

Table of Contents

Department of Employment and Economic Development

Agency Profile	1
Agency Expenditure Overview (REVISED)	4
Agency Financing by Fund (REVISED)	6
Agency Change Summary (REVISED)	12
<u>Change Item(s)</u>	16
<i>Service to Success Initiative</i>	16
<i>Drive for Five</i>	19
<i>Vocational Rehabilitation Services State Funding Increase (NEW)</i>	24
<i>Operating Adjustment</i>	28
<i>Minnesota Forward Fund Modifications</i>	29
<i>Minnesota Job Skills Partnership Modifications</i>	32
<i>Expand Credential Definition to Reflect the Impact of Job Training Programs</i>	35
<i>Technical Changes for Existing Programs</i>	37
<i>Reduce and Modify Business Development Public Infrastructure Program</i>	39
<i>Reduce Contaminated Site Cleanup and Investigation Grant Program (NEW)</i>	42
<i>Reduce Job Creation Fund (NEW)</i>	44
<i>Reduce Emerging Entrepreneur Loan Program (NEW)</i>	45
<i>Reduce Host Community Economic Development Grant Program (NEW)</i>	47
<i>Reduce Mental Illness Employment Supports (NEW)</i>	49
<i>Reduce Small Business Assistance Partnership Grant Program (NEW)</i>	51
<i>Reduce Pathways to Prosperity Grant Program (NEW)</i>	53
<i>Reduce Redevelopment Grant Program (NEW)</i>	56
<u>Program</u>	58
Business and Community Development	58
<i>Program Narrative</i>	58
Program Expenditure Overview (REVISED)	62
Program Financing by Fund (REVISED)	64
<u>Program</u>	69
Unemployment Insurance	69
<i>Program Narrative</i>	69
Program Expenditure Overview	71
Program Financing by Fund	72
<u>Program</u>	74
Workforce Development Services	74
<i>Program Narrative</i>	74
Program Expenditure Overview (REVISED)	77
Program Financing by Fund (REVISED)	78
<u>Program</u>	80
CareerForce Systems	80
<i>Program Narrative</i>	80
Program Expenditure Overview	83
Program Financing by Fund	84
<u>Program</u>	85

Disability Determination Services	85
<i>Program Narrative</i>	85
Program Expenditure Overview	86
Program Financing by Fund	87
<u>Program</u>	88
General Support Services	88
<i>Program Narrative</i>	88
Program Expenditure Overview	90
Program Financing by Fund	91
<u>Program</u>	93
Minnesota Trade Office	93
<i>Program Narrative</i>	93
Program Expenditure Overview	95
Program Financing by Fund	96
<u>Program</u>	97
Vocational Rehabilitation Services	97
<i>Program Narrative</i>	97
Program Expenditure Overview (REVISED)	100
Program Financing by Fund (REVISED)	101
<u>Program</u>	103
State Services for The Blind	103
<i>Program Narrative</i>	103
Program Expenditure Overview	105
Program Financing by Fund	106
<u>Program</u>	108
Paid Leave	108
<i>Program Narrative</i>	108
Program Expenditure Overview	109
Program Financing by Fund	110
<u>Program</u>	111
Broadband Development	111
<i>Program Narrative</i>	111
Program Expenditure Overview	114
Program Financing by Fund	115
<u>Additional Documents</u>	117
<i>Federal Funds Summary (REVISED)</i>	117
<i>Grants Detail</i>	123

AT A GLANCE

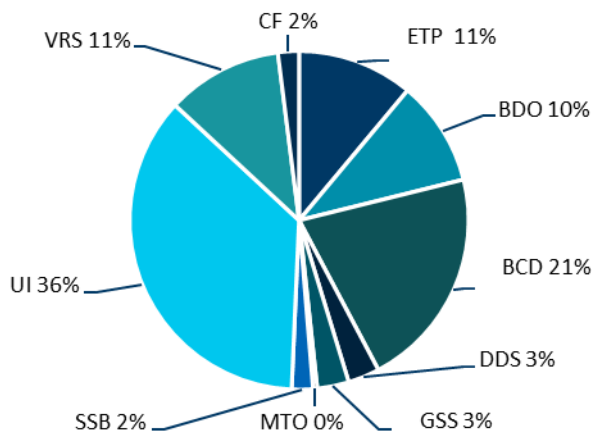
- The mission of the Department of Employment and Economic Development (DEED) is to empower the growth of the Minnesota economy, for everyone.
- DEED is the state's principal economic development and workforce development agency.
- We work to attract, retain, and expand businesses and create jobs for 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 2023 Actual**

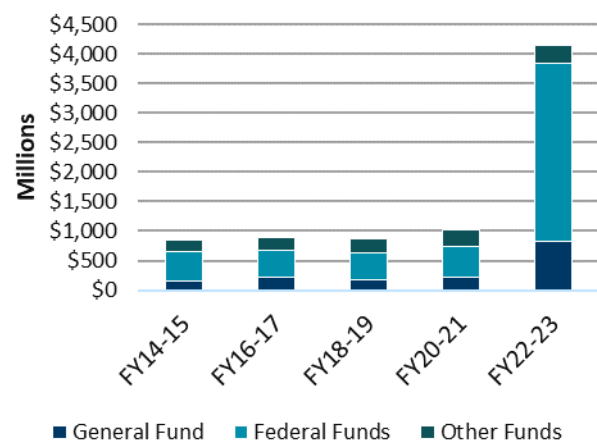


Growth in Broadband, which represented 4% of DEED in the prior Biennium, is causing all other Program Areas to show a lower percentage of total DEED.

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

Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Large spike in total spending for FY22-23 is driven by over \$2B in ARP-State Fiscal Recovery Funding in 2022

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 55 CareerForce locations 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*: Engages with career seekers and employers in 55 CareerForce Locations across the state, online and through outreach to people and populations who have experienced greater challenges accessing the workforce development system.
- *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 Public Engagement*: Provides targeted outreach and engagement efforts on DEED's programs.

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.
- *Small Business*: Administers programs and services that provide information and resources to entrepreneurs and small businesses.
- *Research*: Provides research services to internal and external customers including Economic Analysis and Labor Market Information.

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.
- *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 and Technical Management:* Advises DEED on technical investments, coordinates the IT project decision process, and ensures that IT projects are set up, implemented, and maintained successfully.

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 FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	643,139	176,857	354,684	389,738	135,595	124,420	128,410	117,782
2000 - Restrict Misc Special Revenue	65,258	58,170	78,803	74,077	52,832	53,123	52,832	53,123
2001 - Other Misc Special Revenue	27	33,670	83,787	174,530	16,275	15,343	16,275	15,343
2002 - Climate and Economic Dev			37	209,963	96,132	81,368	96,132	81,368
2340 - Renewable Development	8,353							
2350 - Petroleum Tank Release Cleanup	3,582	3,859	5,731	6,759	4,315	5,000	4,315	5,000
2390 - Workforce Development	56,623	60,830	55,574	68,725	55,403	58,830	68,403	71,830
2403 - Gift	281	416	383	497	420	422	420	422
2801 - Remediation		1,914	572	2,035	700	700	700	700
3000 - Federal	322,872	362,037	348,955	387,714	335,468	340,310	335,468	340,310
3010 - Coronavirus Relief	12,822							
3015 - ARP-State Fiscal Recovery	2,097,973	230,250	622					
4925 - Family and Medical Benefit Ins			1,033	121,262	823,194	1,597,700	823,194	1,597,700
8350 - Ag & Econ Development Board	11	43	221	889	3	3	3	3
Total	3,210,941	928,046	930,403	1,436,189	1,520,337	2,277,219	1,526,152	2,283,581
Biennial Change				(1,772,396)		1,430,964		1,443,141
Biennial % Change				(43)		60		61
Governor's Change from Base								12,177
Governor's % Change from Base								0

Expenditures by Program

Business and Community Development	286,944	184,354	278,581	586,697	219,045	194,375	210,258	185,365
Unemployment Insurance	2,613,850	336,527	94,638	99,896	85,874	89,944	85,874	89,944
Workforce Development Services	108,758	106,385	165,949	200,823	97,130	100,557	106,980	110,407
CareerForce Systems	20,819	21,592	27,333	29,693	28,687	28,687	28,687	28,687
Disability Determination Services	27,345	29,773	36,090	33,263	36,152	37,521	36,152	37,521
General Support Services	23,602	25,594	27,239	48,304	36,457	36,074	37,209	37,596
Minnesota Trade Office	2,565	2,376	2,782	2,899	2,402	2,402	2,402	2,402
Vocational Rehabilitation Services	105,499	103,745	134,019	155,920	138,621	138,621	142,621	142,621
State Services for The Blind	20,475	21,596	28,009	48,475	48,515	47,078	48,515	47,078
Paid Leave		250	1,655	121,262	823,194	1,597,700	823,194	1,597,700
Broadband Development	1,086	95,856	134,108	108,957	4,260	4,260	4,260	4,260

Employment and Economic Development

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Total	3,210,941	928,046	930,403	1,436,189	1,520,337	2,277,219	1,526,152	2,283,581

Expenditures by Category

Compensation	131,466	137,510	159,414	206,662	214,063	217,993	220,569	225,265
Operating Expenses	131,235	142,850	136,291	360,678	256,736	272,752	255,882	271,902
Grants, Aids and Subsidies	431,036	403,613	617,737	864,317	1,044,690	1,783,246	1,044,853	1,783,186
Capital Outlay-Real Property	838	373	212	260	2,372	373	2,372	373
Other Financial Transaction	2,516,367	243,700	16,748	4,272	2,476	2,855	2,476	2,855
Total	3,210,941	928,046	930,403	1,436,189	1,520,337	2,277,219	1,526,152	2,283,581

