199
Transfers In	4,108	771	38,291	56,420	1,750	1,750	1,750	1,750

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Transfers Out	1,750		30,300	514	750	750	750	750
Net Loan Activity	(486)	(1,862)	(29,436)	(48,703)	(9)	(470)	(9)	(470)
Balance Forward Out	46,806	58,299	38,263	48,834	51,507	53,781	51,507	53,781
Expenditures	622	101	2,982	2,338	442	455	542	455
Biennial Change in Expenditures				4,597		(4,423)		(4,323)
Biennial % Change in Expenditures				636		(83)		(81)
Governor's Change from Base								100
Governor's % Change from Base								11
Full-Time Equivalents	3.00	1.85	2.25	4.34	3.44	3.46	4.44	3.46

2340 - Renewable Development

Balance Forward In		134			1,000		1,000	
Direct Appropriation	15,150			2,000	0	0	0	0
Cancellations		134						
Balance Forward Out	134			1,000				
Expenditures	15,016			1,000	1,000		1,000	
Biennial Change in Expenditures				(14,016)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.08							

2350 - Petroleum Tank Release Cleanup

Balance Forward In	4,635	6,133	4,352	6,141				
Direct Appropriation	6,200	6,200	6,200	6,200	6,200	0	6,200	0
Transfers In				6				
Transfers Out				6				
Balance Forward Out	5,886	3,810	6,141					
Expenditures	4,949	8,523	4,411	12,341	6,200		6,200	
Biennial Change in Expenditures				3,280		(10,552)		(10,552)
Biennial % Change in Expenditures				24		(63)		(63)
Governor's Change from Base								0
Governor's % Change from Base								

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Full-Time Equivalents	1.54	1.70	1.74	1.85	1.85	1.85	1.85	1.85

2390 - Workforce Development

Direct Appropriation	1,861	1,811	3,475	3,475	1,350	1,350	1,350	1,350
Cancellations	5	1,006	601					
Expenditures	1,856	805	2,874	3,475	1,350	1,350	1,350	1,350
Biennial Change in Expenditures				3,688		(3,649)		(3,649)
Biennial % Change in Expenditures				139		(57)		(57)
Governor's Change from Base								0
Governor's % Change from Base								0

2403 - Gift

Balance Forward In	56	60	98	101	73	70	73	70
Receipts	36	44	35	42	42	42	42	42
Balance Forward Out	57	98	101	73	70	67	70	67
Expenditures	35	6	32	70	45	45	45	45
Biennial Change in Expenditures				61		(12)		(12)
Biennial % Change in Expenditures				150		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0

2801 - Remediation

Balance Forward In	31	101	801	33				
Direct Appropriation	700	700	700	700	700	700	700	700
Balance Forward Out	31		33					
Expenditures	700	801	1,468	733	700	700	700	700
Biennial Change in Expenditures				700		(801)		(801)
Biennial % Change in Expenditures				47		(36)		(36)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	4,473	2,907		755				
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Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Receipts	16,674	16,401	11,166	26,897	25,301	22,903	25,301	22,903
Transfers Out		1,070						
Net Loan Activity	(1,545)		(392)					
Balance Forward Out	1,508		755					
Expenditures	18,093	18,238	10,018	27,652	25,301	22,903	25,301	22,903
Biennial Change in Expenditures				1,339		10,534		10,534
Biennial % Change in Expenditures				4		28		28
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.52	3.30	2.98	3.99	3.89	3.89	3.89	3.89

3010 - Coronavirus Relief

Balance Forward In				60,000				
Direct Appropriation			60,000	10,000	0	0	0	0
Balance Forward Out			60,000					
Expenditures				70,000				
Biennial Change in Expenditures				70,000		(70,000)		(70,000)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Unemployment Insurance

uimn.org/uimn/

AT A GLANCE

- Pays eligible workers up to 50 percent of their average weekly wage (subject to a state maximum) for up to 26 weeks.
- Collaborates with CareerForce locations to ensure workers have the assistance they need to quickly return to employment.
- Paid \$808 million in unemployment benefits to 142,742 Minnesotans in 2019.
- Minnesota UI regularly ranks among the top 5 states in the country in achieving federal performance standards.

PURPOSE AND CONTEXT

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

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

SERVICES PROVIDED

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

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

We achieve these goals through several different activities:

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

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>SFY 2019</i>	<i>SFY 2020</i>
Quantity	# New initial applications (new and reactivated) for benefits	192,991	925,526
Quantity	Number of telephone calls taken	429,820	620,489

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

Unemployment Insurance

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General				25,000				
2000 - Restrict Misc Special Revenue	772	292	1,330	36,321	6,000	6,000	6,000	6,000
3000 - Federal	40,417	43,899	52,483	86,252	86,207	68,272	86,207	68,272
Total	41,189	44,191	53,813	147,573	92,207	74,272	92,207	74,272
Biennial Change				116,006		(34,907)		(34,907)
Biennial % Change				136		(17)		(17)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Unemployment Insurance	41,189	44,191	53,813	147,573	92,207	74,272	92,207	74,272
Total	41,189	44,191	53,813	147,573	92,207	74,272	92,207	74,272

Expenditures by Category

Compensation	23,060	22,776	25,189	37,371	38,478	34,222	38,478	34,222
Operating Expenses	18,113	21,147	28,485	110,081	53,605	39,926	53,605	39,926
Grants, Aids and Subsidies		(74)	(31)	(26)	(26)	(26)	(26)	(26)
Capital Outlay-Real Property	0	123	44	45	46	46	46	46
Other Financial Transaction	16	219	127	102	104	104	104	104
Total	41,189	44,191	53,813	147,573	92,207	74,272	92,207	74,272

Total Agency Expenditures	41,189	44,191	53,813	147,573	92,207	74,272	92,207	74,272
Internal Billing Expenditures	2,867	3,362	4,053	5,714	5,883	5,233	5,883	5,233
Expenditures Less Internal Billing	38,322	40,829	49,760	141,859	86,324	69,039	86,324	69,039

Full-Time Equivalent

	297.95	285.88	297.94	393.53	393.53	393.53	393.53	393.53
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Unemployment Insurance

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Direct Appropriation				25,000	0	0	0	0
Expenditures				25,000				
Biennial Change in Expenditures				25,000		(25,000)		(25,000)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
2000 - Restrict Misc Special Revenue								
Balance Forward In	12,819	18,703	25,193	30,321				
Receipts	5,982	6,591	6,459	6,000	6,000	6,000	6,000	6,000
Balance Forward Out	18,029	25,002	30,321					
Expenditures	772	292	1,330	36,321	6,000	6,000	6,000	6,000
Biennial Change in Expenditures				36,587		(25,651)		(25,651)
Biennial % Change in Expenditures				3,438		(68)		(68)
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Balance Forward In	191	1,224	493					
Receipts	41,056	43,120	51,989	86,252	86,207	68,272	86,207	68,272
Balance Forward Out	830	445						
Expenditures	40,417	43,899	52,483	86,252	86,207	68,272	86,207	68,272
Biennial Change in Expenditures				54,419		15,744		15,744
Biennial % Change in Expenditures				65		11		11
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	297.95	285.88	297.94	393.53	393.53	393.53	393.53	393.53

Program: Employment and Training Programs

mn.gov/deed/job-seekers

AT A GLANCE

- Provides skill development and training programs for Minnesotans including career seekers with barriers to employment or who are unemployed via distance learning mechanisms.
- Helps career seekers develop and improve job readiness for in-demand occupations that pay family sustaining wages.
- Partners, collaborates, and engages with employers to find and train workers.

PURPOSE & CONTEXT

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

SERVICES PROVIDED

DEED is committed to providing high quality workforce development services, solutions, and expertise for diverse populations through the Employment and Training programs to advance Minnesota's economy. From laid-off workers to at-risk youth, Employment and Training programs are designed to intentionally reach diverse communities across the state to ensure that all Minnesotans have access to DEED's services. Many of these programs include partnerships with Local Workforce Development Boards, nonprofit service providers, educational institutions, businesses and other stakeholders. All programs are offered with a goal of equity and inclusion for individuals who come from marginalized communities and who have not had full access to education and robust career services.

- **Laid-Off Workers/ Dislocated Workers:** Workers who lost their jobs through no fault of their own – that is, neither quit nor were fired – can receive assistance to find a new career. The Dislocated Worker Program, funded jointly by the federal government and the State, assists laid-off workers in returning to work with comparable wages and benefits. Participants enrolled in the program can access career planning and counseling; job search and placement services; short-term training upon counselor approval; and support services for expenses such as family care and transportation upon counselor approval. The related Trade Adjustment Assistance Program (TAA) assists workers who lose their jobs, hours, or income specifically as a result of increased foreign trade activity. Available benefits may include special extensions to unemployment insurance, assistance with training costs, job search allowances, relocation allowances, and similar costs for finding a new job.
- **Adult Employment and Training:** Adults who face any number of barriers to employment can access services to help them succeed in well-paying careers. The Adult Employment Training Programs, funded jointly through federal and state government funds include Career Pathway programs that integrate basic skills education, career-specific training, support services, and employment placement and retention to meet the needs of our customers. DEED administers state funded grants along with direct legislative appropriations, such as: Pathways to Prosperity, Southeast Asian Economic relief, Capacity Building, Support Services, Women in High-wage, High-demand, Nontraditional Jobs, and several other adult competitive grant programs focused on meeting the needs of different communities across the state.

- Youth Employment and Training:** The youth and young adults who are eligible for DEED services come from low-income families, have severe barriers to employment, and are under-represented in the workforce. The Youth Employment Training Programs, funded jointly by the federal government and the State, assist Minnesota youth with career counseling and exploration, mentoring, skills development, work experiences and other career awareness and engagement services.
 - The state funded **Youthbuild** program offers a construction career pathway for at-risk youth and young adults who have dropped out of school or experienced repeated failure in school. It provides youth with industry-recognized credentials and pre-apprenticeship training in residential construction; and contextual basic skills and soft skills in work readiness, career counseling, and leadership skills.
 - The state funded **Minnesota Youth at Work Competitive Grants** provides funding to organizations offering workforce development and training opportunities to economically disadvantaged or at-risk youth, ages 14-24, with special consideration to youth from communities of color and youth with disabilities. Services include connecting classroom skills to work-based settings, exposing youth to work settings that offer direct employer/supervisor feedback, and youth engagement while exploring interests and abilities.
 - The state funded **Minnesota Youth Program (MYP)** provides summer and year-round employment and training services to low-income and at-risk youth, ages 14 to 24, through a partnership with the Local Workforce Development Boards (LWDBs) and Youth Committees. This program reaches every single county in Minnesota. At-risk youth can earn academic credit for their participation; and worksite supervisors evaluate (pre and post) work readiness skill attainment on the worksite.
- Governor’s Workforce Development Board (GWDB):** The GWDB has statutory responsibility under the federal Workforce Innovation and Opportunity Act (WIOA), which provides leadership on opportunities and key workforce strategies for the state. The Board represents key leaders from business, education, labor, community-based organizations, and government. The Board provides a venue for workforce stakeholders building on a shared vision and mission.
- Office of Economic Opportunity (OEO):** leads internal DEED efforts and external community engagement to reduce the disparities faced by populations with barriers to employment. Initiatives include community engagement, performance management of internal DEED program goals and strategies, promotion of equity goals that reduce disparities based on race, ability level, geography, gender, and veteran status, and the agency’s liaison to American Indian tribes.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>SFY 2018</i>	<i>SFY 2019</i>
Results	Percentage of Dislocated Worker program participants entering employment after exit	79%	80%
Results	Percentage of Pathways to Prosperity program participants retaining employment for three quarters after exit.	58%	63%*
Results	Percentage of Minnesota Youth Program, Youthbuild and Youth at Work participants who attained work readiness or education goals	88.2%	90.9%

*The Pathways to Prosperity program numbers were impacted by COVID-19.