Total Agency Expenditures	3,210,941	928,046	930,403	1,436,189	1,520,337	2,277,219	1,526,152	2,283,581
Internal Billing Expenditures	18,350	18,471	22,172	23,953	36,496	32,982	36,583	33,069
Expenditures Less Internal Billing	3,192,591	909,575	908,230	1,412,236	1,483,841	2,244,237	1,489,569	2,250,512

Full-Time Equivalents

1,390.63	1,435.41	1,465.44	1,964.29	2,053.76	2,053.76	2,091.76	2,096.76
-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In	48,930	93,111	53,743	70,019				
Direct Appropriation	660,046	129,440	443,656	356,420	107,887	107,887	100,352	100,899
Open Appropriation	24,940	29,206	37,500	37,500	33,070	21,895	33,070	21,895
Transfers In	1,052	2,433	3,787	6,864				
Transfers Out	3,463	30,982	91,099	65,176	5,362	5,362	5,012	5,012
Net Loan Activity	(449)	(117)	(423)	(10,000)				
Cancellations	2,729	1,643	22,461	5,889				
Balance Forward Out	85,188	44,592	70,019					
Expenditures	643,139	176,857	354,684	389,738	135,595	124,420	128,410	117,782
Biennial Change in Expenditures				(75,573)		(484,407)		(498,230)
Biennial % Change in Expenditures				(9)		(65)		(67)
Governor's Change from Base								(13,823)
Governor's % Change from Base								(5)
Full-Time Equivalents	220.89	201.45	243.68	230.97	217.02	217.02	223.02	228.02

2000 - Restrict Misc Special Revenue

Balance Forward In	40,600	70,936	66,219	34,322	7,128	5,522	7,128	5,522
Receipts	65,628	32,386	45,665	49,248	50,660	51,425	50,660	51,425
Internal Billing Receipts	20,369	20,303	24,177	30,000	30,000	30,000	30,000	30,000
Transfers In	1,117	1,128	1,041	1,040	1,040	1,040	1,040	1,040
Transfers Out	2,000							
Net Loan Activity	338	285	198	(3,405)	(474)	(516)	(474)	(516)
Balance Forward Out	40,426	46,564	34,320	7,128	5,522	4,348	5,522	4,348
Expenditures	65,258	58,170	78,803	74,077	52,832	53,123	52,832	53,123
Biennial Change in Expenditures				29,452		(46,925)		(46,925)
Biennial % Change in Expenditures				24		(31)		(31)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	128.24	145.14	155.43	202.04	202.04	202.04	202.04	202.04

2001 - Other Misc Special Revenue

Balance Forward In	77,129	80,081	105,683	129,707	17,589	14,445	17,589	14,445
Receipts	8,913	12,533	19,384	12,043	10,097	10,609	10,097	10,609

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Transfers In	9,584	46,817	86,000	57,000	4,000	4,000	3,500	3,500
Transfers Out	22,750	5,000	38					
Net Loan Activity	6,758	2,427	2,467	(6,631)	(966)	(966)	(466)	(466)
Balance Forward Out	79,607	103,188	129,708	17,589	14,445	12,745	14,445	12,745
Expenditures	27	33,670	83,787	174,530	16,275	15,343	16,275	15,343
Biennial Change in Expenditures				224,620		(226,699)		(226,699)
Biennial % Change in Expenditures				667		(88)		(88)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.84	9.03	9.29	10.16	8.51	6.51	8.51	6.51

2002 - Climate and Economic Dev

Balance Forward In			389,963	204,397	115,340	204,397	115,340
Receipts			26,897	7,075	2,547	7,075	2,547
Transfers In		680,000					
Transfers Out		290,000	2,500				
Balance Forward Out		389,963	204,397	115,340	36,519	115,340	36,519
Expenditures		37	209,963	96,132	81,368	96,132	81,368
Biennial Change in Expenditures			210,000		(32,500)		(32,500)
Biennial % Change in Expenditures					(15)		(15)
Governor's Change from Base							0
Governor's % Change from Base							0
Full-Time Equivalents		0.02	0.02	0.02	0.02	0.02	0.02

2340 - Renewable Development

Balance Forward In	357				
Direct Appropriation	8,000				
Cancellations	5				
Expenditures	8,353				
Biennial Change in Expenditures		(8,353)		0	0
Biennial % Change in Expenditures					
Governor's Change from Base					0
Governor's % Change from Base					

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Full-Time Equivalents	0.34	0.03						

2350 - Petroleum Tank Release Cleanup

Balance Forward In	9,865	12,513	15,963	10,457	3,923	3,923	3,923	3,923
Direct Appropriation	6,200	6,200	225	225	4,315	5,000	4,315	5,000
Balance Forward Out	12,483	14,854	10,458	3,923	3,923	3,923	3,923	3,923
Expenditures	3,582	3,859	5,731	6,759	4,315	5,000	4,315	5,000
Biennial Change in Expenditures				5,049		(3,175)		(3,175)
Biennial % Change in Expenditures				68		(25)		(25)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.48	1.20	1.48	1.48	1.48	1.48	1.48	1.48

2390 - Workforce Development

Balance Forward In	2,677	1,973	2,754	68				
Direct Appropriation	39,759	39,489	30,277	42,434	23,277	23,277	36,277	36,277
Open Appropriation	15,698	21,803	23,559	26,920	32,126	35,553	32,126	35,553
Transfers Out				697				
Cancellations	844	1,696	947					
Balance Forward Out	668	738	69					
Expenditures	56,623	60,830	55,574	68,725	55,403	58,830	68,403	71,830
Biennial Change in Expenditures				6,846		(10,066)		15,934
Biennial % Change in Expenditures				6		(8)		13
Governor's Change from Base								26,000
Governor's % Change from Base								23
Full-Time Equivalents	12.37	11.69	11.42	11.46	11.41	11.41	43.41	43.41

2403 - Gift

Balance Forward In	715	660	537	346	261	253	261	253
Receipts	223	275	192	412	412	412	412	412
Balance Forward Out	657	519	346	261	253	243	253	243
Expenditures	281	416	383	497	420	422	420	422
Biennial Change in Expenditures				183		(38)		(38)

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Biennial % Change in Expenditures				26		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.00	1.04	1.00	1.00	1.00	1.00	1.00	1.00

2801 - Remediation

Balance Forward In	1,198	1,898	1,207	1,335				
Direct Appropriation	700	700	700	700	700	700	700	700
Balance Forward Out	1,898	683	1,335					
Expenditures	1,914	1,914	572	2,035	700	700	700	700
Biennial Change in Expenditures				692		(1,207)		(1,207)
Biennial % Change in Expenditures						(46)		(46)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	3,611	17,279	43,908	22,948	1,704	852	1,704	852
Receipts	322,152	364,829	333,207	381,668	334,816	339,658	334,816	339,658
Net Loan Activity		4,876	(5,212)	(15,198)	(200)	(200)	(200)	(200)
Balance Forward Out	2,891	24,946	22,947	1,704	852		852	
Expenditures	322,872	362,037	348,955	387,714	335,468	340,310	335,468	340,310
Biennial Change in Expenditures				51,760		(60,891)		(60,891)
Biennial % Change in Expenditures				8		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1,019.43	1,065.62	1,039.30	1,206.84	1,206.96	1,206.96	1,206.96	1,206.96

3010 - Coronavirus Relief

Direct Appropriation	12,822							
Expenditures	12,822							
Biennial Change in Expenditures				(12,822)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Governor's % Change from Base								

3015 - ARP-State Fiscal Recovery

Balance Forward In		230,000						
Direct Appropriation	2,327,973	250	750					
Cancellations			128					
Balance Forward Out	230,000							
Expenditures	2,097,973	230,250	622					
Biennial Change in Expenditures			(2,327,601)			(622)		(622)
Biennial % Change in Expenditures			(100)					
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			2.56					

4925 - Family and Medical Benefit Ins

Balance Forward In			49,905					
Direct Appropriation			50,938	71,357	40,544	5,000	40,544	5,000
Open Appropriation					782,650	1,592,700	782,650	1,592,700
Balance Forward Out			49,905					
Expenditures			1,033	121,262	823,194	1,597,700	823,194	1,597,700
Biennial Change in Expenditures				122,295		2,298,599		2,298,599
Biennial % Change in Expenditures						1,880		1,880
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.94	300.00	405.00	407.00	405.00	407.00

8200 - Clean Water Revolving

Balance Forward In	228	276	289	293	293	293	293	293
Receipts	0	0	0					
Net Loan Activity	48	13	4					
Balance Forward Out	276	289	293	293	293	293	293	293

8350 - Ag & Econ Development Board

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Balance Forward In	875	873	860	886				
Receipts	6	27	248	3	3	3	3	3
Balance Forward Out	870	857	886					
Expenditures	11	43	221	889	3	3	3	3
Biennial Change in Expenditures				1,056		(1,104)		(1,104)
Biennial % Change in Expenditures				1,957		(99)		(99)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.04	0.21	0.32	0.32	0.32	0.32	0.32	0.32

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	356,669	342,669	342,669	685,338
Base Adjustments				
All Other One-Time Appropriations		(1,500)	(1,500)	(3,000)
Current Law Base Change		(233,090)	(233,090)	(466,180)
Allocated Reduction	(249)	(249)	(249)	(498)
Minnesota Paid Leave Allocation		57	57	114
Forecast Base	356,420	107,887	107,887	215,774
Change Items				
Service to Success Initiative		3,000	3,000	6,000
Operating Adjustment		752	1,522	2,274
Reduce and Modify Business Development Public Infrastructure Program		(2,287)	(2,287)	(4,574)
Reduce Contaminated Site Cleanup and Investigation Grant Program		(750)	(750)	(1,500)
Reduce Job Creation Fund		(3,000)	(3,223)	(6,223)
Reduce Emerging Entrepreneur Loan Program		(500)	(500)	(1,000)
Reduce Host Community Economic Development Grant Program		(750)	(750)	(1,500)
Reduce Mental Illness Employment Supports		(1,000)	(1,000)	(2,000)
Reduce Small Business Assistance Partnership Grant Program		(1,000)	(1,000)	(2,000)
Reduce Pathways to Prosperity Grant Program		(1,000)	(1,000)	(2,000)
Reduce Redevelopment Grant Program		(1,000)	(1,000)	(2,000)
Total Governor's Recommendations	356,420	100,352	100,899	201,251
Fund: 2350 - Petroleum Tank Release Cleanup				
FY2025 Appropriations	225	225	225	450
Base Adjustments				
Current Law Base Change		4,090	4,775	8,865
Forecast Base	225	4,315	5,000	9,315
Total Governor's Recommendations	225	4,315	5,000	9,315
Fund: 2390 - Workforce Development				
FY2025 Appropriations	42,434	42,434	42,434	84,868
Base Adjustments				
Current Law Base Change		(19,157)	(19,157)	(38,314)
Forecast Base	42,434	23,277	23,277	46,554
Change Items				
Drive for Five		8,000	8,000	16,000
Vocational Rehabilitation Services State Funding Increase		5,000	5,000	10,000
Total Governor's Recommendations	42,434	36,277	36,277	72,554

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Fund: 2801 - Remediation				
FY2025 Appropriations	700	700	700	1,400
Forecast Base	700	700	700	1,400
Total Governor's Recommendations	700	700	700	1,400
Fund: 4925 - Family and Medical Benefit Ins				
FY2025 Appropriations	71,357	71,357	71,357	142,714
Base Adjustments				
Current Law Base Change		(30,813)	(66,357)	(97,170)
Forecast Base	71,357	40,544	5,000	45,544
Total Governor's Recommendations	71,357	40,544	5,000	45,544
Open				
Fund: 1000 - General				
FY2025 Appropriations	37,500	37,500	37,500	75,000
Base Adjustments				
Forecast Open Appropriation Adjustment		(11,313)	(18,639)	(29,952)
November Forecast Adjustment		2,420	484	2,904
February Forecast Adjustment		4,463	2,550	7,013
Forecast Base	37,500	33,070	21,895	54,965
Total Governor's Recommendations	37,500	33,070	21,895	54,965
Fund: 2390 - Workforce Development				
FY2025 Appropriations	40,000	40,000	40,000	80,000
Base Adjustments				
Current Law Base Change	(13,080)	(7,874)	(4,447)	(12,321)
Forecast Base	26,920	32,126	35,553	67,679
Total Governor's Recommendations	26,920	32,126	35,553	67,679
Fund: 4925 - Family and Medical Benefit Ins				
Base Adjustments				
Forecast Open Appropriation Adjustment		782,650	1,592,700	2,375,350
Forecast Base		782,650	1,592,700	2,375,350
Total Governor's Recommendations		782,650	1,592,700	2,375,350
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	74,077	52,832	53,123	105,955
Forecast Base	74,077	52,832	53,123	105,955

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Total Governor's Recommendations	74,077	52,832	53,123	105,955
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	174,530	16,275	15,343	31,618
Forecast Base	174,530	16,275	15,343	31,618
Total Governor's Recommendations	174,530	16,275	15,343	31,618
Fund: 2002 - Climate and Economic Dev				
Planned Spending	209,963	96,132	81,368	177,500
Forecast Base	209,963	96,132	81,368	177,500
Change Items				
Minnesota Forward Fund Modifications				
Total Governor's Recommendations	209,963	96,132	81,368	177,500
Fund: 2403 - Gift				
Planned Spending	497	420	422	842
Forecast Base	497	420	422	842
Total Governor's Recommendations	497	420	422	842
Fund: 3000 - Federal				
Planned Spending	387,714	335,468	340,310	675,778
Forecast Base	387,714	335,468	340,310	675,778
Total Governor's Recommendations	387,714	335,468	340,310	675,778
Fund: 8350 - Ag & Econ Development Board				
Planned Spending	889	3	3	6
Forecast Base	889	3	3	6
Total Governor's Recommendations	889	3	3	6
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	49,248	50,660	51,425	102,085
Total Governor's Recommendations	49,248	50,660	51,425	102,085
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	12,043	10,097	10,609	20,706
Total Governor's Recommendations	12,043	10,097	10,609	20,706

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Fund: 2002 - Climate and Economic Dev				
Forecast Revenues	26,897	7,075	2,547	9,622
Total Governor's Recommendations	26,897	7,075	2,547	9,622
Fund: 2403 - Gift				
Forecast Revenues	412	412	412	824
Total Governor's Recommendations	412	412	412	824
Fund: 3000 - Federal				
Forecast Revenues	381,668	334,816	339,658	674,474
Total Governor's Recommendations	381,668	334,816	339,658	674,474
Fund: 8350 - Ag & Econ Development Board				
Forecast Revenues	3	3	3	6
Total Governor's Recommendations	3	3	3	6
Non-Dedicated				
Fund: 2390 - Workforce Development				
Forecast Revenues	84,224	87,237	90,195	177,432
Total Governor's Recommendations	84,224	87,237	90,195	177,432
Fund: 4925 - Family and Medical Benefit Ins				
Forecast Revenues	67,536	788,630	1,583,763	2,372,393
Total Governor's Recommendations	67,536	788,630	1,583,763	2,372,393

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Service to Success Initiative

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	3,000	3,000	500	500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,000	3,000	500	500
FTEs	5	5	3	3

Recommendation:

The Governor recommends \$3,000,000 annually in FY 2026-27 and \$500,000 annually in FY 2028-29 for the Service to Success initiative. Funding will support the coordination and expansion of public service opportunities.

Rationale/Background:

National service is primarily governed by two federal statutes, one for national programs (AmeriCorps VISTA, etc.) and one for domestic programs. Additionally, there is a state statute for state programs & state commission (ServeMN). Furthermore, federal legislation has also created other service opportunities like the National Health Service Corps at the Health Resources & Services Administration. There are a variety of public service opportunities available at the national and state level. However, coordination and promotion of these opportunities is lacking. Governors are responsible for setting state strategy for national service and directing the work of the state commission. Having a coordinating body will help with setting that strategy and address the following challenges:

- Lack of career pathways for individuals leaving public service programs into relevant careers, including public service careers, and alignment to further educational opportunities;
- Lack of overall strategy for state investments across agencies into public service programs; and
- Lack of alignment across agencies in how to best use public service and align to education and workforce development initiatives for key areas of focus (health care, education, etc.).

Proposal:

This proposal will create an Office of Public Service which will work in partnership with the Governor's Workforce Development Board and other state agencies to support the identification and coordination of public service opportunities for all Minnesotans. There are thousands of public service opportunities available to Minnesotans every year, yet the wide variety of programs and positions lack coordination of access and awareness. To address this and ensure that all Minnesotans are aware of the opportunities to serve their state, country, and community, this proposal creates the Service to Success Initiative.

Office of Public Service

\$600,000 each year in FY 2026-27 and \$500,000 each year in FY 2028-29 will be for the Office of Public Service. Of this amount, \$150,000 is for transfer to the Department of Education to support career pathways development. The Office of Public Service would be responsible for activities such as:

- Ensuring public service goals and strategy aligns with the state's workforce development goals and strategy;

- Identifying all available service opportunities for Minnesotans across state and federally funded opportunities (e.g., Serve Minnesota, American Connection Corps, National Health Service Corps, National Guard, etc.);
- Promoting existing public service opportunities;
- Auditing existing service opportunities and areas for expansion of service programs within the state; and
- Creating and strengthening existing career pathways aligned with public service opportunities.

A portion of the office will be housed at the Minnesota Department of Education to support career pathways into public service, including work-based learning and academic credit, and identification of educational activities aligned with service programs.

Service to Success Opportunity Grants

\$2,300,000 each year in FY 2026-27 will be used to expand opportunities and access to public service through Service to Success Opportunity Grants. These grants will help expand public service opportunities to organizations with existing public service opportunities aligned with the Governor's key priority areas identified below. Grants will prioritize service opportunities in career fields that are high-quality. Funding will also be used to support grant administration. The following areas to prioritize expansion of public service opportunities in the state include:

- **Healthcare and Senior Care:** Supporting public healthcare facilities and Senior Care Centers. This can be available for colleges who are pursuing careers in healthcare or medicine.
- **Education:** Educating our next generation of leaders. Volunteers will support K-12 students in educational areas such as tutoring, mentoring, and support with school.
- **Civil/Public Service:** Serving as an intern at a local, county or state agency.
- **Food Insecurity and Agriculture:** Assisting food banks and food distribution organizations working to tackle hunger in Minnesota.
- **Climate Action:** Connecting Minnesotans to climate-related volunteer opportunities across the state including working with DNR, MPCA, MNDOT

Service opportunities will not displace existing positions that could be filled by full-time workers.