Employment and Training Programs

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	6,243	5,820	5,529	5,532	6,796	6,796	6,546	6,546
2000 - Restrict Misc Special Revenue	3,919	3,156	2,310	4,064	4,064	4,064	4,064	4,064
2390 - Workforce Development	54,263	47,133	43,791	81,808	53,062	55,007	53,062	55,007
3000 - Federal	39,101	48,384	39,875	72,129	70,838	68,315	70,838	68,315
Total	103,525	104,494	91,506	163,533	134,760	134,182	134,510	133,932
Biennial Change				47,020		13,903		13,403
Biennial % Change				23		5		5
Governor's Change from Base								(500)
Governor's % Change from Base								(0)
<u>Expenditures by Activity</u>								
Adult Services	75,573	71,423	67,868	137,281	111,733	111,155	111,733	111,155
Youth Programs	27,953	33,071	23,638	26,252	23,027	23,027	22,777	22,777
Total	103,525	104,494	91,506	163,533	134,760	134,182	134,510	133,932
<u>Expenditures by Category</u>								
Compensation	5,634	5,880	6,563	8,245	8,188	8,033	8,188	8,033
Operating Expenses	6,007	5,605	5,260	31,645	30,793	30,195	30,781	30,183
Grants, Aids and Subsidies	91,880	92,985	79,649	123,636	95,772	95,947	95,534	95,709
Capital Outlay-Real Property		1	0					
Other Financial Transaction	4	24	35	7	7	7	7	7
Total	103,525	104,494	91,506	163,533	134,760	134,182	134,510	133,932
Total Agency Expenditures	103,525	104,494	91,506	163,533	134,760	134,182	134,510	133,932
Internal Billing Expenditures	712	854	955	1,135	1,127	1,104	1,127	1,104
Expenditures Less Internal Billing	102,813	103,640	90,551	162,398	133,633	133,078	133,383	132,828
<u>Full-Time Equivalent</u>	62.91	62.63	68.76	73.85	72.98	72.16	72.86	72.04

Employment and Training Programs

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	20	10	6	6				
Direct Appropriation	6,239	5,889	5,532	5,532	6,796	6,796	6,546	6,546
Cancellations	16	79	3	6				
Balance Forward Out	0		6					
Expenditures	6,243	5,820	5,529	5,532	6,796	6,796	6,546	6,546
Biennial Change in Expenditures				(1,002)		2,531		2,031
Biennial % Change in Expenditures				(8)		23		18
Governor's Change from Base								(500)
Governor's % Change from Base								(4)
Full-Time Equivalents	2.49	1.89	2.01	2.01	2.46	2.46	2.34	2.34

2000 - Restrict Misc Special Revenue

Balance Forward In	1,265	932	361					
Receipts	2,374	1,462	972	2,994	2,994	2,994	2,994	2,994
Transfers In	1,190	1,102	978	1,070	1,070	1,070	1,070	1,070
Balance Forward Out	911	339	0					
Expenditures	3,919	3,156	2,310	4,064	4,064	4,064	4,064	4,064
Biennial Change in Expenditures				(701)		1,754		1,754
Biennial % Change in Expenditures				(10)		28		28
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.82	7.66	7.67	7.67	7.67	7.67	7.67	7.67

2390 - Workforce Development

Balance Forward In	32	65	50	21				
Direct Appropriation	25,259	24,342	21,677	21,677	14,002	14,002	14,002	14,002
Open Appropriation	29,107	22,825	22,140	60,110	39,060	41,005	39,060	41,005
Transfers In	17							
Cancellations	119	70	54					
Balance Forward Out	34	29	21					
Expenditures	54,263	47,133	43,791	81,808	53,062	55,007	53,062	55,007
Biennial Change in Expenditures				24,203		(17,530)		(17,530)
Biennial % Change in Expenditures				24		(14)		(14)

Employment and Training Programs

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	8.27	8.76	10.25	12.25	12.13	12.13	12.13	12.13

3000 - Federal

Balance Forward In	207	551	1,053	449				
Receipts	39,098	47,873	39,271	71,680	70,838	68,315	70,838	68,315
Balance Forward Out	205	41	449					
Expenditures	39,101	48,384	39,875	72,129	70,838	68,315	70,838	68,315
Biennial Change in Expenditures				24,520		27,149		27,149
Biennial % Change in Expenditures				28		24		24
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	44.33	44.32	48.83	51.92	50.72	49.90	50.72	49.90

Program: CareerForce Systemswww.careerforcemn.com**AT A GLANCE**

- Works with career seekers to develop and improve job readiness for in-demand occupations that pay family sustaining wages. The Veteran Services unit works exclusively with Veteran career seekers.
- Partners, collaborates, and engages with employers to find and train workers.
- Communicates available programs and services via an innovative and mobile friendly website, CareerForceMn.com.
- Provides online resume and job-matching system for employers and career seekers through MinnesotaWorks.net.

PURPOSE AND CONTEXT

CareerForce works to empower the growth of the Minnesota economy for everyone by working with businesses to recruit, hire, and train the workforce they need now, and for tomorrow. To accomplish this, CareerForce engages with career seekers and employers in 50 CareerForce Locations across the state, online and on the phone, and through outreach to people and populations who have experienced greater challenges accessing the workforce development system. These populations include career seekers who are Black, Indigenous and people of color (BIPOC). Veterans are a priority population within the CareerForce system. CareerForce works hard to make sure no Minnesotan is left on the economic sidelines.

CareerForce is funded as a federal/state partnership with federal funding making up 77.6% of the overall fund, mixed federal and state funding (TANF/MFIP) funding 8.7% and state-alone funding comprising 13.6% of the overall. Programs funded solely with state dollars include contracts to provide Supplemental Nutrition Assistance Program (SNAP) support services, Pathways to Prosperity (P2P) services, employment services for offenders and ex-offenders for the Minnesota Department of Corrections, employment services for the Minnesota Department of Transportation, and state funded Dislocated Worker services.

SERVICES PROVIDED

CareerForce oversees the inclusive delivery of basic career services to career seekers and employers throughout Minnesota. CareerForce supports employment services delivery across a statewide network of 50 one-stop American Job Centers, known as CareerForce Locations located in sixteen Minnesota workforce development areas, as well as digital services that are providing new ways to deliver virtual assistance. CareerForce works closely with the Minnesota Association of Workforce Boards (MAWB), the Governor's Workforce Development Board (GWDB), DEED's Employment and Training Programs, Unemployment Insurance and local leadership in each workforce development area to ensure an integrated approach to service delivery.

CareerForce is responsible for system-wide coordination activities. The Workforce Innovation and Opportunity Act (WIOA) provides guidance to states on using funding to deliver services in a fair and equitable manner.

CareerForce ensures that each local workforce development area is operating under the guidance provided by the US Department of Labor (DOL). This includes sharing costs through funding agreements, ensuring appropriate services are available in every area and region, and that each program, service, and location is jointly operated by all partners in the one-stop system.

CareerForce units include the Employment Services unit and the Veteran Employment Services unit. Employment Services oversees Job Service, Migrant Seasonal Farmworker Services, Work Opportunity Tax Credits (WOTC), Foreign Labor Certification, CareerForce digital resources, and the national labor exchange (MinnesotaWorks.net).

Veteran Employment Services provides priority services to qualified military veterans and assists employers with recruiting military veterans.

- **Employment Services Unit:** Oversees the administration of Wagner Peyser funding to deliver services to career seekers and employers statewide. This unit also operates programming with other state agencies, oversees CareerForceMN.com and MinnesotaWorks.Net, operates employer programs, and manages a helpdesk to support CareerForce Systems.
 - **Job Service Team:** Provides basic career services directly to career seekers and employers. These services are provided directly in person, over the phone or online in every workforce development area via Wagner Peyser Act funding and in collaboration with partners of CareerForce as identified in WIOA. In some areas, Job Service delivers local programming, such as Dislocated Worker, Youth Programs, Adult Services or MFIP. Staff work out of each of the 16 local workforce development areas across the state, managers represent Wagner Peyser on each of the 16 local Workforce Development Boards.

This team also includes special programs operated via interagency agreement with the departments of Corrections (DOC) and Transportation (DOT). The DOC program serves inmates both before and after they are released from the State’s prison system. This programming connects inmates to employment opportunities and works to reduce recidivism among high risk populations. The agreement with DOT provides recruitment and training for non-traditional groups to obtain employment opportunities with contractors on DOT’s construction projects.

Job Service also delivers services for migrant and seasonal farm workers who come to Minnesota from other states to assist local agricultural employers with the harvesting season. These services are operated in significant agricultural areas throughout the state. The services provided ensure employers connect with the workers they need, and workers have access to jobs and services while in Minnesota.

- **CareerForce Helpdesk and Employer Services Team:** Provides services and programs directly to career seekers, employers and CareerForce partners. This team assists employers with creating vetted accounts to post job vacancies and search for resumes. They also assist career seekers with posting their resumes, and accessing programs and services.

Employer services include Work Opportunity Tax Credits (WOTC), bonding and Foreign Labor Certification (FLC). WOTC offers tax credits to employers who hire employees from certain groups. Bonding is offered to employers who would like insurance to hire employees with a criminal record. FLC is offered to employers who need to recruit workers from other countries due to a lack of candidates for their jobs.

- **Veterans Services Unit:** DEED administers the federally funded Jobs for Veterans State Grant program that provides employment and training services for eligible current and former military members. All DEED employees on the Veterans Employment Services team are military veterans. Primary customers are Minnesota veterans of all service eras and all ages—including the MN National Guard and Reserves who meet the state statute definition of an eligible veteran. The Disabled Veterans Outreach Program specialists provide individualized career services and facilitate job placement to veterans with significant barriers to employment.
 - **Veteran career services** include comprehensive assessment interviews, career guidance services, individual employment plans, staff-assisted job search activities, and job placement assistance.
 - **Employer Services** are provided by Local Veterans Employment Representatives who reach out to the employer community to promote the advantages of hiring veterans. Promoting the advantages of hiring veterans served by CareerForce to businesses, and other community-based

organizations is carried out through hosting career fairs, apprenticeship programs, and the business community to promote and secure employment and training for veterans, and informing federal contractors of the process to recruit qualified veterans.

- **Special populations** are a priority for Veteran Services. Those populations include Native American Veterans, Veterans experiencing homelessness, justice-involved Veterans, and women Veterans. DEED Veteran Service’s staff assigned to serve these Veterans receive special training from the National Veterans Training institutes. In addition, they provide case management and employment resources to empower their customers.

RESULTS

Describe the results achieved by this activity by providing performance measures. There are two options for graphically displaying your performance measures:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	# of job seekers registered and receiving a reportable service	154,019	110,793	SFY 2018 & SFY 2019
Quantity	# of employer job openings posted on http://www.minnesotaworks.net	679,930	682,306	SFY 2018 & SFY 2019
Quality	Job seeker customer satisfaction using the Net Promoter Score (-100 to 100; a score of 50 is excellent)	46	46	FY 2017 & FY 2020
Results	Percentage of Wagner Peyser Employment Services program participants entering employment after exit.	68.3%	69.0%	SFY 2018 & SFY 2019
Results	Percentage of Veterans Program participants receiving intensive services who completed all program goals or exited the program into employment	83.0%	87.0%	SFY2018 & SFY 2019

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

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
<u>Expenditures by Fund</u>								
2000 - Restrict Misc Special Revenue	3,939	3,669	3,799	4,579	4,587	4,616	4,587	4,616
3000 - Federal	17,317	17,791	16,801	18,736	18,010	18,616	18,010	18,616
Total	21,256	21,460	20,600	23,315	22,597	23,232	22,597	23,232
Biennial Change				1,199		1,914		1,914
Biennial % Change				3		4		4
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Career Force Systems	21,256	21,460	20,600	23,315	22,597	23,232	22,597	23,232
Total	21,256	21,460	20,600	23,315	22,597	23,232	22,597	23,232

Expenditures by Category

Compensation	13,041	13,154	12,674	13,933	14,511	15,092	14,511	15,092
Operating Expenses	7,198	7,796	7,595	8,917	7,621	7,675	7,621	7,675
Grants, Aids and Subsidies	969	460	322	460	460	460	460	460
Capital Outlay-Real Property	1	3	1					
Other Financial Transaction	47	47	8	5	5	5	5	5
Total	21,256	21,460	20,600	23,315	22,597	23,232	22,597	23,232

Total Agency Expenditures	21,256	21,460	20,600	23,315	22,597	23,232	22,597	23,232
Internal Billing Expenditures	1,641	1,871	1,871	2,015	2,091	2,166	2,091	2,166
Expenditures Less Internal Billing	19,615	19,589	18,729	21,300	20,506	21,066	20,506	21,066

Full-Time Equivalent

	170.65	168.56	158.43	158.73	158.73	162.73	158.73	162.73
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(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
2000 - Restrict Misc Special Revenue								
Balance Forward In	366	273	85	13				
Receipts	3,573	3,395	3,727	4,566	4,587	4,616	4,587	4,616
Balance Forward Out			13					
Expenditures	3,939	3,669	3,799	4,579	4,587	4,616	4,587	4,616
Biennial Change in Expenditures				770		825		825
Biennial % Change in Expenditures				10		10		10
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalent	28.26	25.83	24.97	24.97	24.97	24.97	24.97	24.97

3000 - Federal

Balance Forward In	4	841	798	743				
Receipts	17,348	17,748	16,746	17,993	18,010	18,616	18,010	18,616
Balance Forward Out	35	798	743					
Expenditures	17,317	17,791	16,801	18,736	18,010	18,616	18,010	18,616
Biennial Change in Expenditures				429		1,089		1,089
Biennial % Change in Expenditures				1		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalent	142.39	142.73	133.46	133.76	133.76	137.76	133.76	137.76

Program: Disability Determination Services (DDS)

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

AT A GLANCE

- Serves Minnesota residents who file applications for disability benefits and Minnesotans who are reviewed for continuing eligibility.
- Refers disability applications for individuals who may benefit from rehabilitation services to other state agencies.
- Reviewed 47,566 new claims in 2019.
- DDS is funded 100% by federal dollars.