Interagency Workforce Coordination

\$150,000 each year in FY 2026-27 will be to support interagency workforce coordination with partner agencies and the Governor's Workforce Development Board. Partner agencies include the Department of Employment and Economic Development, Minnesota Department of Education, Office of Higher Education, Department of Labor and Industry, Department of Human Services, Minnesota State, Department of Child, Youth, and Families, and the Minnesota Department of Health. Coordination will work to better align the various workforce development programs and funding streams across the enterprise with an overarching state workforce development strategy. This position will be temporary.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	Program Administration	400	400	800	500	500	1,000
General Fund	Grants	2,300	2,300	4,600	-	-	-
General Fund	Grants Administration	300	300	600			

Impact on Children and Families:

This proposal will help focus service opportunities in areas that impact children and families, such as tutoring and mentoring K-12 students, assisting food banks, and supporting public healthcare facilities.

Equity and Inclusion:

This proposal will help support people who come from low-income backgrounds better consider public service as an option. Developing and strategizing career pathways following public service will aid those looking to enter.

They will be able to plan out their future careers and enter into high-quality career pathways that can support families. Additionally, enhanced public service opportunities ultimately go to support areas that serve those in great need, such as operating food banks and food distribution or tutoring youth.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Results:

Part A: Performance Measures

The purpose of this proposal is to create an Office of Public Service to support the coordination of public service opportunities for all Minnesotans. Funds will also be used for Service to Success Opportunity Grants, which will help expand public service opportunities in organizations where they already exist. DEED will begin collecting measurable data and project results upon implementation of the program.

Measure	Measure type	Measure data source	Projected change
# of Service to Success Opportunity Grants awarded	Quantity	Internal data collection	Increase expected in # of grants awarded
# of new partnerships created	Quantity	Internal data collection	Increase expected in # of partnerships created
# of new service to career pathways created	Quantity	Internal data collection	Increase expected in # of pathways created
% increase of participants in service opportunities	Quality/ Results	Internal data collection, ServeMN data (MN State Service Commission)	Increase expected in participants

Part B: Use of Evidence

DEED has not previously conducted a formal program evaluation that has informed the contents of this proposal. There are no plans to conduct a formal evaluation of this proposal at this time.

Part C: Evidence-Based Practices

DEED has not identified any evidence-based practices that will be supported by the proposal.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Drive for 5

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workforce Development Fund				
Expenditures	8,000	8,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	8,000	8,000	0	0
FTEs	2	2	0	0

Recommendation:

The Governor recommends \$8,000,000 each year of the FY 2026-27 biennium from the Workforce Development Fund for the Drive for 5 Workforce Initiative. This initiative addresses the state's job vacancies and prepares a workforce for high growth careers with family-sustaining wages. A continuous investment in Drive for 5 initiatives will ensure that underserved communities are receiving opportunities to fill workforce gaps in high-growth industries through tailored skills-based training programs, individualized supports, as well as job placements and retention services. These resources will be focused on addressing the workforce needs in the five most critical occupational categories in the state, creating a pipeline of workers who are skilled and prepared to enter high growth and high wage employment.

Rationale/Background:

Minnesota still has the tightest labor market in the country with an unemployment rate hovering around 3.5% as of November 2024. Some of the contributing factors are that not enough people live here (in-migration has been flat or negative for 10+ years); there is a skills mismatch between the transformations that the economy is experiencing, and the skills people actually have; additionally, individuals have barriers to employment, which have been exacerbated by COVID -19, childcare shortage, increased demand for virtual working environments, accelerated retirements. The accumulation of these factors has resulted in disparities and systemic discrimination that are keeping too many workers on the sidelines.

If Minnesota is going to remain globally competitive, the state will need to look at workforce projections over the next five to ten years and focus workforce training efforts on industries with high-demand and high-wages. The state will need to intentionally align workforce training efforts with business demands and create deliberate partnerships between businesses, trade associations and workforce training programs.

For this focused approach, the agency has identified five key industries to focus on: education, the caring professions, manufacturing, the trades, and technology. All five industries project to have high growth occupations and have high wages associated with those occupations. The state will then invest in workforce training efforts aligned with these five industries and their associated occupations that will move more Minnesotans into high-demand careers with family sustainable wages.

Proposal:

The Governor recommends continued support for the Drive for 5 sector-focused workforce development program in FY 2026-27. Drive for 5 focuses workforce training and business partnerships where the state can have the

greatest impact, areas of projected high growth and high wages. This initiative will continue focusing workforce efforts on the following industries:

- Technology
- Caring Professions
- Education
- Manufacturing
- Trades

Within each of these five industry clusters, the program will further develop a pipeline of workers for projected high growth careers within the next 5-10 years, by focusing on three big priorities to employers: skills training in industry specific career pathways that lead to high wage employment; building a pipeline of workers into those careers across youth, adults, and older adults; and addressing barriers to employment with workforce partners.

Importantly, continued support for the Drive for 5 Workforce Initiative will build strong trade association partnerships designed to align training efforts with business demands and to streamline job placements after training.

Competitive Grants for Workforce Development Organizations

The Drive for 5 Workforce Initiative will run competitive grant programs for each of the five industries. These grant programs will look for established and innovative approaches to training, reskilling, or building pipelines of workers for those industries. The exact program components of each industry grant program will be developed in consultation with businesses hiring in these fields but will include:

- **In-Demand Skills Training:** Building a skilled workforce to meet the hiring of needs of employers is critical to Minnesota's economy. Through required partnerships with business and trade associations, providers will identify the high growth and wage occupations within the specific industries and build comprehensive training career pathways. The goal is to build a strong pipeline to fill the anticipated job openings.
- **Case Management and Supportive Services:** For individuals enrolled in training there is typically a need for case management and wrap-around services to assist the trainee with addressing barriers to employment. Stipends will also help trainees afford training and on-boarding into new occupations. These resources will improve successful graduation and employment rates for participants.
- **Job coaching and navigation:** Preparing an individual to enter the workforce or reskilling to change occupations requires job coaching, and work readiness preparedness. This service is generally provided to ensure the trainee fully understands the industry they are entering, and they have the awareness and tools to be successful on the job.
- **Employment On-Boarding and Retention Strategies:** As part of a participant's training, they may participate in paid work experiences. These subsidized opportunities provide participants an opportunity to train on-the-job and receive payment for their work. The wage subsidy experience is advantageous for employers because they can review the trainee's work ethic and skills for a specified period of time and with no or little cost to them. The goal is for the employer to use this opportunity to make offers.

Competitive Grants for Trade Associations for Job Placement

Increase funding to support trade associations and help drive workforce training efforts to ensure that they are aligned with employer demands and that graduates are connected with employers looking to hire. Toward this end, the Drive for 5 Workforce Initiative will run competitive grant programs to identify sector-specific trade association partners who can serve as coordinating job placement partners. These trade association partners will work with employers with current or anticipated employment opportunities and nonprofit workforce training partners participating in this program. These trade associations typically have strong connections to many businesses within the specific industry and can serve as a link between training providers and employers. Trade association partners will provide:

- **Employer Engagement:** Trade associations will drive employer engagement strategies to align employment opportunities for individuals exiting workforce development training programs. These strategies include business recruitment, job opening development, employee recruitment and job matching. Trade associations will utilize the state's labor exchange system.
- **Diversity and Inclusion Training:** Trade associations will offer Diversity, Inclusion, and Retention Training to its members, to increase the business understanding of welcoming and retaining a diverse workforce.
- The trade associations will assist providers in placing at least 79% of the trainees into employment within the designated industries.

Employer Engagement Staff at the CareerForce Centers and Workforce operations alignment

Continue to fund Employer Engagement Representatives at the local workforce development areas to assist with addressing the hiring needs of Minnesota's businesses through direct connection to the job seekers and program participants in the CareerForce system. The Employer Engagement team will:

- Serve as the primary contact for businesses in that area.
- Work with the Drive for 5 Grantees to help ensure program participants are connected to careers with employers in the Drive for 5 sectors.
- Actively engage employers by assisting with matching employers to job seekers through candidate referrals, convening job fairs, and assistance with job announcement.
- Work with local area board and its partners to identify candidates for openings in small and mid-size companies in the local area.

This proposal will continue to fund workforce operations alignment to provide leadership, strategic planning, program management guidance, and budgeting guidance around the coordination and alignment of the workforce development systems operation. This unit will continue to ensure the integration of Drive for 5 sector focused work is continued within DEED and other workforce stakeholders.

These efforts will affect approximately 1,500 Minnesotans.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	Administration	800	800	1,600	-	-	-
General Fund	Grants	7,200	7,200	14,400	-	-	-

Impact on Children and Families:

The goal of this program is to prepare individuals to enter projected high growth occupations with family sustaining wages. The anticipation is that the family will benefit from the trainee making a high wage and it will lead to wealth growth for the family.

Equity and Inclusion:

Training providers are expected to work with populations overlooked for employment. Typically, these populations are low-income, people of color, justice-involved, and/or individuals with disabilities. The opportunity for these populations to enter high wage and high growth industries will build a more inclusive workforce. The investment in DEI training for employers will improve the opportunity for employment retention for the workers.

Tribal Consultation:

This proposal does not have a substantial direct impact on Tribal Nations.

Results:

Part A: Performance Measures

This program will focus on preparing individuals to enter high wage employment within specific sectors. Within each of the five industry clusters, the program will develop a pipeline of workers for projected high growth jobs within the next 5-10 years by focusing on three big priorities to employers: skills training in industry specific career pathways that lead to high wage employment; building a pipeline of workers into those jobs across youth, adults, and older adults; and addressing barriers to employment with workforce partners.