PURPOSE & CONTEXT

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

SERVICES PROVIDED

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

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

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

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FFY 2018</i>	<i>FFY 2019</i>
Quantity	# of new determinations reviewed	46,240	47,566
Quality	Days in decision-making	80.3 days	83.5 days
Quality	Accuracy of determination decisions (Initial Claims only as reported by SSA.)	99.3%	99.1%

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

Disability Determination Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
3000 - Federal	24,089	24,689	25,143	28,325	28,790	34,304	28,790	34,304
Total	24,089	24,689	25,143	28,325	28,790	34,304	28,790	34,304
Biennial Change				4,689		9,626		9,626
Biennial % Change				10		18		18
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Disability Determination	24,089	24,689	25,143	28,325	28,790	34,304	28,790	34,304
Total	24,089	24,689	25,143	28,325	28,790	34,304	28,790	34,304

Expenditures by Category

Compensation	9,726	10,385	10,802	12,973	12,671	12,378	12,671	12,378
Operating Expenses	7,595	7,175	8,187	7,924	8,320	13,737	8,320	13,737
Grants, Aids and Subsidies	6,768	7,113	6,107	7,378	7,747	8,134	7,747	8,134
Capital Outlay-Real Property		15	34	34	36	38	36	38
Other Financial Transaction	0	1	13	16	16	17	16	17
Total	24,089	24,689	25,143	28,325	28,790	34,304	28,790	34,304

Total Agency Expenditures	24,089	24,689	25,143	28,325	28,790	34,304	28,790	34,304
Internal Billing Expenditures	1,227	1,475	1,586	1,956	2,054	2,157	2,054	2,157
Expenditures Less Internal Billing	22,862	23,214	23,557	26,369	26,736	32,147	26,736	32,147

Full-Time Equivalent

	126.04	132.53	131.35	173.00	166.00	158.00	166.00	158.00
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Disability Determination Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
3000 - Federal								
Balance Forward In			7					
Receipts	24,089	24,689	25,136	28,325	28,790	34,304	28,790	34,304
Expenditures	24,089	24,689	25,143	28,325	28,790	34,304	28,790	34,304
Biennial Change in Expenditures				4,689		9,626		9,626
Biennial % Change in Expenditures				10		18		18
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	126.04	132.53	131.35	173.00	166.00	158.00	166.00	158.00

Program: General Support Services

mn.gov/deed

AT A GLANCE

- Provides leadership and infrastructure for the agency.
- Includes the Commissioner's Office and other offices which support DEED's core program work.

PURPOSE AND CONTEXT

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

SERVICES PROVIDED

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

- *Commissioner's Office*: provides executive leadership through appointment by Office of the Governor of Minnesota. In addition to supervising all DEED programs, the Commissioner's Office oversees two quasi-independent agencies:
 - The *Public Facilities Authority* (PFA) is a multi-agency authority that provides municipal financing expertise and infrastructure financing programs to enhance the environmental and economic vitality of the State. The Commissioner of DEED serves as the chair and chief executive officer of the authority while day-to-day operations are managed by an executive director and staff.
 - *Explore Minnesota Tourism* is the state's tourism marketing entity and is an office in the executive branch. The director of that agency reports directly to the Commissioner of DEED.
- *Communications Office*: Publicizes DEED services for customers, partners, and other stakeholders while promoting Minnesota as a place to live, work, and do business.
- *Office of Diversity and Equal Opportunity*: Ensures DEED's compliance with federal and state laws concerning discrimination, harassment, reasonable accommodation, retaliation, site and program access, and handles complaints of discrimination for any DEED employee, applicant, contractor, or customer.
- *Office of the General Counsel*: Supports DEED's legal needs, including data requests, ethics questions, litigation, contracts, and other items.
- *Administrative and Financial Services*: Oversees all financial activities (including budgeting, payroll, procurement, continuity of operations and other functions) as well as managing all DEED facilities.
- *Human Resources*: Manages agency personnel, labor relations, and employee training and development.
- *Technical Planning*: Advises DEED on technical investments, coordinates the IT project decision process, and ensures that IT projects are set up, implemented, and maintained successfully.
- *Performance Management*: Supports agency in providing local, state, and federal reporting data, as well as leading agency efforts around continuous improvement, surveying, quantitative and qualitative data analysis, and data management.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>SFY 2019</i>	<i>SFY 2020</i>
Quantity	Purchase Orders Completed	6,399	5,447*
Quantity	Contracts Completed	469	677
Quantity	Grants Completed	1,235	1,629
Quantity	Equity Select Contracts Completed	6	17

*The number of purchase orders completed in SFY 2020 was impacted by COVID-19.

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

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

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

General Support Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	1,595	1,954	1,483	3,045	2,302	2,302	3,033	3,346
2000 - Restrict Misc Special Revenue	15,123	16,849	17,345	22,172	19,807	19,635	19,807	19,635
2001 - Other Misc Special Revenue	93	94	120	207	118	118	118	118
2390 - Workforce Development				110	55	55	55	55
3000 - Federal	10,807	10,304	10,473	10,985	10,505	10,518	10,505	10,518
3010 - Coronavirus Relief			146					
Total	27,618	29,201	29,566	36,519	32,787	32,628	33,518	33,672
Biennial Change				9,266		(670)		1,105
Biennial % Change				16		(1)		2
Governor's Change from Base								1,775
Governor's % Change from Base								3
<u>Expenditures by Activity</u>								
General Support Services	27,618	29,201	29,566	36,519	32,787	32,628	33,518	33,672
Total	27,618	29,201	29,566	36,519	32,787	32,628	33,518	33,672
<u>Expenditures by Category</u>								
Compensation	12,972	13,570	13,769	17,064	16,415	16,730	16,847	17,474
Operating Expenses	13,218	14,419	14,523	19,155	16,072	15,598	16,371	15,898
Grants, Aids and Subsidies	1,409	1,179	957	300	300	300	300	300
Capital Outlay-Real Property	27	1	279					
Other Financial Transaction	(7)	31	39					
Total	27,618	29,201	29,566	36,519	32,787	32,628	33,518	33,672
Total Agency Expenditures	27,618	29,201	29,566	36,519	32,787	32,628	33,518	33,672
Internal Billing Expenditures	518	606	672	19	717	707	717	707
Expenditures Less Internal Billing	27,101	28,594	28,895	36,500	32,070	31,921	32,801	32,965
<u>Full-Time Equivalent</u>	135.75	134.63	128.00	139.47	138.72	139.45	145.72	149.45

General Support Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		739		743				
Direct Appropriation	4,122	4,638	7,171	4,171	4,171	4,171	4,902	5,215
Transfers In	31	413	351	1,123	101	101	101	101
Transfers Out	1,821	3,623	5,296	1,970	1,970	1,970	1,970	1,970
Cancellations	5	213		1,022				
Balance Forward Out	732		743					
Expenditures	1,595	1,954	1,483	3,045	2,302	2,302	3,033	3,346
Biennial Change in Expenditures				979		76		1,851
Biennial % Change in Expenditures				28		2		41
Governor's Change from Base								1,775
Governor's % Change from Base								39
Full-Time Equivalents	8.78	8.29	9.47	9.47	9.47	9.47	16.47	19.47

2000 - Restrict Misc Special Revenue

Balance Forward In	846	442	878	2,595	115		115	
Receipts	14,678	16,658	19,062	19,692	19,692	19,635	19,692	19,635
Internal Billing Receipts	14,431	16,418	18,609	19,330	19,330	19,330	19,330	19,330
Balance Forward Out	401	252	2,595	115				
Expenditures	15,123	16,849	17,345	22,172	19,807	19,635	19,807	19,635
Biennial Change in Expenditures				7,545		(75)		(75)
Biennial % Change in Expenditures				24		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	90.50	88.80	82.27	94.27	94.27	95.00	94.27	95.00

2001 - Other Misc Special Revenue

Balance Forward In	88	93	79	87				
Receipts	97	80	128	120	118	118	118	118
Balance Forward Out	92	79	87					
Expenditures	93	94	120	207	118	118	118	118
Biennial Change in Expenditures				139		(91)		(91)
Biennial % Change in Expenditures				74		(28)		(28)
Governor's Change from Base								0

General Support Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Governor's % Change from Base								0
Full-Time Equivalents	0.43	0.43	0.49	0.71	0.71	0.71	0.71	0.71

2390 - Workforce Development

Balance Forward In		18		55				
Direct Appropriation	35	51	55	55	55	55	55	55
Transfers Out	17							
Cancellations		69						
Balance Forward Out	18		55					
Expenditures				110	55	55	55	55
Biennial Change in Expenditures				110		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	5	10	1					
Receipts	10,803	10,294	10,471	10,985	10,505	10,518	10,505	10,518
Expenditures	10,807	10,304	10,473	10,985	10,505	10,518	10,505	10,518
Biennial Change in Expenditures				347		(435)		(435)
Biennial % Change in Expenditures				2		(2)		(2)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	36.04	37.11	35.77	35.02	34.27	34.27	34.27	34.27

3010 - Coronavirus Relief

Direct Appropriation			149					
Cancellations			3					
Expenditures			146					
Biennial Change in Expenditures				146		(146)		(146)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Minnesota Trade Office

mn.gov/deed/trade/

AT A GLANCE

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

PURPOSE AND CONTEXT

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

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

SERVICES PROVIDED

The Minnesota Trade Office (MTO) provides:

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

We sponsor and coordinate trade missions to foreign countries with delegations of business, education, and government officials, to showcase Minnesota as a superior place to do business, raise the profile of Minnesota companies, and provide important networking opportunities to the delegates. During the pandemic, we organized a series of virtual tech pitch events to encourage and help foreign-based companies considering a North American

location understand the possibilities of locating in Minnesota. In two events, we received 51 applications from companies based in 12 foreign countries.

We also organize reverse missions from foreign countries with delegation of business, education, and government officials to showcase the state and create business opportunities for Minnesota companies. MTO also organized virtual reverse trade missions bringing overseas buyers together with Minnesota manufacturers and service providers to encourage new and expanded sales to international markets.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Annual total exports from Minnesota	\$22.7B	\$22.2B	2018 & 2019
Quantity	Number of organizations receiving export assistance	925	789	SFY 2019 & SFY 2020
Quantity	Number of attendees at MTO training seminars	532	769	SFY 2019 & SFY 2020
Quantity	Number of Foreign companies contacted or requesting information on Minnesota	510	875	SFY 2019 & SFY 2020
Quantity	Number of protocol requests, meetings and visits with diplomatic interactions	28	68	FFY 2019 & FFY 2020

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

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	1,912	2,736	2,103	2,459	2,317	2,317	2,167	2,167
2000 - Restrict Misc Special Revenue	76	8	100	131	131	81	131	81
3000 - Federal		95	0	49	190	190	190	190
Total	1,988	2,840	2,203	2,639	2,638	2,588	2,488	2,438
Biennial Change				14		384		84
Biennial % Change				0		8		2
Governor's Change from Base								(300)
Governor's % Change from Base								(6)

<u>Expenditures by Activity</u>								
Minnesota Trade Office	1,988	2,840	2,203	2,639	2,638	2,588	2,488	2,438
Total	1,988	2,840	2,203	2,639	2,638	2,588	2,488	2,438

<u>Expenditures by Category</u>								
Compensation	1,000	1,169	1,224	1,253	1,258	1,290	1,258	1,290
Operating Expenses	688	1,411	749	1,086	1,080	998	1,030	948
Grants, Aids and Subsidies	289	256	228	300	300	300	200	200
Other Financial Transaction	11	4	1					
Total	1,988	2,840	2,203	2,639	2,638	2,588	2,488	2,438

Total Agency Expenditures	1,988	2,840	2,203	2,639	2,638	2,588	2,488	2,438
Internal Billing Expenditures	126	166	180	192	193	198	193	198
Expenditures Less Internal Billing	1,862	2,674	2,023	2,447	2,445	2,390	2,295	2,240

<u>Full-Time Equivalent</u>	9.82	11.23	11.02	11.00	11.00	11.00	11.00	11.00
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(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		555		142				
Direct Appropriation	2,292	2,292	2,292	2,292	2,292	2,292	2,142	2,142
Transfers In	25	25	25	25	25	25	25	25
Cancellations	11	136	72					
Balance Forward Out	394		142					
Expenditures	1,912	2,736	2,103	2,459	2,317	2,317	2,167	2,167
Biennial Change in Expenditures				(87)		72		(228)
Biennial % Change in Expenditures				(2)		2		(5)
Governor's Change from Base								(300)
Governor's % Change from Base								(6)
Full-Time Equivalents	9.73	11.22	10.87	10.80	10.80	10.80	10.80	10.80

2000 - Restrict Misc Special Revenue

Balance Forward In	136	167	208	171	105	39	105	39
Receipts	106	49	63	65	65	65	65	65
Balance Forward Out	166	208	171	105	39	23	39	23
Expenditures	76	8	100	131	131	81	131	81
Biennial Change in Expenditures				147		(19)		(19)
Biennial % Change in Expenditures				175		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.09	0.01	0.15	0.20	0.20	0.20	0.20	0.20

3000 - Federal

Receipts	95		0	49	190	190	190	190
Expenditures	95		0	49	190	190	190	190
Biennial Change in Expenditures				(46)		331		331
Biennial % Change in Expenditures						672		672
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Vocational Rehabilitation Services

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

AT A GLANCE

- Provides employment-related services to approximately 20,000 Minnesotans with disabilities each year who seek competitive, integrated employment.
- Provides Pre-Employment Transition Services to students with disabilities.
- Assists Minnesotans with disabilities to live independently and secure their basic rights in areas such as housing, transportation, education and employment.

PURPOSE & CONTEXT

Our purpose is to assist Minnesotans with disabilities to find and keep jobs, advance in their careers, and live independently in their communities. Vocational Rehabilitation Services helps remedy the disparity between the percentage of working-age Minnesotans with disabilities who participate in the labor force – 54.1 percent – and those with no disability - 84 percent (2018).

Vocational Rehabilitation Services assists:

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

SERVICE MODEL

We accomplish our mission via several distinct programs: the Vocational Rehabilitation program, grants to Centers for Independent Living, grants for Individual Placement and Supports, the Deaf/Deafblind, and Hard of Hearing program, and the Extended Employment program. The Vocational Rehabilitation program and grants to Independent Living Centers are operated and funded as federal/state partnerships. The Extended Employment program, Deaf, Deafblind, and Hard of Hearing program, and grants for Individual Placements and Supports are funded solely by the state.

- *Vocational Rehabilitation Program (VR):* We work with people with disabilities to explore employment choices, find and maintain jobs, and advance in their careers through services such as job counseling, job search assistance, education and training, and job placement services. Pre-Employment Transition Services (Pre-ETS) help students with disabilities plan the journey from school to what comes next. Specifically, Pre-ETS helps students discover career and postsecondary education possibilities, how to gain work skills and experiences, what students will need to make their plan happen.
- *Extended Employment:* We work with people with disabilities to keep their jobs and advance in their careers by providing long-term employment support services. Those services typically include assistance in training or retraining job tasks, scheduling changes, adjusting to new supervisors, advancement to new job tasks or positions, and managing changes in non-work environments or life activities that affect work performance.
- *Centers for Independent Living:* We provide state and federal funding to Minnesota’s eight Centers for Independent Living whose missions are to empower Minnesotans with disabilities to live and function independently at home, at work, and in their communities.

- *Individual Placement and Supports*: Minnesota’s Individual Placement and Supports (IPS) projects assist people with serious mental illnesses to achieve steady employment in integrated competitive employment by providing a full range of employment services and supports. IPS services emphasize a rapid engagement approach to competitive job searches consistent with the individual’s goals, interests and experience, and are available to anyone who wants to work regardless of mental health diagnosis, substance use, past work history or assessment of work readiness.
- *Deaf, Deafblind, and Hard of Hearing*: The Deaf, Deafblind, and Hard of Hearing grants provide funding to community partners to provide long-term, ongoing employment support services for persons who are deaf, deafblind or hard of hearing as well as school-based communication, access, and employment services for transition-aged youth who are deaf, deafblind or hard of hearing.

Our staff provide individualized assessments, evaluations, counseling, training, assistive technologies, job placement, and retention services. Through coordinated partnerships, we work closely with nonprofit community rehabilitation providers, county service agencies, regional centers for independent living, secondary and post-secondary educational institutions, businesses, and other public and private organizations.

RESULTS – VOCATIONAL REHABILITATION PROGRAM

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>SFY19</i>	<i>SFY20¹</i>
Quantity	Number of new participants receiving services	5,406	4,754
Quantity	Total number of participants receiving services	16,151	15,013
Result	Number of individuals attaining employment	2,605	2,291
Quantity	Potentially eligible students served through pre-ETS only	1,194	1,727
Quantity	VRS participants served with pre-ETS	1,520	2,221

RESULTS – EXTENDED EMPLOYMENT PROGRAM

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>SFY19</i>	<i>SFY20</i>
Quantity	Number of individuals	3,586	3,148
Result	Total wages earned by individuals	\$31.4M	\$27.8M

RESULTS – INDIVIDUAL PLACEMENT AND SUPPORTS GRANTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>SFY19</i>	<i>SFY20</i>
Quantity	Total number of individuals served	1,226	Data not yet available
Quantity	Total number of individuals employed	736	Data not yet available

¹ The COVID-19 pandemic has impacted the number of people served during SFY20 as well as their ability to gain and maintain employment.

RESULTS – INDEPENDENT LIVING GRANTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>SFY19</i>	<i>SFY20</i>
Quantity	Total number of individuals served	6,549	6,856
Quantity	Total instances of service (Information and Referral, Skills Training, Peer Counseling, Advocacy)	53,458	55,819

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

Minn. Stat., [Chap. 268A.15](#) et. seq. provides the statutory authority for the Extended Employment Program.
Minn. Stat., [Chap. 268A.11](#); U.S. Code, [Title 29, Chap. 16, Sect. 796](#) et seq., provides the statutory authority for the Independent Living Program.

Vocational Rehabilitation Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	27,508	27,571	28,973	31,234	28,881	28,881	23,881	23,881
2390 - Workforce Development	7,737	9,296	8,909	9,632	7,830	7,830	12,830	12,830
2403 - Gift		9	0	35	45	50	45	50
3000 - Federal	59,105	54,013	51,924	72,929	74,754	75,620	74,754	75,620
Total	94,350	90,889	89,806	113,830	111,510	112,381	111,510	112,381
Biennial Change				18,397		20,255		20,255
Biennial % Change				10		10		10
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Activity</u>								
Vocational Rehabilitation	69,712	64,906	64,699	85,404	87,159	87,950	87,159	87,950
Extended Employment	16,154	18,600	19,581	22,555	18,400	18,400	18,400	18,400
Independent Living	8,485	7,382	5,526	5,871	5,951	6,031	5,951	6,031
Total	94,350	90,889	89,806	113,830	111,510	112,381	111,510	112,381
<u>Expenditures by Category</u>								
Compensation	30,180	31,002	33,222	37,351	38,405	38,770	38,405	38,770
Operating Expenses	13,055	11,527	12,833	24,011	23,299	23,675	23,299	23,675
Grants, Aids and Subsidies	51,089	48,299	43,728	52,418	49,755	49,884	49,755	49,884
Capital Outlay-Real Property		3	0					
Other Financial Transaction	26	58	24	50	51	52	51	52
Total	94,350	90,889	89,806	113,830	111,510	112,381	111,510	112,381
Total Agency Expenditures	94,350	90,889	89,806	113,830	111,510	112,381	111,510	112,381
Internal Billing Expenditures	3,792	4,379	4,879	5,709	5,944	6,172	5,944	6,172
Expenditures Less Internal Billing	90,558	86,509	84,927	108,121	105,566	106,209	105,566	106,209
<u>Full-Time Equivalent</u>	346.82	345.51	358.17	380.09	384.95	388.95	384.95	388.95

Vocational Rehabilitation Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	1,989	2,618	2,445	2,353				
Direct Appropriation	27,733	26,861	28,861	28,861	28,861	28,861	23,861	23,861
Transfers In	19	39	19	20	20	20	20	20
Transfers Out		19						
Cancellations	1	29						
Balance Forward Out	2,233	1,898	2,353					
Expenditures	27,508	27,571	28,973	31,234	28,881	28,881	23,881	23,881
Biennial Change in Expenditures				5,127		(2,445)		(12,445)
Biennial % Change in Expenditures				9		(4)		(21)
Governor's Change from Base								(10,000)
Governor's % Change from Base								(17)
Full-Time Equivalents	3.77	3.71	2.51	1.54	2.84	2.84	2.84	2.84

2390 - Workforce Development

Balance Forward In	1,412	1,950	1,091	1,802				
Direct Appropriation	7,830	7,830	9,630	7,830	7,830	7,830	12,830	12,830
Cancellations	82	59	10					
Balance Forward Out	1,424	425	1,802					
Expenditures	7,737	9,296	8,909	9,632	7,830	7,830	12,830	12,830
Biennial Change in Expenditures				1,508		(2,881)		7,119
Biennial % Change in Expenditures				9		(16)		38
Governor's Change from Base								10,000
Governor's % Change from Base								64
Full-Time Equivalents	0.03	0.07	0.11	0.11	0.11	0.11	0.11	0.11

2403 - Gift

Balance Forward In	24	45	37	38	38	38	38	38
Receipts	21	1	1	35	45	50	45	50
Balance Forward Out	45	37	38	38	38	38	38	38
Expenditures	9	0	35	35	45	50	45	50
Biennial Change in Expenditures				27		60		60
Biennial % Change in Expenditures						169		169
Governor's Change from Base								0

Vocational Rehabilitation Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	47	2,594	7	7				
Receipts	60,064	51,425	51,924	72,922	74,754	75,620	74,754	75,620
Balance Forward Out	1,006	7	7					
Expenditures	59,105	54,013	51,924	72,929	74,754	75,620	74,754	75,620
Biennial Change in Expenditures				11,735		25,521		25,521
Biennial % Change in Expenditures				10		20		20
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	343.02	341.73	355.55	378.44	382.00	386.00	382.00	386.00

Program: State Services for the Blind

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

AT A GLANCE

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

PURPOSE AND CONTEXT

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

SERVICES PROVIDED

Workforce Development:

Workforce Development receives 78.7 percent of its funding through a federal grant from the U.S. Department of Education. For Federal Fiscal Year 2019, the total amount of grant funds awarded was \$9,244,760. The remaining 21.3 percent required match of \$2,502,076 is funded by a state appropriation.

- *Vocational Rehabilitation: A Workforce Innovation and Opportunity Act Core Partner*
We assist students in preparing for life after high school by ensuring they have the skills, training, and technology necessary to be a part of a highly skilled, highly trained workforce. We support individuals in choosing careers that align with today's economic trends and provide them with the necessary training and technology so they have a competitive edge in the labor market. We help individuals avoid or leave sheltered workshops that pay subminimum wage and instead assist them in finding high quality, good paying jobs in the community. Our highly skilled employment specialists and assistive technologists partner with businesses by assisting them with recruitment, employee retention, disability training, and job accommodations.
- *Business Enterprises: Providing Entrepreneurial Opportunities*
We provide vending business job opportunities for blind, visually impaired, and DeafBlind entrepreneurs within state and federal buildings at 159 locations statewide. There are 28 entrepreneurs in this program operating businesses which generate \$5.7 million in annual sales, \$331,000 in state sales tax revenue, over \$579,000 in employee wages, and \$282,000 in funds to support the program.

Senior Services: Senior Services receives a federal grant through the U.S. Department of Education. In FFY19, the federal grant was \$522,306 with a 10 percent state match of \$58,034. Senior Services also receives an additional \$500,000 state allotment.

Many of the people we work with have age-related macular degeneration, diabetic retinopathy, glaucoma, or other vision-related conditions that are often a part of aging. Our goal is to help customers meet the challenges of vision loss based on their own particular needs and circumstances. Services range from teaching simple

techniques for managing household activities to comprehensive training that can include learning to use a white cane, how to continue to use technology, and more complex personal independence skills. The Senior Services Aging Eyes Initiative is an additional program within senior services that leverages community partnerships throughout Minnesota to reach additional seniors in need.