An additional use of these funds will be to establish two competitive grant programs: Grants for Workforce Development Organizations, and Grants for Trade Associations for Job Placement.

Measure	Measure type	Measure data source	Most recent data, as of 1/10/25	Projected change
# of barriers removed	Quantity	Workforce One (WF1)	239 issuances of Support Services to remove barriers through these grants. Some examples of specific support services provided to participants to remove barriers include transportation assistance, housing or rental support, incentives paid directly to participants, and technology support	We would anticipate this number to increase as participants complete programs and begin searching for employment. We would anticipate the number of issuances to increase to at least 500-750.
# of credentials earned	Quantity	Workforce One (WF1)	48	We anticipate 1,168 individuals completing training and 1,000 individuals earning a credential within the 2-year period.
# of individuals placed in thriving wage jobs, \$25/hour and up	Quantity	Workforce One (WF1)	2	We anticipate 832 of the 1,231 individuals enrolled in the program will exit the program to employment; 402 of those individuals to exit the program to employment at or above \$25/hour.
# of Grants for Workforce Development Organizations awarded	Quantity	Internal data collection	24	30
# of Grants for Trade Associations for Job Placement awarded	Quantity	Internal data collection	11	10

Measure	Measure type	Measure data source	Most recent data, as of 1/10/25	Projected change
% employed second quarter after exit	Quality	Workforce One (WF1)	Currently, none of the exits to employment have reached the second quarter after exits	350
% employed fourth quarter after exit	Quality	Workforce One (WF1)	Currently, none of the exits to employment have reached the fourth quarter after exits	250

Drive for 5 Sector Measures	Measure Type	Measure Data Source	Most recent data, all employment	Estimated share of public sector vacancies	Projected change
# of public service vacancies in Drive for 5 sectors	Result	2023 Job Vacancy Survey	70,707 vacancies in all sectors	12.6% or 8,899 vacancies	Goal is to reduce all vacancies by 20%
Construction			4,591	4.9% or 225 vacancies	
Manufacturing			11,789	0% or 0 vacancies	
Information			8,786	1.4 % or 123 vacancies	
Educational Services			9,219	76.6% or 7,062 vacancies	
Health Care and Social Assistance			36,322	4.1% or 1,489 vacancies	

Part B: Use of Evidence

DEED has not previously conducted a formal program evaluation that has informed the contents of this proposal. There are no plans to conduct a formal evaluation of this proposal at this time.

Part C: Evidence-Based Practices

Evidence-based practice:	Source:
Sector-based training programs	https://www.mdrc.org/sites/default/files/EML_Brief_%202024_final_rv.pdf
Sector-based workforce initiatives	https://www.countyhealthrankings.org/strategies-and-solutions/what-works-for-health/strategies/sector-based-workforce-initiatives

Statutory Change(s):

N/A.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Vocational Rehabilitation Services State Funding Increase

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workforce Development Fund				
Expenditures	5,000	5,000	5,000	5,000
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,000	5,000	5,000	5,000
FTEs	30	30	30	30

Recommendation:

The Governor recommends an increase of \$5,000,000 from the workforce development fund starting in FY 2026 for the Vocational Rehabilitation Services (VRS) program at the Department of Employment and Economic Development (DEED). VRS provides employment-related services to Minnesotans with disabilities to find and retain jobs, advance in their careers, and live independently in their communities.

Rationale/Background:

VRS receives a basic vocational rehabilitation grant each federal fiscal year from the Department of Education. The federal grant has remained flat since FY22 with no additional increases estimated through FY27. The most recent state match increase for VRS occurred in 2017. At that time, the match appropriation was increased from \$10,800,000 to \$14,300,000. The current state match appropriation enables VRS to obtain up to \$52,800,000 in federal funding from its main grant award.

The VRS program is currently facing budget constraints due to increasing cost pressures to maintain current case service levels. VRS has experienced a significant increase in the number of individuals, both students and adults, seeking services over the past few years. DEED has made every effort to meet these needs and maximize available funding to serve as many individuals with disabilities in Minnesota as possible, rather than returning unused funds to the federal government.

DEED has taken successive actions to reduce costs to the VRS program, including implementing a freeze on hiring, taking steps to reduce case services costs, slowing the growth of new cases, and other internal savings. Given current trends, additional steps are necessary to ensure financial sustainability.

Vocational Rehabilitation Services

VRS has experienced considerable fluctuations in participants and spending patterns over the past several years. Much of this variability can be attributed to the impact of COVID-19 and a statewide hiring freeze that was in effect for a period. The COVID-19 pandemic resulted in fewer applications for VRS and a significant drop in spending on case services. Since that time, DEED is now seeing greater increases in participants and case services spending as well as future projections:

Program Year (7/1-6/30)	Number of Applications to Full VRS (Adults & HS Students)	Introductory Career Services to Students	Total Participants
2020	4,296	551	13,073
2021	5,520	1,120	13,256
2022	5,514	1,121	12,919
2023	6,682	1,535	13,900
2024	Ends 6/30/2025	Ends 6/30/2026	14,000

*PY-Program Year/SFY State Fiscal Year

** Estimate Based on Increased Funding

Employment First E1MN:

Since 2016, VRS has been serving more students and adults with more complex needs. Federal regulations require that anyone on a Medicaid waiver interested in competitive, integrated employment must be served by VRS for job development, placement and initial employment supports. "In fiscal year 2022, 99,829 people participated in the waiver programs" from Medicaid Home- and Community-Based Waiver Programs¹ (mn.gov).

The costs to provide VR services are often higher and last longer than participants with fewer needs.

VRS participants on Medicaid waivers have increased by 19% from PY21 to PY23. The agency expects those numbers to increase given more students and adults with disabilities making choices to work in competitive, integrated employment and the number of community rehabilitation/245D providers ending sub-minimum wage employment for participants.

Services for Youth:

Federal regulations require VRS to serve more youth with disabilities by helping them explore and try employment prior to graduating high school. VRS does this through the Pre-Employment Transition Services. VRS has been doing that through direct services and funding for youth with disabilities throughout the state. The most recent MDE child count (2023-2024 school year) is 43,348 students, between ages 14-22, in special education. This does not include students with 504 plans or otherwise have disabilities.

Business Engagement:

VRS is a premier information source for Minnesota businesses interested in diversifying their workforce that includes hiring, retaining, and advancing a workforce that includes people with disabilities. The agency strives to continue offering the best information and resources to Minnesota businesses highlighting the value of hiring and retaining this untapped workforce.

The cost of all budget items has increased and will continue to do so, resulting in VRS having reached the limits of its resources to provide services to Minnesotans needing these services. Without additional resources the agency anticipates consequences would be as follows:

- Positions will be unfilled as employees leave and retire; fewer participants will be served through this program.
- DEED may have to review VRS services and category levels to determine if they should remain open.
- DEED may have to review CFP (Client Financial Participation) which was eliminated in 2023.
- DEED will have to reduce the amount of training services that are currently being provided.

Proposal:

The Governor recommends an increase of \$5,000,000 per year from the workforce development fund starting in FY 2026 for the Vocational Rehabilitation Services (VRS) program at the Department of Employment and Economic Development (DEED). VRS has a "dual customer" approach and assists both: (1) Minnesotans with

¹ <https://www.house.mn.gov/hrd/pubs/waiver.pdf>

disabilities who face significant barriers to achieving competitive, integrated employment (including students and young adults with disabilities who are making the transition from school to work or post-secondary training) and (2) employers who seek to hire, support, and retain qualified candidates for job openings.

VRS administers several distinct programs and projects, the largest of which is the Vocational Rehabilitation program.

With this recommended funding, the program will be able to maintain the current level of services in both Greater Minnesota and the metro area and be targeted to individuals who are in need of VRS services.

These increased funds will pay for normal operating costs that have increased over these past twenty years. Normal operating costs include direct funding of client services (i.e. job coaching, job related services, assistive technology, tools and equipment, tuition, and work experiences), salaries and benefits of current staff, materials, and supplies.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
Workforce Development	Compensation	5,000	5,000	10,000	5,000	5,000	10,000
Workforce Development	FTE	30	30	60	30	30	60

Equity and Inclusion:

VRS's mission is to "Empower Minnesotans with disabilities to achieve their goals for employment, independent living and community integration." The VRS mission statement serves as a guide for all of the division's decision-making. The mission helps employees within VRS know what decisions and tasks best align with the mission of the agency. The primary goal of Vocational Rehabilitation is employment for persons with disabilities.

Tribal Consultation:

This proposal does not have a substantial direct impact on Tribal Nations.

IT Costs:

There is no significant IT investment.

Results:

Part A: Performance measures

The measurable goal of this program is to maintain current vocational rehabilitation services access and performance. Goals below reflect expected outcomes if the proposal is implemented. Without vocational rehabilitation services state funding increases, the number of participants, employment outcomes and average wage at exit would be expected to decline.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of Participants	Quantity	Administrative Enrollment Data	12,919 (PY22/SFY23)	Sustained number based on funding
Number who achieved competitive employment	Result	Administrative Exit Data	1,873 (PY22/SFY23)	Sustained number based on funding
Average wage at exit for successful participants	Result	Administrative Exit Data	\$1,771/month	Increase consistent with inflation

Additional data is below:

VRS measures number of participants served, individual participant level demographic data and employment outcome data (including occupational type and employer, number of hours worked and wages). Under current staffing levels there are increased numbers of participants entering the program in addition to increased Employment Outcomes. DEED is able to project these results going forward based on the data captured.