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

RESULTS

Workforce Development:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FFY 2018</i>	<i>FFY 2019</i>
Result	Customers’ average hours worked per week	27	25
Result	Customers’ average hourly wage	\$16.27	\$18.13

Senior Services:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FFY 2018</i>	<i>FFY 2019</i>
Quantity	Total customers served	3,753	4,429
Quantity	Customers enrolled through Aging Eyes	450	771
Result	Community partnerships formed	99	138

Communication Center:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FFY 2018</i>	<i>FFY 2019</i>
Quantity	Total customers served	13,807	13,952

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

State Services for The Blind

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	6,551	6,551	6,551	6,551	6,551	6,551	6,551	6,551
2000 - Restrict Misc Special Revenue	719	666	761	724	674	683	674	683
2403 - Gift	202	288	261	286	290	294	290	294
3000 - Federal	12,849	11,782	9,464	12,286	12,246	12,337	12,246	12,337
Total	20,322	19,287	17,037	19,847	19,761	19,865	19,761	19,865
Biennial Change				(2,725)		2,742		2,742
Biennial % Change				(7)		7		7
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Services for The Blind	20,322	19,287	17,037	19,847	19,761	19,865	19,761	19,865
Total	20,322	19,287	17,037	19,847	19,761	19,865	19,761	19,865

Expenditures by Category

Compensation	9,110	9,430	9,478	10,066	10,304	10,600	10,304	10,600
Operating Expenses	4,809	4,609	4,525	4,794	4,767	4,765	4,767	4,765
Grants, Aids and Subsidies	6,151	5,141	2,877	4,880	4,588	4,418	4,588	4,418
Capital Outlay-Real Property		23						
Other Financial Transaction	252	84	157	107	102	82	102	82
Total	20,322	19,287	17,037	19,847	19,761	19,865	19,761	19,865

Total Agency Expenditures	20,322	19,287	17,037	19,847	19,761	19,865	19,761	19,865
Internal Billing Expenditures	1,146	1,347	1,392	1,550	1,591	1,637	1,591	1,637
Expenditures Less Internal Billing	19,175	17,940	15,645	18,297	18,170	18,228	18,170	18,228

Full-Time Equivalent

	109.34	110.62	105.01	111.75	111.75	111.00	111.75	111.00
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State Services for The Blind

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		2						
Direct Appropriation	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425
Transfers In	126	126	126	126	126	126	126	126
Cancellations		1						
Balance Forward Out	0							
Expenditures	6,551	6,551	6,551	6,551	6,551	6,551	6,551	6,551
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	35.40	43.29	42.27	43.74	43.74	43.74	43.74	43.74

2000 - Restrict Misc Special Revenue

Balance Forward In	1,015	1,018	977	735	621	655	621	655
Receipts	610	624	519	610	708	708	708	708
Balance Forward Out	905	976	735	621	655	680	655	680
Expenditures	719	666	761	724	674	683	674	683
Biennial Change in Expenditures				100		(128)		(128)
Biennial % Change in Expenditures				7		(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.00	2.00	2.00		2.00	2.00	2.00	2.00

2403 - Gift

Balance Forward In	174	227	241	357	371	381	371	381
Receipts	255	298	377	300	300	300	300	300
Balance Forward Out	226	237	357	371	381	387	381	387
Expenditures	202	288	261	286	290	294	290	294
Biennial Change in Expenditures				57		37		37
Biennial % Change in Expenditures				12		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.48	1.47	1.45	1.00	1.00	1.00	1.00	1.00

State Services for The Blind

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
3000 - Federal								
Balance Forward In	137	285	109	87	132	165	132	165
Receipts	12,826	11,599	9,443	12,331	12,279	12,344	12,279	12,344
Balance Forward Out	114	101	88	132	165	172	165	172
Expenditures	12,849	11,782	9,464	12,286	12,246	12,337	12,246	12,337
Biennial Change in Expenditures				(2,881)		2,833		2,833
Biennial % Change in Expenditures				(12)		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalent	70.46	63.86	59.29	67.01	65.01	64.26	65.01	64.26

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

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

PURPOSE AND CONTEXT

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

SERVICES PROVIDED

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

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

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Year & Amount of Funding Appropriated</i>					
		<i>2014 \$20M</i>	<i>2015 \$10.5M</i>	<i>2016 \$35M</i>	<i>2017 \$20M</i>	<i>2018 \$0</i>	<i>2019 \$20M</i>
Quantity	# of Applications to Broadband Grant Program	40	44	57	70	0	80
Quantity	# of Grant Awards from the Broadband Grant Program	16	15	40	39	0	30
Quantity	# of Households, Businesses and Community Institutions Served by Broadband Grant Program	6,333	4,098	16,708	12,202	0	10,938
Results	Percent of Minnesota Households with High Speed Broadband Access (based on 2016 established goal of 25Mbps down/3Mbps upload)	85.83% ¹	87.72% ²	87.94% ³	90.77% ⁴	92.70% ⁵	92.19% ⁶

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

¹ Broadband access as of 2/15

² Broadband access as of 7/16

³ Broadband access as of 4/17

⁴ Broadband access as of 3/18

⁵ Broadband access as of 4/19

⁶ Broadband access as of 4/20. The decrease in household availability between 2019 and 2020 is attributable to more granular reporting of available broadband speeds by a few broadband providers.

Broadband Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23

Expenditures by Fund

1000 - General	227	275	144	456	350	350	50,350	350
2001 - Other Misc Special Revenue	28,516	311	23,753	21,269	298	312	298	312
Total	28,744	586	23,898	21,725	648	662	50,648	662
Biennial Change				16,293		(44,313)		5,687
Biennial % Change				56		(97)		12
Governor's Change from Base								50,000
Governor's % Change from Base								3,817

Expenditures by Activity

Broadband Dev Office	28,744	586	23,898	21,725	648	662	50,648	662
Total	28,744	586	23,898	21,725	648	662	50,648	662

Expenditures by Category

Compensation	278	311	273	414	466	483	1,336	483
Operating Expenses	99	274	287	311	182	179	812	179
Grants, Aids and Subsidies	28,366		23,337	21,000			48,500	
Other Financial Transaction	0	1	0					
Total	28,744	586	23,898	21,725	648	662	50,648	662

Total Agency Expenditures	28,744	586	23,898	21,725	648	662	50,648	662
Internal Billing Expenditures	35	44	40	64	72	74	192	74
Expenditures Less Internal Billing	28,709	542	23,858	21,661	576	588	50,456	588

Full-Time Equivalent

	2.63	3.00	2.63	4.00	4.00	4.00	4.00	4.00
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Broadband Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		25		106				
Direct Appropriation	20,250	250	20,250	20,250	350	350	50,350	350
Transfers In				100				
Transfers Out	20,000		20,000	20,000				
Balance Forward Out	23		106					
Expenditures	227	275	144	456	350	350	50,350	350
Biennial Change in Expenditures				98		100		50,100
Biennial % Change in Expenditures				19		17		8,344
Governor's Change from Base								50,000
Governor's % Change from Base								7,143
Full-Time Equivalents	1.04	1.27	0.80	1.80	1.80	1.80	1.80	1.80

2001 - Other Misc Special Revenue

Balance Forward In	9,174	3,330	4,474	1,344	545	455	545	455
Receipts	728	724	623	470	208	60	208	60
Transfers In	20,000		20,000	20,000				
Balance Forward Out	1,386	3,743	1,344	545	455	203	455	203
Expenditures	28,516	311	23,753	21,269	298	312	298	312
Biennial Change in Expenditures				16,195		(44,412)		(44,412)
Biennial % Change in Expenditures				56		(99)		(99)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.59	1.73	1.83	2.20	2.20	2.20	2.20	2.20

Employment and Economic Development

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
US HUD 14.228	Small Cities Community Development Block Grants For the benefit of eligible non- entitlement local units of government for community development needs.		\$ 8,594	\$ 20,579	\$ 20,581	\$ 20,583	Match	3.89
Environmental Protection Agency 66.818	Brownfield/Petroleum Cleanup Provide loans to public or private entities for clean-up of contaminated property.		\$ 17	\$ 2,487	\$ 1,200			0.10
	Budget Activity Total: Community Finance		\$ 8,611	\$ 23,066	\$ 21,781	\$ 20,583		3.99
Small Business Administration 59.037	Small Business Development Centers Financing small business development center services.		\$ 1,407	\$ 2,320	\$ 2,320	\$ 2,320	Match	0.00
Small Business Administration 59.037C	SBDC COVID19 CARES Act To provide education, training and business advising to small businesses that have experienced supply chain disruptions, staffing challenges, a decrease in gross receipts or customers or a closure as a result of COVID-19	NEW		\$ 2,266	\$ 1,200			
	Budget Activity Total: Entrepreneurship & Small Business Development		\$ 1,407	\$ 4,586	\$ 3,520	\$ 2,320		-
	Program Total: Business and Community Development		\$ 10,018	\$ 27,652	\$ 25,301	\$ 22,903		3.99
US Department of Labor 17.225	Unemployment Insurance Provides a temporary, partial wage replacement to those who become unemployed through no fault of their own.		\$ 52,483	\$ 76,369	\$ 76,394	\$ 68,272		393.53
US Department of Labor 17.225	Unemployment Insurance ADMIN EUISSA Families First Coronavirus Response Act, Public Law (Pub.L.) 116-127, Division D, EUISAA. Unemployment Insurance provides a temporary, partial wage replacement to those who become unemployed through no fault of their own.	NEW		\$ 9,813	\$ 9,813			
Federal Emergency Management Agency 97.050C	Presidential Declared Disaster Assistance to Individuals and Households-Other Needs-FEMA Provide administrative expense funding for time spent administering large federal grant from FEMA for the LWA program.	NEW		70				
	Program Total: Unemployment Insurance		\$ 52,483	\$ 86,252	\$ 86,207	\$ 68,272		393.53
US Department of Labor 17.235	Senior Community Service Employment Program Provides people age 55 and older to receive on the job training and current work experience they need to return to work.		\$ 1,866	\$ 1,998	\$ 1,998	\$ 1,962	Match	0.64
US Department of Labor 17.245	Trade Adjustment Assistance Serves workers displaced by foreign trade and provides workers reentering the workforce with work search, relocation, job training and weekly cash benefits		\$ 6,965	\$ 13,000	\$ 13,000	\$ 13,000		15.50
US Department of Labor 17.258	Workforce Innovation and Opportunity Act (WIOA) Adult Programs Provides year round employment training services to adults.		\$ 7,868	\$ 9,829	\$ 9,829	\$ 9,829		5.00

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
US Department of Labor 17.278	Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker Programs Provides employment and training services to workers who have been laid off through no fault of their own.		\$ 8,811	\$ 11,149	\$ 11,149	\$ 11,149		14.26
US Department of Labor 17.277	National Emergency Grants - Workforce Innovation and Opportunity Act Programs -OPIOID Provides funding assistance to address the workforce-related impacts of the public health emergency related to the coronavirus pandemic increase in OPIOID usage.	NEW		\$ 800	\$ 569			1.00
US Department of Labor 17.277C	National Emergency Grants - Workforce Innovation and Opportunity Act Programs -COVID-19 pandemic. Provides funding assistance to address the workforce-related impacts of the public health emergency related to the coronavirus pandemic.			\$ 1,268	\$ 1,268			
US Department of Labor 17.720	RETAIN Demonstration Projects will test the impact of early intervention strategies that improve stay-at-work/return-to-work (SAW/RTW) outcomes of individuals who experience an injury or illness while employed. RETAIN projects will address both on-the-job and off-the-job injuries and illnesses. Individuals participating in RETAIN must be employed, or at a minimum in the labor force, at the time of the injury or illness onset.		\$ 1,747	\$ 611				1.20
US Department of Labor 17.283	Workforce Innovation Fund - An award to promote system reforms and innovations that facilitate cooperation across programs to improve employment outcomes, cost effectiveness, and delivery of customer-centered services to job seekers, youth and employers.		\$ 1,123					2.04
US Department of Labor 17.268	Apprenticeship Initiative - An award to develop innovative approaches to expand apprenticeship into more industries, sectors, and occupations.		\$ 1,026	\$ 650	\$ 650			0.83
NPS POOL-No CFDA	NPS Pool-Admin Operations		\$ 881	\$ 20,824	\$ 20,375	\$ 20,375		2.00
	Budget Activity Total: Adult Services		\$ 30,287	\$ 60,129	\$ 58,838	\$ 56,315		42.47
US Department of Labor 17.207	Youth Disability Employment Initiative (DEI) Program Provides expansion of employment opportunities for youth people with disabilities.		\$ 131					1.55
US Department of Labor 17.259	Workforce Innovation and Opportunity Act (WIOA) Youth Programs Provides year round employment training services to disadvantaged youth.		\$ 9,457	\$ 12,000	\$ 12,000	\$ 12,000		8.46
	Budget Activity Total: Youth Services		\$ 9,588	\$ 12,000	\$ 12,000	\$ 12,000		10.01
	Program Total: Workforce Development		\$ 39,875	\$ 72,129	\$ 70,838	\$ 68,315		52.48
US Department of Labor 17.273	Foreign Labor Provides federal tax credit to employers hiring members of targeted groups who have difficulty finding jobs. Enables businesses to hire foreign workers. Provide analysis of job market conditions and outlook, economic indicators and workforce trends.		\$ 141	\$ 138	\$ 138	\$ 138		1.20

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
US Department of Labor 17.271	Work Opportunity Tax Credit (WOTC) Provides federal tax credit to employers hiring members of targeted groups who have difficulty finding jobs. Enables businesses to hire foreign workers. Provide analysis of job market conditions and outlook, economic indicators and workforce trends.		\$ 177	\$ 407	\$ 335	\$ 335		1.53
US Department of Labor 17.801	Veterans Programs Provide specialized employment and training services to veterans using the workforce center system.		\$ 2,666	\$ 2,780	\$ 2,792	\$ 2,792		23.00
US Department of Labor 17.207	Employment Services Wagner- Peyser Provides labor exchange services to individuals seeking employment and to businesses seeking workers.		\$ 10,824	\$ 11,363	\$ 11,421	\$ 12,006		90.61
NO CFDA	Subgrant agreements		\$ 2,938	\$ 3,305	\$ 3,324	\$ 3,345		17.42
NO CFDA	NMPLSBLDGS Building sale proceeds used to fund CareerForce approved projects	NEW	\$ 55	\$ 743				0.00
	Program Total: Career Force Systems		\$ 16,801	\$ 18,736	\$ 18,010	\$ 18,616		133.76
Social Security Administration 96.001	Disability Determination Provides determinations on social security disability insurance eligibility, verification information to rehabilitation agencies and resources for customers eligible for Ticket to Work program.		\$ 25,143	\$ 28,325	\$ 28,790	\$ 34,304		173.00
	Program Total: Disability Determination		\$ 25,143	\$ 28,325	\$ 28,790	\$ 34,304		173.00
US Department of Labor 17.002	Labor Force Statistics Collects, edits, analyzes and disseminates employment and economic data.		\$ 1,397	\$ 1,394	\$ 1,394	\$ 1,394		12.33
US Department of Labor 17.207	Analyst Resource Center Development, maintenance and dissemination of the Workforce Information Database to all states for mandated use as the repository of labor marker data.		\$ 1,308	\$ 805	\$ 805	\$ 805		2.68
US Department of Labor 17.207	Workforce Information Grant Provide analysis of job market conditions and outlook, economic indicators and workforce trends.		\$ 743	\$ 656	\$ 606	\$ 606		6.23
US Department of Labor 17.207	Career One-Stop Provides a wide array of information and interactive tools for job seekers, students and other career planners.		\$ 7,025	\$ 8,130	\$ 7,700	\$ 7,713		13.78
	Program Total: General Support Services		\$ 10,473	\$ 10,985	\$ 10,505	\$ 10,518		35.02
Small Business Administration 59.061	State Trade and Export Promotion (STEP) A pilot program of the SBA to provide grants to states to carry out export programs that assist eligible small businesses.		\$	\$ 49	\$ 190	\$ 190	Match	
	Program Total: Minnesota Trade Office		\$ 0	\$ 49	\$ 190	\$ 190		-
US Department of Education 84.187	Basic Supported Employment Provides assessment, vocational evaluations, counseling, training, and job placement services for persons with significant disabilities.		\$ 246	\$ 246	\$ 350	\$ 350	Match	0.00
US Department of Education 84.126	Basic Employment Provides assessment, vocational evaluations, counseling, training, and job placement services for persons with significant disabilities.		\$ 49,163	\$ 69,816	\$ 71,464	\$ 72,250	Both	377.00
Interagency agreement No CFDA	VR Special Projects			\$ 7				

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
	Budget Activity Total: Vocational Rehabilitation		\$ 49,409	\$ 70,069	\$ 71,814	\$ 72,600		377.00
Health & Human Services 93.369	Independent Living Services B Provides independent living skills training, information and referral, systems advocacy, and peer support services to persons with disabilities.		\$ 1,265	\$ 381	\$ 290	\$ 295	Match	1.44
Health & Human Services 93.432	Independent Living Services C To support a network of centers for independent living (centers or CILs)		\$ 1,250	\$ 1,270	\$ 1,300	\$ 1,325		
Health & Human Services 93.432C	IND LIVING SVCS FED C CARES -Independent Living Services C to support a network of centers for independent living centers for Covid-19 related needs	NEW		\$ 1,209	\$ 1,350	\$ 1,400		
	Budget Activity Total: Independent Living		\$ 2,515	\$ 2,860	\$ 2,940	\$ 3,020		1.44
	Program Total: Vocational Rehabilitation		\$ 51,924	\$ 72,929	\$ 74,754	\$ 75,620		378.44
US Department of Education 84.187	Basic Supported Employment Provides assessment, vocational evaluations, counseling, training, Braille, and job placement services.		\$ (22)	\$ 54	\$ 54	\$ 54	Match	
US Department of Education 84.126	Basic Employment Provides assessment, vocational evaluations, counseling, training, Braille, and job placement services.		\$ 7,948	\$ 10,658	\$ 10,668	\$ 10,776	Both	52.41
Health & Human Services 93.369	Independent Living Services B Provides assistance to older blind persons with disabilities to live independently.		\$ 74	\$ 57	\$ 57	\$ 57	Match	0.60
US Department of Education 84.177	Older Blind Support services for individuals age 55 or older whose severe visual impairment makes competitive employment difficult to obtain but for whom independent living goals are feasible.		\$ 718	\$ 725	\$ 725	\$ 725	Match	4.61
Interagency agreement No CFDA	Education Agreement		\$ 623	\$ 725	\$ 725	\$ 725		8.64
Interagency agreement No CFDA	SSB Special Projects		\$ 121	\$ 67	\$ 17			0.75
	Program Total: Service for The Blind		\$ 9,463	\$ 12,286	\$ 12,246	\$ 12,337		67.01
	Agency Total: Department of Employment and Economic Development		\$ 216,180	\$ 329,343	\$ 326,841	\$ 311,075		1,237.23

Narrative

DEED received funding from a variety of federal agencies including the Departments of Labor, Education, Health and Human Services, Housing and Urban Development, Social Security Administration, Environmental Protection Agency, and Small Business Administration. Federal Funds represent a significant portion of DEED's budget, consisting of 54% of expenditures in SFY19 and 48% of expenditures in SFY20. Decrease in SFY20 would be reflective of the COVID-19 pandemic occurrence and the decrease in operational services sponsored during March through June 2020.

For planning purposes, it is assumed that federal award amount for ongoing programs will remain fairly consistent over biennium. FTE counts are based on the estimated time charged against federal programs for SFY21.

Workforce Innovation and Opportunity Act enactment in July 2015 created and streamlined workforce development systems eliminating several programs but maintaining the 15 percent funding reservation at the state level to allow flexibility to address specific needs. During 2018 federal funding for Minnesota experienced an overall 8% increase in WIOA funding above the award received in 2015. However while 2017 and 2018 experienced an initial large percentage annual award increase, award years for 2019 and 2020 have subsequently seen a significant decrease in funding. Funding for PY20 is reflective of the annual awards received during years 2016 and 2017 averaging 23.5 million per award. Each WIOA funding award year has a period of performance of 3 years for spending of the funds which then provide more flexibility for facilitation of spending especially during the recent COVID19 pandemic.

The Small Business Development Center program requires a 1-1 match which is shared between the state and the grantees. Additional onetime funding for the SBDC program provided by the COVID CARES Act doesn't require any state match. The Small Cities Community envelopment Block Grant program requires a 1-1 match for administrative funds, after the first \$100,000 is paid. The Brownfields program requires a 22% match, which is provided by the loan recipients. the Minnesota Trade Office STEP program requires a .333% match.

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

The Senior Community Service Employee program (SCSEP) includes a non-Federal Share (match or cost share) of at least 10 percent of the total cost of activities carried out under the SCSEP grant. Per Section 502(c)(1) of the Older Americans Act and 20 CFR 641.809, payment of no more than 90% of the total cost of activities carried out under the SCSEP grant. Cost recipient incurs in fulfilling its matching or cost-sharing requirement are subject to the same requirements.

Employment and Economic Development

Grants Funding Detail

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
BCD Business Development (State) <i>Laws 17 094 01 002 002 & 191 007 01 002 002</i>	Purpose: Small onetime misc. grants to promote Business Development Recipient Type(s) Eligibility Criteria: Business and not profit entities	\$ 30	\$ -	\$ -	\$ -
Rural Policy Dev Center <i>MS 116J.4221 Laws 17 094 06 001 000</i>	Purpose: The earnings in the account are annually appropriated to the board of the Center for Rural Policy and Development to carry out the duties of the center. Recipient Type(s) Eligibility Criteria: Rural policy and development center	\$ -	\$ 111	\$ 30	\$ 30
Contaminated Site Grants (State) <i>M.S. 115J.551, MS 115C.08 4, MS 270.97</i>	Purpose: Investigation and cleanup of contaminated sites for private or public redevelopment Recipient Type(s) Eligibility Criteria: Cities/Counties, Port Authorities, EDA, HRA	\$ 6,771	\$ 16,665	\$ 7,665	\$ 1,688
Indian Business Loan Program (State) <i>MS 116J.64</i>	Purpose: Administrative grant to process and collect loans and repayments for the Indian Business Loan Program Recipient Type(s) Eligibility Criteria: Community Finance Organizations affiliated loan recipient tribes	\$ 8	\$ 10	\$ 10	\$ 10
MN Job Creation (State) <i>Laws 17 094 01 002 02F & MS 116J.8748</i>	Purpose: Encourage capital investment and high wage job creation by business Recipient Type(s) Eligibility Criteria: Business in select industries that enter into a construction and job creation business subsidy agreement	\$ 8,036	\$ 8,989	\$ 9,500	\$ 9,500
Minnesota Investment Fund (State) <i>Laws 17 094 01 002 02E & MS 116J.8731 & 17 094 06 027 00B</i>	Purpose: Funds are awarded to local units of government who provide loans to assist expanding businesses. All projects must meet minimum criteria for private investment, number of jobs created or retained, and wages paid. At least 50 percent of total project costs must be privately financed through owner equity and other lending sources (most applications selected for funding have at least 70 percent private financing). or to maintain existing employment, and for business start-up, expansions, and retention Recipient Type(s) Eligibility Criteria: Cities, counties, townships, certain development authorities and recognized Indian tribal governments are eligible.	\$ 7,395	\$ 8,925	\$ 11,999	\$ 11,999
MIF - Enerkem <i>Laws 17 094 01 002 02E & MS 116J.8731</i>	Purpose: Loan to extend a effluent pipe to deliver reclaimed water to an innovative waste-to-biofuel project Recipient Type(s) Eligibility Criteria: City of Inver Grove Heights	\$ -	\$ 700	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
MIF-Verso Paper Mill (State) <i>Laws 191 007 01 002 02P, MS 116J.8731</i>	Purpose: Legislative carveout for a loan to a paper mill in Duluth for a retrofit project that will support the operation and manufacture of packaging paper grades. Recipient Type(s) Eligibility Criteria: City of Duluth	\$ -	\$ 2,000	\$ -	\$ -
Movie Tht & Conven Cent Grts (State) <i>Laws 207 002 04 001 000</i>	Purpose: This temporary program was established to provide economic relief for movie theaters and convention centers adversely affected by the COVID-19 pandemic. Recipient Type(s) Eligibility Criteria: Movie Theatres and Convention Centers	\$ -	\$ 13,900	\$ -	\$ -
SmBus Relief Grants vSBLG (State) <i>Laws 201 001 00 003 000</i>	Purpose: This program will make available \$10,000 grants to Minnesotan owned and operated businesses that can demonstrate financial hardship as a result of the COVID-19 outbreak. (primarily funded via the Coronavirus Relief Fund, this smaller portion funded via the Small Business Loan Guarantee fund) Recipient Type(s) Eligibility Criteria: Be a private for-profit business that has a permanent physical location in Minnesota. Be majority owned by a permanent resident of Minnesota. Be in good standing with the Minnesota Secretary of State and the Minnesota Department of Revenue as of March 1, 2020. Employ the equivalent of 50 or fewer full-time workers. Be able to demonstrate financial hardship as a result of the COVID-19 outbreak.	\$ -	\$ 2,500	\$ -	\$ -
Redevelopment Grant Program <i>MS 116J.571 & Laws 16 189 07 002 02C & 17 094 06 027 00B</i>	Purpose: Investigation and cleanup of contaminated sites for private or public redevelopment Recipient Type(s) Eligibility Criteria: Cities/Counties, Port Authorities, EDA, HRA	\$ 5,785	\$ 2,968	\$ -	\$ -
MN Film TV Bd Production Jobs (State) <i>Laws 17 094 01 002 02J MS 116U.26</i>	Purpose: The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota Recipient Type(s) Eligibility Criteria: MN Film & TV Board	\$ 485	\$ 485	\$ 485	\$ 485
MN Film and TV Board (State) <i>Laws 17 094 01 002 02I & 191 007 01 002 02T</i>	Purpose: Reimburse select administration cost incurred by MN Film & TV Board Recipient Type(s) Eligibility Criteria: MN Film & TV Board	\$ 317	\$ 317	\$ 317	\$ 317
Upper MN Film Office (State) <i>Laws 17 094 01 002 02H & 191 007 01 002 02U</i>	Purpose: Promote NE MN as a location destination for shooting and producing films on site Recipient Type(s) Eligibility Criteria: Northspan as the fiscal agent for Upper MN Film Office	\$ 11	\$ 11	\$ 11	\$ 11