PY/SFY*	Total Participants	Employment Outcomes
PY20/SFY21	13,073	1,505
PY21/SFY22	13,256	1,935
PY22/SFY23	12,919	1,873
PY23/SFY24**	13,900	1,898
PY24/SFY25**	14,000	1,900
PY25/SFY26**	14,000	1,900
PY26/SFY27**	14,000	1,900
PY27/SFY28**	14,000	1,900

*PY-Program Year/SFY State Fiscal Year

** Estimate Based on Increased Funding

The 1,898 participants who successfully exited with employment in FY23 earn an average of \$1,771 monthly wages, resulting in an estimated \$40 million of earnings for these individuals over a single year.

Minnesota continues to work with the Council of State Administrators of Vocational Rehabilitation (CSAVR) whose mission is to maintain and enhance a strong, effective, and efficient national program of public vocational rehabilitation which, in partnership with education, business, and the workforce system, empowers individuals with disabilities to achieve employment, economic self-sufficiency, independence inclusion, and integration into communities. The Rehabilitation Services Administration (RSA) publishes national performance data based on quarterly RSA911 data submissions.

This is a good measure of VRS's responsiveness to consumer needs; over 80% of applicants worked with VRS staff to develop an individualized plan for their employment goals and needs, which may include training, education, job coaching and job placement services. The Employment Plan is a communication tool between the individual and the counselor on how to reach the vocational goal and is the first key step towards employment. Adequate staffing and active engagement with applicants support these results. Less than 20% of participants exited before obtaining Employment. Adequate staffing and active engagement with participants and partners support these results.

Minnesota is amongst the top 15 states for performance when it comes to assisting individuals with disabilities obtain and retain employment. 57.8% of all participants who exit are still employed one year later. In fact, Minnesota consistently has one of the highest fourth Quarter Employment rates relative to second Quarter Employment rates, showing that the skills and gains made during program participation have long-term impact.

Part B: Use of Evidence

The Department of Employment and Economic Development has not previously conducted a formal program evaluation that has informed the contents of this proposal. There are no plans to conduct a formal evaluation of this proposal at this time.

Part C: Evidence-Based Practices

This proposal is for a wide range of services some of which may be evidence-based but is not specific to practices that have been studied using an experimental or quasi-experimental design.

Statutory Change(s):

N/A

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	752	1,522	1,522	1,522
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	752	1,522	1,522	1,522
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$752,000 in FY 2026 and \$1.522 million in each subsequent year from the general fund to help address operating cost increases at the Department of Employment and Economic Development.

Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat year to year.

Agencies face challenging decisions to manage these rising costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For the Department of Employment and Economic Development, the following efficiencies have been implemented to help offset rising operating costs:

- Deployment of automated systems to manage financial programs, simplify procurement, and improve reporting have supported increased volumes and faster turnaround times.
- DEED has also invested in continuous improvement efforts to ensure that each resource is used to maximum effect.
- For FY 2026-27, agencies will need to continue to find additional efficiencies and leverage management tools to help address budget pressures. Holding open vacancies in certain programs or delaying hiring in other programs are examples of ways agencies manage through constrained operating budgets.

Without additional resources to address these cost pressures, both in funding and in flexibility to manage internal budgets, services delivered to Minnesotans will be impacted.

Proposal:

The Governor recommends increasing agency operating budgets to support current services. For the Department of Employment and Economic Development, this funding will help cover expected growth in employee compensation and insurance, rents, IT services and other operating costs.

Results:

This recommendation is intended to help the Department of Employment and Economic Development address rising cost pressures and mitigate impacts to current levels of service and information to the public.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Minnesota Forward Fund Modifications

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
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 Minnesota Forward Fund FY 2024 appropriation be amended to: (1) be available until spent and (2) remove the requirement that funds must be used as matching funds required by federal programs. The Minnesota Forward Fund has positioned Minnesota to compete for and win large investments that are occurring as the United States works to create domestic production and supply chains that are resilient for economic security and economic enhancement opportunities. With the proposed change, the Minnesota Forward Fund will be better situated to help Minnesota compete for business expansion and attraction projects in response to a changing economic development landscape.

Rationale/Background:

The 2023 legislature authorized the Minnesota Forward Fund (Fund) to increase the state's business competitiveness by providing the state the authority and flexibility to facilitate private investment. The Fund is intended to serve as a closing fund to allow the authority and flexibility to negotiate incentives to better compete with other states for business retention, expansion, and attraction of projects in existing and new industries, develop properties for business use, and leverage to meet matching requirements of federal funding for resiliency in economic security and economic enhancement opportunities that provide the public high-quality employment opportunities.

The Fund received three appropriations in FY 2024:

- \$50,000,000 for the purpose of providing matching funds required by federal programs. This was a onetime appropriation and is available until June 30, 2027.
- \$100,000,000 for the purpose of providing a match to existing federal funds made available by the Consolidated Appropriations Act, Public Law 117-328. These funds must be used to:
 - construct and operate a bio industrial manufacturing pilot innovation facility, biorefinery, or commercial campus utilizing agricultural feedstocks; or
 - for a Minnesota aerospace center for research, development, and testing.
- \$240,000,000 for the purpose of providing matching federal funds made available in the Chips and Science Act, Public Law 117-167.

Several dynamics are reshaping business location decisions that are presenting increasing opportunities in which Minnesota is limited to compete, including:

- As our existing industries and businesses make strategic location decisions, DEED is not in a position to respond to large retention projects where major operations are at risk.

- The drive from companies to build new facilities or expand in the U.S. as a way of increasing resiliency, minimizing risks and exposure to external factors (i.e., pandemics, natural disasters), making supply chains more robust, and ultimately, ensuring business continuity.
- These changes have generated a wave of business investment that has increased in terms of capital and jobs to be created, as well as the size of the land where these facilities are to be built. A wave of mega projects with billion-dollar capital investment, jobs in the thousands, and several acres of land required, are driving states to step up their game to compete for these opportunities, leading into large incentive packages, investments in site readiness, and aggressive talent attraction efforts.
- The priority that ESG practices and DEI are taking in location decisions position Minnesota well to capitalize on business investment opportunities.
- Our state today is not well positioned to compete for these opportunities. Our current incentives do not grant us the authority and flexibility to compete with the very hefty incentive packages and level of site readiness of other states.

The fund has responded to the decision of the Federal Government to make critical industries more robust to minimize the dependence on other countries, as well as to minimize the impact of climate change to help the country reach net zero goals. As a result of this, recent measures such as the CHIPS Act and the Inflation Reduction Act continue to increase opportunities for states to compete for resources to build, strengthen or attract business investment and jobs in industries such as semiconductor, EVs, battery manufacturing, battery storage technologies, clean technologies, and hydrogen, among others.

The fund serves several purposes including as a source of matching funds for federally funded critical research and deployment projects that require state and local match. With the proposed changes it will also serve its intended purpose as a closing fund that would allow us the authority and flexibility to negotiate incentives to better compete with other states. It also will serve as an important economic development tool that has the ability to help fund site readiness to develop large and mega sites to compete for these business investment opportunities.

Proposal:

This proposal is to amend the \$50 million appropriation to be available until spent and remove the requirement that funds must be used as matching funds required by federal programs. This will allow the Minnesota Department of Employment and Economic Development (DEED) to increase the state's economic development competitiveness. Funding will be used to make grants and loans to businesses that are making large private capital investments in existing and new industries. Private businesses must conform to business subsidy laws and agree to performance periods or be subject to repayment provisions. To the extent possible, all funding would be on a reimbursement basis. It is estimated that the existing administrative allowance will meet DEED's needs to administer the existing funding.

Eligible recipients include:

- Private businesses
- Local units of government
- Institutions of higher education

Funding will be used for the following purposes:

- Machinery and equipment purchases
- Building construction and remodeling
- Land development
- Water and sewer lines, roads, rail lines, natural gas and electric infrastructure
- Working capital

Prior to making awards, DEED seeks the approval of the affected units of local government. It is expected that over the next four years, DEED would award \$50 million in funding with the following results:

- Leverage over \$300 million in private investment; and
- Over 1,000 direct jobs with family sustaining wages; and
- Substantial increase in tax base (local government and state commercial and industrial property) and a substantial increase in sales taxes (state government) measured by economic impact analysis and future reporting.

Impact on Children and Families:

Families in Minnesota depend on stable jobs and economic opportunity. The Minnesota Forward Fund Program paves the way for businesses to invest in the state and to provide significant wages to individuals to enhance their quality of life. Families with ample opportunities to earn income, build wealth, and access a variety of services throughout the economy are empowered to start and maintain healthy, successful families. As such, the large amount of tax revenue generated by the employers the Fund will support, directly impacts the tax revenue generation at the state and local level which allows for the provision of the services and programs to assist families.

Equity and Inclusion:

This change item will enable the program to reduce inequities for people of color, Native Americans, people with disabilities, and veterans. The funding awarded will provide opportunity via private businesses and training opportunities for all Minnesotans to have access to a family sustaining job.

The Governor's Council on Economic Expansion listed these programs as one of their top priorities to shape Minnesota's economy over the next decade.

Tribal Consultation:

This proposal does not have a substantial direct impact on Tribal Nations.

IT Costs

N/A.

Results:

N/A.

Statutory Change(s):

Minnesota Statutes, Section 116J.8752; 2023 Regular Session, Chapter 53, Article 21, Section 7, as amended by 2024 Regular Session, Chapter 120, Article 1, Section 12.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Minnesota Job Skills Partnership (MJSP) Modifications

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
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 revisions to allow larger maximum grant awards and to allow training providers to request market rates for training. These changes will increase the effectiveness of the grants to support specialized employment skills training across the state of Minnesota.