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Enterprise MN - SB Growth (State) Laws 17 094 01 002 02N	Purpose: Small business growth acceleration programs under M.S. 116O.115 Recipient Type(s) Eligibility Criteria: Enterprise MN Inc.	\$ 428	\$ 428	\$ -	\$ -
Center Rural Policy Dev (State) Laws 17 094 01 002 02K & 191 007 01 002 02R, MS 116J.421	Purpose: Research and policy analysis on emerging economic and social issues in rural Minnesota Recipient Type(s) Eligibility Criteria: Rural Policy and Development Center	\$ 132	\$ 132	\$ 132	\$ 132
Greater MN Bus Dev Public Infr (State) Laws 17 094 01 002 02L & 191 007 01 002 02A, MS 116J.431	Purpose: The Greater Minnesota Business Development Infrastructure Grant Program helps stimulate new economic development, create new jobs and retains existing jobs through investments in public infrastructure. It provides grants to cities of up to 50 percent of the capital costs of the public infrastructure necessary to expand or retain jobs in the area, increase the tax base, or expand or create new economic development. Recipient Type(s) Eligibility Criteria: Counties outside of the seven-county metropolitan area or statutory or home rule cities outside of the seven-county metropolitan area.	\$ 2,547	\$ 1,773	\$ 1,730	\$ 1,730
White Earth Nation - IBDS (State) Laws 17 094 01 002 02D & 191 007 001 002 02H	Purpose: Grant for White Earth Nation Integrated Business Development System to provide business assistance and activities Recipient Type(s) Eligibility Criteria: White Earth Nation	\$ 119	\$ 119	\$ -	\$ -
Rondo Comm Land Trust (State) Laws 191 007 01 002 02J	Purpose: Grant to the Rondo Community Land Trust for improvements to leased commercial space in the Selby Milton Victoria Project that will create long-term affordable space for small businesses and for build-out and development of new businesses. Recipient Type(s) Eligibility Criteria: Rondo Community Land Trust	\$ 243	\$ -	\$ -	\$ -
Airport Infrastructure Review (State) Laws 191 007 01 002 02Q	Purpose: Grants to provide up to 50 percent of the capital costs of redevelopment of an existing facility or construction of a new facility; and for public or private infrastructure costs, including broadband infrastructure costs, necessary for an eligible airport infrastructure renewal economic development project. Recipient Type(s) Eligibility Criteria: counties, airport authorities, or cities	\$ 681	\$ -	\$ -	\$ -
Hmong Chamber Bus Prac (State) Laws 191 007 01 002 2AA	Purpose: Grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and operators in better business practices. Recipient Type(s) Eligibility Criteria: Hmong Chamber of Commerce	\$ -	\$ 125	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Host Comm Econ Dev Prog (State) Laws 17 094 01 002 02S	Purpose: Grants pay for capital costs associated with an economic development project in Host Communities Recipient Type(s) Eligibility Criteria: Cities of Inver Grove Heights and Burnsville. Must meet the definition of a Host Community	\$ 831	\$ 831	\$ 831	\$ 831
DMC General State inf Aid (State) MS 469.47 9	Purpose: State infrastructure aid payment for the certified qualified expenditures in the private-public medical and economic development Destination Medical Center project. To further enhance the region's position as a global destination for health care services. Recipient Type(s) Eligibility Criteria: City of Rochester	\$ 13,493	\$ 20,977	\$ 25,803	\$ 30,000
DMC State Transit Aid	Purpose: State transit aid payment for the certified qualified expenditures in the private-public medical and economic development Destination Medical Center project. To further enhance the region's position as a global destination for health care services. Recipient Type(s) Eligibility Criteria: City of Rochester	\$ -	\$ -		\$ 3,151
Job Skills Partnership Program (State) MS 116L.01, Laws 17 094 01 002 02 A & 191 007 01 002 02W	Purpose: Provide grants to educational institutions partnering with one or more businesses to develop and deliver training specific to business needs for new or existing employees Recipient Type(s) Eligibility Criteria: Educational or other nonprofit institutions	\$ 6,018	\$ 4,319	\$ 3,591	\$ 3,582
Job Training Grants (State) Laws 17 094 01 002 02X & 191 007 01 002 02X MS 116L.42	Purpose: Provides on-the-job training costs for employees for training and education specifically directed to creating new jobs. Recipient Type(s) Eligibility Criteria: Businesses (in-house training services); institutions of higher education; and federal, state, or local agencies; or private training or educational services.	\$ 749	\$ 1,350	\$ 1,350	\$ 1,350
Bus Dev Comp Grant Prog GF (State) Laws 17 094 01 002 02R	Purpose: Business development assistance and services, but not limited to: minority, women's, rural, bioscience, entrepreneur development, and services to inventors Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations	\$ 1,354	\$ 1,354	\$ 1,354	\$ 1,354

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Launch MN- Innovation Grants (State) <i>Laws 191 007 01 002 02Y & 191 007 02 008 006</i>	<p>Purpose:</p> <p>Business operations: These grants provide up to \$35,000 for business operations, including research and development, direct business expenses and technical assistance.</p> <p>Housing or child care: These grants provide up to \$7,500 for housing or child care expenses.</p> <p>SBIR (Small Business Innovation Research) match: These grants provide up to \$50,000 for businesses awarded a first time Phase 2 SBIR or STTR (Small Business Technology Transfer) award.</p> <p>Recipient Type(s) Eligibility Criteria: Primary business activity in a technology industry, HQ in MN, not been in operation more than 10 years, generated less than \$1 million in revenue</p>	\$ 1,473	\$ 1,727	\$ -	\$ -
Launch MN- Education Grants (State) <i>Laws 191 007 01 002 02Y & 191 007 02 008 007</i>	<p>Purpose: Grants to provide educational programming to entrepreneurs and provide outreach to and collaboration with businesses, federal and state agencies, institutions of higher education, trade associations, and other organizations working to advance innovative, high technology businesses throughout Minnesota.</p> <p>Recipient Type(s) Eligibility Criteria: Institutions of higher education and non-profit organizations</p>	\$ 450	\$ 450	\$ -	\$ -
Small Business Development Centers (State) <i>Laws 17 094 01 002 002 & 191 007 01 002 002</i>	<p>Purpose: Provide consulting services to small business entrepreneurs. Grant provides operational funding to the centers along with a federal grant.</p> <p>Recipient Type(s) Eligibility Criteria: Higher Education Institutions hosting one of the state's nine Small Business Development Center</p>	\$ 135	\$ 147	\$ 135	\$ 135
Quality Child Care Grants (State) <i>Laws 16 189 07 002 02L</i>	<p>Purpose: To increase the supply of quality child care providers in order to support economic development. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions.</p> <p>Recipient Type(s) Eligibility Criteria: Local Communities, At least 60% of the funds must go to communities located outside of the seven-county metro area.</p>	\$ 668	\$ -	\$ -	\$ -
MN Initiative Fn- Childcare (State) <i>Laws 191 007 01 002 02M</i>	<p>Purpose: grants to local communities to increase the supply of quality child care providers to support economic development.</p> <p>Recipient Type(s) Eligibility Criteria: Local Communities, At least 60% of the funds must go to communities located outside of the seven-county metro area.</p>	\$ 720	\$ -	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
FIRST Competitive Robotics (State) <i>Laws 191 007 01 002 02R</i>	Purpose: Grant to FIRST in Upper Midwest to support competitive robotics teams Recipient Type(s) Eligibility Criteria: FIRST in Upper Midwest	\$ 95	\$ -	\$ -	\$ -
Border-to-Border Broadband <i>MS 116J.396 & MS 116J.395</i>	Purpose: Grants for broadband infrastructure to promote the expansion of broadband services to unserved and underserved areas of the state Recipient Type(s) Eligibility Criteria: Incorporated businesses or partnerships; political subdivisions; Indian tribes; MN nonprofits organized under 317A; MN cooperative organized under 308A or B; and MN LLC's organized under 322B for the purpose of expanding broadband areas	\$ 23,337	\$ 21,000	\$ -	\$ -
Small Bus Emergency Loan Prog (State) <i>Laws 20 071 02 004 000 MS 116M.18 9</i>	Purpose: Emergency Loans for small businesses affected by the COVID pandemic. Grant funds are for administrative costs of the participating lending organizations Recipient Type(s) Eligibility Criteria: foundations and non-profit lending organizations	\$ 2,727	\$ -	\$ -	\$ -
Community Energy Transition Grants (State) <i>MS 116J.55</i>	Purpose: Grants to assist eligible communities to address the economic dislocation associated with the closing of a local electric generating plant Recipient Type(s) Eligibility Criteria: County, municipality, or tribal government located in Minnesota in which an electric generating plant owned by a public utility, as defined in section 216B.02, that is powered by coal, nuclear energy, or natural gas	\$ -	\$ 1,000	\$ 1,000	\$ -
Metro Econ Dev Assoc WDF (State) <i>Laws 191 007 01 002 002K</i>	Purpose: Grant for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses. Recipient Type(s) Eligibility Criteria: Metropolitan Economic Development Association (MEDA)	\$ 388	\$ 388	\$ -	\$ -
NDC-Sm Bus Dev WDF (State) <i>Laws 191 007 01 002 02N</i>	Purpose: Grants to the Neighborhood Development Center for small business programs Recipient Type(s) Eligibility Criteria: Neighborhood Development Center (NDC)	\$ 631	\$ 630	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Reg Ctr Entrpre Facilitation (State) <i>Laws 191 007 01 002 03D</i>	Purpose: a grant to the Regional Center for Entrepreneurial Facilitation hosted by a county or higher education institution. Funds available under this paragraph must be used to provide entrepreneur and small business development direct professional business assistance services in the following counties in Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca. Recipient Type(s) Eligibility Criteria: Regional Center for Entrepreneurial Facilitation	\$ 146	\$ 145	\$ -	\$ -
YouthPrise WDF (State) <i>Laws 191 007 01 002 02Z</i>	Purpose: Grant to Youthprise to give grants through a competitive process to community organizations to provide economic development services designed to enhance long-term economic self-sufficiency in communities with concentrated East African populations. Recipient Type(s) Eligibility Criteria: Youthprise	\$ 475	\$ 475	\$ -	\$ -
Youthbuild WDF <i>Laws 17 094 01 002 3BB & MS 116L.361 & MS 116L.366</i>	Purpose: Trains and employs young adults in construction Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations	\$ 950	\$ 950	\$ 950	\$ 950
Dislocated Worker Program <i>MS 116L.17</i>	Purpose: Provide career assessment, training, and job placement assistance for individuals in transition Recipient Type(s) Eligibility Criteria: Workforce Service Areas	\$ 21,013	\$ 56,919	\$ 35,878	\$ 37,823
Resource Inc (State) <i>Laws 17 094 01 002 03N</i>	Purpose: Provide low-income individuals career education and job skills training that are fully integrated with chemical and mental health services Recipient Type(s) Eligibility Criteria: Resource Inc.	\$ 238	\$ 238	\$ -	\$ -
MN Diversified Industries (State) <i>Laws 17 094 01 002 03M & 191 007 01 002 03U</i>	Purpose: To provide progressive development and employments opportunities for people with disabilities Recipient Type(s) Eligibility Criteria: Minnesota Diversified Industries, Inc.	\$ 95	\$ 95	\$ -	\$ -
Deaf / Hard of Hearing (State) <i>Laws 17 094 01 002 06E , MS 268A.16</i>	Purpose: Grants for employment services for persons including transition-age youth, who are deaf, deafblind, or hard-of-hearing Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations providing services to deaf, deafblind, and hard-of-hearing	\$ 975	\$ 983	\$ 983	\$ 983
WSA Career Advising <i>Laws 17 094 01 002 03B & 191 007 01 002 03A</i>	Purpose: For publication, dissemination, and use of labor market information under M.S. 116J.411, and for pilot programs in the workforce service areas specified in this act, to combine career and higher education advising Recipient Type(s) Eligibility Criteria: Pilot programs in workforce service areas	\$ 238	\$ 238	\$ 238	\$ 238

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
STEM MN High Tech Association (State) <i>Laws 17 094 01 002 03L & 191 007 01 002 03V</i>	Purpose: Support SciTechsperience, program supports science, technology, engineering, and math (STEM) internship opportunities Recipient Type(s) Eligibility Criteria: MN High Tech Association	\$ 831	\$ 831	\$ -	\$ -
OIC WDF (State) <i>Laws 17 094 01 002 03DD</i>	Purpose: Provide employment and training services Recipient Type(s) Eligibility Criteria: MN State Council of OICs	\$ 475	\$ 475	\$ 475	\$ 475
Big Brothers Big Sisters (State) <i>Laws 17 094 01 002 03P & 191 007 01 002 03GG</i>	Purpose: Workforce readiness, employment exploration, and skills development for youth ages 12 to 21 Recipient Type(s) Eligibility Criteria: Big Brothers, Big Sisters of the Greater Twin Cities	\$ 238	\$ 238	\$ -	\$ -
Rural Career Counseling Coor <i>Laws 17 094 01 002 03C & MS 116L.667</i>	Purpose: Rural career counseling coordinator positions in the workforce service areas. Recipient Type(s) Eligibility Criteria: Workforce service areas to receive funds to provide equitable services across workforce services areas	\$ 475	\$ 475	\$ 475	\$ 475
Rural Career WDF (State) <i>Laws 17 094 01 002 03II & 191 007 01 002 03B, MS 116L.667</i>	Purpose: Funds for rural career counseling coordinator position for purposes specified in Minnesota Statutes, section 116L.667 Recipient Type(s) Eligibility Criteria: Funds to workforce services areas	\$ 475	\$ 475	\$ 475	\$ 475
Support Svc Comp Grant (State) <i>Laws 17 094 01 002 03F</i>	Purpose: Grants to provide support services for individuals; job training, employment preparation, internships, job assistance to fathers, financial literacy, academic and behavioral interventions for low-performing students, and youth interventions Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations. Grants must focus on low-income communities, young adults from families with a history of intergenerational poverty and communities of color.	\$ 957	\$ 960	\$ 960	\$ 960
WESA GF (State) <i>Laws 17 094 01 002 03G & 191 007 01 002 03C, MS 116L.99</i>	Purpose: Grant program for women and high-wage, high-demand, nontraditional jobs program. Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations providing services for women	\$ 713	\$ 713	\$ 713	\$ 713
Youth at Work Comp Grant (State) <i>Laws 17 094 01 002 03A & 191 007 01 002 3DD, MS 116L.562</i>	Purpose: Youth-at-Work grants. Competitive Grants program Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations	\$ 713	\$ 713	\$ 713	\$ 713

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
SE Asian Comp Grant (State) Laws 17 094 01 002 03H	Purpose: Grants providing services to relieve economic disparities-workforce recruitment, development, job creation, assistance to smaller organizations to increase capacity and outreach Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations providing services to Southeast Asian community	\$ 950	\$ 950	\$ 950	\$ 950
Pathways 2 Prosperity Comp Grt (State) Laws 17 094 01 002 03E & 191 007 01 002 03J	Purpose: Competitive grants for job training and placement for hard-to-train individuals Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations	\$ 1,050	\$ 1,050	\$ 2,444	\$ 2,444
Pathways 2 Prosperity Comp Grt (State) Laws 17 094 01 002 03E	Purpose: Competitive grants for job training and placement for hard-to-train individuals Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations	\$ 4,420	\$ 4,420	\$ 4,420	\$ 4,420
Displaced Homemaker (State) Laws 17 094 01 002 03GG, MS 116L.96	Purpose: To fund displaced homemaker programs Recipient Type(s) Eligibility Criteria: Existing nonprofit and state displaced homemaker programs.	\$ 95	\$ 95	\$ -	\$ -
YWCA MPLS (State) Laws 17 094 01 002 03K & 191 007 01 002 03F	Purpose: Grant to provide economically challenged individuals the job skills training, career counseling and job placement assistance necessary to secure a child development associate credential for career path in early childhood education Recipient Type(s) Eligibility Criteria: YWCA of Mpls	\$ 119	\$ 119	\$ -	\$ -
YWCA St Paul (State) Laws 17 094 01 002 03Q & 191 007 01 002 03G	Purpose: Provide job training services and workforce development programs and services, including job skills training and counseling Recipient Type(s) Eligibility Criteria: YWCA of St Paul	\$ 119	\$ 119	\$ -	\$ -
EMERGE Community Development (State) Laws 17 094 01 002 03R	Purpose: Grant to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program Recipient Type(s) Eligibility Criteria: EMERGE Community Development in collaboration with community partners targeting Minnesota communities with the highest concentrations of African and African-American joblessness	\$ 238	\$ 238	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
MPLS Foundation (State) <i>Laws 17 094 01 002 03S</i>	Purpose: Grant for strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment Recipient Type(s) Eligibility Criteria: Grant to Minneapolis Foundation	\$ 380	\$ 380	\$ -	\$ -
CLUES (State) <i>Laws 17 094 01 002 03T</i>	Purpose: Expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth by providing new job skills training to higher wages, reduce intergenerational poverty, youth programming, educational advancement and career pathways Recipient Type(s) Eligibility Criteria: Grant to Latino Communities United in Services (CLUES)	\$ 594	\$ 594	\$ -	\$ -
Ujamaa Place (State) <i>Laws 17 094 01 002 03U</i>	Purpose: Grant for job training, employment preparation, internships, education, training in the construction trades, housing and organizational capacity building. Recipient Type(s) Eligibility Criteria: Grant to Ujamaa Place	\$ 475	\$ 475	\$ -	\$ -
Youth Competitive Grant Prog (State) <i>Laws 17 094 01 002 03CC</i>	Purpose: Provides job readiness preparation and occupational skills training to youth for employment Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations	\$ 3,155	\$ 3,181	\$ 3,181	\$ 3,181
Twin City Rise (State) <i>Laws 17 094 01 002 03V, MS 116J.8747</i>	Purpose: To provide job training assistance Recipient Type(s) Eligibility Criteria: Twin Cities Rise	\$ 665	\$ 686	\$ -	\$ -
Minnesota Youth Program <i>Laws 17 094 01 002 3AA & MS 116L.56 & MS 116L.561</i>	Purpose: Provides short-term, job readiness preparation for at-risk youth Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations	\$ 3,848	\$ 3,848	\$ 3,848	\$ 3,848
Bridges to Healthcare <i>Laws 17 094 01 002 03Y & 191 007 01 002 03X</i>	Purpose: Provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, build secure pathway out of poverty while addressing worker shortages in Minnesota's innovative industry. Recipient Type(s) Eligibility Criteria: Bridges to Healthcare	\$ 238	\$ 238	\$ -	\$ -
Nonprofits Assistance Fund (State) <i>Laws 17 094 01 002 03Z</i>	Purpose: Grant to provide capacity-building grants to small, culturally specific organizations serving historically underserved cultural communities Recipient Type(s) Eligibility Criteria: Nonprofits Assistance Fund	\$ 238	\$ 238	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Summit Academy OIC (State) Laws 17 094 01 002 03EE	Purpose: Grant to expand its contextualized GED and employment placement program. Recipient Type(s) Eligibility Criteria: Summit Academy OIC	\$ 950	\$ 950	\$ -	\$ -
AccessAbility Inc. (State) Laws 17 094 01 002 03KK	Purpose: Provide job skills training to individuals released from incarceration for felon-level offense. Recipient Type(s) Eligibility Criteria: Grant to AccessAbility Incorporated	\$ 179	\$ 179	\$ -	\$ -
OIC AIC (State) Laws 191 007 01 002 03O	Purpose: Grant to reduce academic disparities for American Indian students and adults. Funds may be used to provide tutoring, testing support, training and employment placement; technology; trades; GED assistance, remedial training for postsecondary, real-time experience etc. Recipient Type(s) Eligibility Criteria: Grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center.	\$ 475	\$ 475	\$ -	\$ -
Hmong American Partnership (State) Laws 191 007 01 002 3AA	Purpose: Grant to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program. Collaborating with partners with highest concentration of Southeast Asian joblessness based on most recent census tract data. Recipient Type(s) Eligibility Criteria: Hmong American Partnership and with collaborating MN community partners.	\$ 475	\$ 475	\$ -	\$ -
Better Futures (State) Laws 191 007 01 002 03K	Purpose: Provide job skills training to individual who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. Recipient Type(s) Eligibility Criteria: Better Futures Minnesota	\$ 143	\$ 143	\$ -	\$ -
MN Grocers Assoc (State) Laws 191 007 01 002 03N	Purpose: Statewide initiative to promote careers, conduct outreach, provide job skills training, and grant scholarships for careers in the retail food industry. Recipient Type(s) Eligibility Criteria: Minnesota Grocers Association Foundation for Carts to Careers	\$ 48	\$ 48	\$ -	\$ -
Construction Careers Fnd (State) Laws 191 007 01 002 03R	Purpose: Construction career pathway initiative to provide year-round educational and experiential learning opportunities for teens and young adults under the age of 21 that lead to careers in the construction industry. Recipient Type(s) Eligibility Criteria: Construction Careers Foundation	\$ 356	\$ 356	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Hennepin Cnty Cedar Riverside (State) <i>Laws 191 007 01 002 031</i>	Purpose: Grant to Hennepin County for the Cedar Riverside Partnership Recipient Type(s) Eligibility Criteria: Hennepin County	\$ 143	\$ 142	\$ -	\$ -
Displace Homemaker Program (State) <i>M.S. 116L.96 & MS 517.081C</i>	Purpose: Pre-employment services that empower participants to enter or re-enter the labor market after having been homemakers Recipient Type(s) Eligibility Criteria: Private and nonprofit organizations	\$ 1,075	\$ 951	\$ 951	\$ 951
SNAP Interagency Agreement <i>MS 471.59</i>	Purpose: Grants pay for capital costs associated with an economic development project in Host Communities Recipient Type(s) Eligibility Criteria: Must meet the definition of a Host Community	\$ 120	\$ 1,900	\$ 1,900	\$ 1,900
MFIP Interagency Agreement <i>MS 471.59</i>	Purpose: Reimburse select administration cost incurred by MN Film & TV Board Recipient Type(s) Eligibility Criteria: MN Film & TV Board	\$ 169	\$ 450	\$ 450	\$ 450
Income Agreements (State) <i>MS 116J.035</i>	Purpose: Provides work experience and job placement assistance to adults and teen parents who have been receiving MFIP benefits Recipient Type(s) Eligibility Criteria: Workforce Service Areas	\$ 81	\$ 200	\$ 200	\$ 200
Seminar/Conference/ Events <i>MS 116J.035</i>	Purpose: Funds received from sources for the purpose of carrying out the duties and responsibilities in the state in the promotion of tourism, trade, and economic development Recipient Type(s) Eligibility Criteria: People of Minnesota thorough private person, firm, cooperation or association by contracts to carry out programs and projects.	\$ 27	\$ -	\$ -	\$ -
State Trade Export Promotion (State) <i>Laws 17 094 01 002 05A</i>	Purpose: Provides grants to assist small businesses participate in trade missions. Recipient Type(s) Eligibility Criteria: Small Businesses	\$ 228	\$ 300	\$ 300	\$ 300
Svc for Blind - Senior Svcs <i>Laws 17 094 01 002 007</i>	Purpose: Provide training services for seniors who are becoming blind - independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes. Recipient Type(s) Eligibility Criteria: SSU Client Gerneal	\$ 132	\$ 134	\$ 128	\$ 126
Services For The Blind State <i>151 001 01 002 007 & 17 094 01 002 007 & 191 007 01 002 007</i>	Purpose: Provides employment services and support to the blind. Recipient Type(s) Eligibility Criteria: SSB General	\$ 216	\$ 600	\$ 510	\$ 374

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Extended Employment Program WDF (State) M.S. 268A.15 Laws 191 007 01 002 06B	Purpose: Provides employment services and support to people with severe disabilities Recipient Type(s) Eligibility Criteria: Rehabilitation facilities	\$ 7,918	\$ 6,832	\$ 6,830	\$ 6,830
Extended Employment Program (State) M.S. 268A.15 Laws 191 007 01 002 06B	Purpose: Provides employment services and support to people with severe disabilities Recipient Type(s) Eligibility Criteria: Rehabilitation facilities	\$ 8,659	\$ 9,848	\$ 8,540	\$ 8,540
RS Gift And Deposit <i>MS 116J.035 6</i>	Purpose: Assist VR participants with postsecondary tuition and related costs. Recipient Type(s) Eligibility Criteria: The gift fund may be used for any eligible VR expenses, but a substantial portion of the remaining balance in the gift fund (\$20,000) has donor imposed restrictions as follows: Assist VR participants with postsecondary tuition and related costs. Donee must be approved for VRS services and enrolled in a postsecondary program	\$ -	\$ 35	\$ 45	\$ 50
Mental Illness- Support Employ WDF (State) <i>Laws 191 007 01 002 06C, MS 268A.14</i>	Purpose: \$1,800,000 in the first year from the workforce development fund are for grants to programs that provide employment support services to persons with mental illness, available until June 30, 2023 Recipient Type(s) Eligibility Criteria: Rehabilitation facilities	\$ -	\$ 1,800	\$ -	\$ -
Rehab Services State <i>Laws 17 094 01 002 06A & 191 007 01 002 06A</i>	Purpose: Assist people with significant disabilities and secure and maintain employment Recipient Type(s) Eligibility Criteria: Public agencies or nonprofit organizations	\$ 5,695	\$ 6,031	\$ 6,047	\$ 6,047
Independent Living Services St <i>Laws 17 094 01 002 06B & 191 007 01 002 06D</i>	Purpose: Provides assistance to persons with disabilities to live independently, function in their homes and within their families, and participate in their communities Recipient Type(s) Eligibility Criteria: Independent Living Centers	\$ 3,011	\$ 3,011	\$ 2,860	\$ 2,856
Employment Support Services for Persons with Mental Illness (State) <i>MS 268A.13, MS 268A.15, 151 001 01 002 06E</i>	Purpose: Provides ongoing employment support services to persons with significant mental health disabilities who require ongoing support to maintain employment Recipient Type(s) Eligibility Criteria: Rehabilitation facilities	\$ 2,640	\$ 2,454	\$ 2,435	\$ 2,435
Totals		\$ 164,388	\$ 233,199	\$ 153,842	\$ 156,012

*Does not include Federal fund 3000 or 3010 account nor Remediation Fund 2801