Rationale/Background:

The MJSP programs (Partnership and Pathways) provide grants to educational institutions that are partnering with a business or consortium of businesses to develop and deliver training that is specific to the business needs. The program helps promote economic development by providing businesses with the training they need to remain competitive, develop capacity at our Minnesota educational institutions, and provide workers with economic opportunity by training them in in-demand skills.

The MJSP programs are currently underutilized due to a disincentive for colleges to apply for the grants. To secure their jobs, and/or be eligible for bonuses, Customized Training Representatives are required to earn a profit for the college. Since MJSP grants can only cover the actual project costs, the college/Customized Training Representative does not make a profit on projects funded through a grant, thereby creating a disincentive for colleges to apply for grants. As a result, businesses in many regions of the state are unable to access and benefit from the program. Feedback that MJSP staff received from multiple institutions indicated that when providing custom training without a grant, they typically charge 25-40% above their direct costs.

This proposal will help remedy this disincentive to apply for MJSP grants and will result in more opportunities for Minnesota businesses and workers to benefit from the program.

The One Minnesota goal areas most directly impacted by this proposal are the Workforce Shortage area and Child and Family Well-Being area. Overall, these programs help address the demand for workers in the state and helps to better align the workforce to support the growth of Minnesota's economy. The MJSP programs provide an opportunity for workers to expand their skills, obtain or retain jobs, and earn higher wages. Furthermore, the programs help businesses address workforce shortages by providing funds for them to upskill their current workers or to hire and train lower skilled workers.

Proposal:

The Governor recommends statutory language modifications that would allow colleges to charge closer to market rates for the training they develop and deliver on MJSP-funded projects. This proposal would allow colleges to

charge up to a 30% increase on the direct project costs, not including equipment costs. This would replace the 10% administrative overhead they are currently allowed on grants. The Governor also recommends increasing the maximum grant award amount to \$500,000. The maximum award amount has been set at \$400,000 since 1997. This change reflects inflationary increases in costs to operate programs that receive Job Skills Partnership grants.

Grants awarded to educational institutions from FY21-FY24 have averaged \$157,354. As a result of the proposed changes, it is anticipated that the average grant award would increase to approximately \$190,000. While the proposed increase is not anticipated to be sufficient to result in a higher number of grants awarded or an increase in the number of trainees, it is anticipated that DEED will receive grant applications from more educational institutions around the state resulting in a more even distribution of funding statewide. Furthermore, it is anticipated that the increased demand will result in more competitive projects being awarded.

The proposed changes will not have an impact on DEED administrative costs or required staffing levels and could likely be implemented for grants awarded after July 1, 2026.

Impact on Children and Families:

The MJSP programs provide job training that provides workers with the skills they need to obtain or retain jobs that pay family sustaining wages and provide opportunities for career advancement.

Equity and Inclusion:

The MJSP programs strongly encourage diversity, equity, and inclusion. Preference is given to projects that serve economically disadvantaged people, people of color, and people with disabilities. Preference is also given to businesses that have formal diversity, equity, and inclusion (DEI) plans and to projects that include DEI training. The proposed changes are expected to result in more competitive grant proposals which may result in funding more projects with a strong DEI focus.

Tribal Consultation:

This proposal does not have a substantial direct impact on Tribal Nations.

IT Costs:

N/A

Results:

Part A: Performance Measures

The overall goal is to encourage additional educational institutions to participate in the program in order to ensure businesses and workers in all areas of the state have the opportunity to benefit from the program. Another goal is that the increased demand will result in an even higher quality of projects being funded. MJSP staff would track the number of proposals received, the number of different educational institutions applying, and the average score of funded grant applications.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of grant proposals received	Quantity	A count of the proposals received	FY24: 36	If successful, we would expect around a 25% increase in the number of proposals received

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of different educational institutions/training providers applying for grants	Quantity	A count of the institutions applying for grants.	FY24: 8	If successful, we would expect to see at least 10 additional educational institutions participating in the program each year
Average score of funded proposals funded	Quality	Data taken from the proposal evaluation forms	N/A	If successful, we would expect to see a slight increase in the average score of funded projects.

Statutory Change(s):

116L.04

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Expand Credential Definition to Reflect the Impact of Job Training Programs

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends modifying the definition of credentials to allow for non-postsecondary credentials.

Rationale/Background:

As workforce programs have pivoted to serving some of the most marginalized participants, the definition of credential in 116L.98 has become increasingly obsolete. Certificates offered from private training providers, such as welding and Commercial Driver's License training, coding boot camps, provide accessible pathways to high wage, in-demand careers do not get counted as credentials under the current definition. The proposal refines evaluation of workforce development programs to accurately reflect their impact.

Proposal:

This proposal expands the definition of credentials to allow for non-postsecondary credentials, which are often offered during our on-ramp programs.

Impact on Children and Families:

This expansion reflects the on-the-ground reality of job opportunities for participants in DEED workforce development programs that provide accessible pathways to high-wage jobs.

Equity and Inclusion:

This proposal improves evaluation of programs that serve underserved populations.

Tribal Consultation:

This proposal does not have a substantial direct impact on Tribal Nations.

IT Costs:

N/A.

Results:

Part A: Performance Measures

The purpose of this proposal is to expand the definition of "credential" to include awards beyond postsecondary degrees. This statute change will impact how credentials are counted across the enterprise and could impact funding for credentialed training.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of Participants who Exit a Program with a Post-Secondary Credential	Quantity	Workforce One	2,675	None, programs will continue to offer post-secondary credentials.
Number of Participants who Exit a Program with a Non-Post Secondary Credential	Quantity	Workforce One	476	This is projected to increase. Note that if someone received a post-secondary and non-post-secondary credential, they are only counted as having received a post-secondary credential to avoid double-counting.
% of state-sponsored training programs that provide a credential	Quality	Internal data collection	82%	The percentage of programs awarding credentials is projected to increase.

Part B: Use of Evidence

DEED has not previously conducted a formal program evaluation that has informed the contents of this proposal. There are no plans to conduct a formal evaluation of this proposal currently.

Part C: Evidence-Based Practices

DEED has not identified any evidence-based practices that will be supported by the proposal.

Statutory Change(s):

M.S. 116L.98

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Technical Changes for Existing Programs

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
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 several technical legislative language changes to better implement programs according to legislative intent and provide clarity to agency staff.

Rationale/Background:

Legislative language signed into law in past years included several technical errors that made implementation difficult or legislative intent unclear. Clarity is needed to appropriately implement the legislation.

Proposal:

1. The Minnesota Expanding Opportunity Fund Program was established in Ch. 53 of 2023 Session Law but did not properly establish a special revenue account for DEED to distribute loan funds and to fund additional loans with payments made by loan recipients. This correction will create the special revenue fund, transfer existing appropriations to this special revenue fund, and give the commissioner authority to fund additional loans with the payments.
2. Chapter 120 of 2024 Session Law includes riders for projects under the Neighborhood Redevelopment Center appropriation. However, the riders for the projects do not reflect legislative intent for the South Minneapolis projects to be reduced to account for the new appropriations in paragraph (iv). Correcting this language will reflect legislative intent as described and implemented during FY25.
3. Chapter 120 of 2024 Session Law includes a transfer from the Job Creation Fund to the General Fund. The Job Creation Fund is not a separate fund, but rather an appropriation within the General Fund, and cannot transfer funds to the General Fund. Correcting this language will cancel these funds to the General Fund correctly, aligning with legislative intent.
4. Technical correction to Minn. Stat. 469.54, subd. 4(2) - Duluth Regional Exchange District (DRED). MMB provided guidance that changing the word “current” to “preceding” would be more appropriate. The formula as worded was likely a mistake.

Impact on Children and Families:

Programs supported by these technical changes have impacts on children and families across the state. However, these changes will not have a direct impact on children and families' goals.

Equity and Inclusion:

Programs supported by these technical changes have impacts on equity and inclusion across the state. However, these changes will not have a direct impact on equity and inclusion goals.

Tribal Consultation:

This proposal does not have a substantial direct impact on Tribal Nations.

IT Costs:

N/A.

Results:

N/A.

Statutory Change(s):

Sec. 6. Laws 2023, chapter 53, article 20, section 2, subdivision 2; Minnesota Statutes 116J.8733; Session Law 2024, Chapter 120, Article 1, Section 5; Session Law 2024, Chapter 120, Article 1, Section 6; Session Law 2024, Chapter 120, Article 1, Section 13; Minnesota Statutes 469.54

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Reduce and Modify Business Development Public Infrastructure Program

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	(2,287)	(2,287)	(2,287)	(2,287)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(2,287)	(2,287)	(2,287)	(2,287)
FTEs	0	0	0	0

Recommendation:

The Governor recommends a reduction to the Greater Minnesota Business Development Public Infrastructure Grant Program (BDPI). This results in a reduction of \$4.574 million in FY 2026-27 and \$4.574 million in FY 2028-29. Reduction items at the Department of Employment and Economic Development (DEED) are intended to focus prioritization on empowering the growth of the Minnesota economy for everyone, including the agency's four-year goals of (1) equity in our economy, (2) workforce and talent attraction, and (3) economic dynamism for the state of Minnesota.

This is a 100% reduction to the general fund portion of this program. The program also operates with general obligation bond funding for the same purpose.

The Governor also recommends expanding eligibility for the Greater Minnesota Business Development Public Infrastructure (BDPI) grant program to include: plant-based processing such as corn, beans, sugar beats, and cannabis. This proposal would empower the BDPI program to support businesses key to their local community vitality.

Rationale/Background:

Since 2002, the Greater Minnesota Business Development Infrastructure Grant Program (BDPI) has helped 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% of the capital costs of the public infrastructure (up to \$2,000,000) necessary to expand or retain jobs in the area, increase the tax base, or expand or create new economic development. Eligible projects include publicly owned infrastructure that supports economic development projects, including wastewater collection and treatment, drinking water, storm sewers, utility extensions, and streets.

BDPI has been funded through both general fund and general obligation funds in the past. BDPI has been primarily funded through general obligation bond funds but since 2017, a general fund appropriation was added. Reductions to the general fund for this program were made in the anticipation that this program continues receiving funds through general obligation bond funding.

This program exclusively serves locations outside of the seven-county metropolitan area. The program is available on a first come-first served basis. As of Dec 31, 2024, the balance available for BDPI is \$5 million. The reduction in general fund spending will reduce the number of projects this program is able to fund. With general obligation funds, this program will be able to continue serving Greater Minnesota.

The proposal to expand eligibility requirements to include plant-based processing would empower the BDPI program to support businesses key to their local community vitality. Plant based agricultural processing creates many good jobs and increased tax base throughout greater Minnesota. Expanding BDPI eligibility will allow DEED and the BDPI program to encourage growth and economic development among these types of businesses.

Proposal:

The proposal is to fund the BDPI program exclusively with general obligation bonds. This would result in a reduction of \$2.287 million from the general fund per year through FY 2029.

BDPI provides grants to cities of up to 50% of the capital costs of the public infrastructure (up to \$2,000,000) necessary to expand or retain jobs in the area, increase the tax base, or expand or create new economic development. Eligible projects include publicly owned infrastructure that supports economic development projects, including wastewater collection and treatment, drinking water, storm sewers, utility extensions, and streets.

BDPI has been funded with both general fund and general obligation dollars in recent years.

Funding Source	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023
General Obligation Bond Proceeds	\$0	\$0	\$8.2M	\$0	\$10M
General Fund Cash Proceeds	\$1.73M	\$1.73M	\$1.73M	\$1.73M	\$2.25M

The maximum award is set out in statute. This reduction removes the general fund appropriation for the program. The following measures are calculated using both general fund and general obligation bond resources. Without additional funding, this program will not operate.

The other proposal includes “plant-based processing,” as eligible for the BDPI Program. Current BDPI statute 116J.431 subd. 2(a)(5) lists one of the eligible projects as “agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use; or”. This definition of agricultural products does not allow plant-based processing such as corn, beans, sugar beats, and cannabis.

Past program applicants requested plant-based agricultural processing and DEED attorneys interpreted that the current statute does not allow it.

This proposal will enable plant based agricultural processing businesses in their industrial parks that have been or will be financially assisted with public infrastructure through the BDPI program.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Impact on Children and Families:

Expanding edibility for the BDPI Program helps spur economic development, supporting good paying jobs across the state.

Equity and Inclusion:

The proposal to expand eligibility will strengthen a program that serves Greater Minnesota.

IT Costs:

N/A.

Results:

Measure Type	Historic Data FY 22-23	Most Recent Data FY 24-25	Measure Data Source	Projected Change
Projects	13	11	DEED Award Data	0
New and Retained Jobs	1225	1,362	Expected/Monitored	0
Private Investment	\$151 Million	\$407 Million	Expected/Monitored	0
Public Investment Match	\$21 Million	\$18.4 Million	Required	0
BDPI Award	\$9.4 Million	\$10.6 Million	DEED Award Data	0

Statutory Change(s):

M.S. 116J.431

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Reduce Contaminated Site Cleanup and Investigation Grant Program

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	(750)	(750)	(750)	(750)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(750)	(750)	(750)	(750)
FTEs	0	0	0	0

Recommendation:

The Governor recommends a reduction of \$750,000 each year from the Contaminated Site Cleanup and Investigation Grants Program.

Rationale/Background:

Reduction items at the Department of Employment and Economic Development (DEED) are intended to focus prioritization on empowering the growth of the Minnesota economy for everyone, including the agency's four year goals of (1) equity in our economy, (2) workforce and talent attraction, and (3) economic dynamism for the state of Minnesota.

Proposal:

The proposal is to reduce funding for the Contamination Cleanup and Investigation Grant Program by \$750,000 each year. After a reduction, the FY26-27 base amount would be \$1,022,000 each year from the general fund and \$700,000 from the remediation fund. The Contamination Cleanup and Investigation Grant Program helps communities pay for assessing and cleaning up contaminated sites for private or public redevelopment. Grants pay up to 75% of the costs to investigate and clean up polluted sites. Both publicly and privately owned sites with known or suspected soil or groundwater contamination qualify.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	Grants	(750)	(750)	(1,500)	(750)	(750)	(1,500)

Results:

Measure	Measure Type	Measure Data source	Most recent data (2024)	2026 Outcomes	Projected Change
Dollars awarded	State Award	DEED	\$2.724M	\$1.974M	(\$750K)
Number of acres redeveloped	Project Application	County Assessor	39.2	28.4	(10.80)
Number of jobs created	Project Application	Grantee/Developer Agreement	121	88	(33)

Measure	Measure Type	Measure Data source	Most recent data (2024)	2026 Outcomes	Projected Change
Number of jobs retained	Project Application	Grantee/Developer Agreement	46	33	(13)
Dollars leveraged	Project Application	Grantee/Developer Agreement	\$234.5M	\$169.9M	(\$64.6M)

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Statutory Change(s):

N/A.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Reduce Job Creation Fund

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	(3,000)	(3,223)	(2,400)	(2,400)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(3,000)	(3,223)	(2,400)	(2,400)
FTEs	0	0	0	0

Recommendation:

The Governor recommends a reduction to the Job Creation Fund program at: \$3,000,000 in FY 2026, \$3,223,000 in FY 2027, \$2,400,000 in FY 2028, and \$2,400,000 in FY 2029.

Rationale/Background:

Reduction items at the Department of Employment and Economic Development (DEED) are intended to focus prioritization on empowering the growth of the Minnesota economy for everyone, including the agency's four-year goals of (1) equity in our economy, (2) workforce and talent attraction, and (3) economic dynamism for the state of Minnesota.

Proposal:

The proposal is to reduce funding for the Job Creation Fund program. The reduction will leave the base at: \$5,000,000 in FY 2026, \$4,777,000 in FY 2027, \$5,600,000 in FY 2028, and \$5,600,000 in FY 2029. The Job Creation Fund provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	Loans	(3,000)	(3,223)	(6,223)	(2,400)	(2,400)	(4,800)

Results:

Measure	Measure Type	Measure Data Source	Most Recent Data	2026 Outcomes	Projected Change
Program Awards	State Award	DEED	\$9.6M	\$5M	(\$3M)
New Jobs Created	Project Application	Grant Contracts	1,004	648	-356
Eligible Investment	Project Application	Grant Contracts	\$214M	\$112M	(\$102M)
Total Investment	Project Application	Grant Contracts	\$619M	\$304M	(\$315M)

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Statutory Change(s):

N/A.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Reduce Emerging Entrepreneur Loan Program

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	(500)	(500)	(500)	(500)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(500)	(500)	(500)	(500)
FTEs	0	0	0	0

Recommendation:

The Governor recommends a reduction of \$500,000 each year from the general fund for the Emerging Entrepreneur Loan Program.

Rationale/Background:

Reduction items at the Department of Employment and Economic Development (DEED) are intended to focus prioritization on empowering the growth of the Minnesota economy for everyone, including the agency's four-year goals of (1) equity in our economy, (2) workforce and talent attraction, and (3) economic dynamism for the state of Minnesota.

Proposal:

The proposal is to reduce funding for the Emerging Entrepreneur Loan Program by \$500,000 each year. After a reduction, the FY 2026-27 base amount would be \$500,000 each year from the general fund. The Emerging Entrepreneur Loan Program supports the growth of businesses owned and operated by minorities, low-income persons, women, veterans and/or persons with disabilities. DEED provides grant funds to a network of nonprofit lenders which use these funds for loans to startup and expanding businesses throughout the state.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	Grants	(500)	(500)	(1,000)	(500)	(500)	(1,000)

Results:

Measure	Measure Type	Measure Data Source	Most Recent Data SFY 2024	SFY 2026 Outcomes	Projected Change
Number of Projects	State Awards	DEED	77	62	-15
Program Awards	Project Application	Grant Contracts	\$2.53M*	\$2M*	(\$530K)
Leveraged Capital	Project Application	Grant Contracts	\$29.3M	\$18M	(\$11.3M)
*Program uses revolving loan capital					

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

Statutory Change(s):

N/A.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Reduce Host Community Economic Development Grant Program

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	(750)	(750)	(750)	(750)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(750)	(750)	(750)	(750)
FTEs	0	0	0	0

Recommendation:

The Governor recommends a reduction of \$750,000 each year from the general fund for the Host Community Economic Development Grant Program.

Rationale/Background:

Reduction items at the Department of Employment and Economic Development (DEED) are intended to focus prioritization on empowering the growth of the Minnesota economy for everyone, including the agency's four-year goals of (1) equity in our economy, (2) workforce and talent attraction, and (3) economic dynamism for the state of Minnesota.

Proposal:

The proposal is to reduce funding for the Host Community Economic Development Grant Program by \$750,000 each year. After a reduction, the base amount would be \$125,000 each year from the general fund. The Host Community Economic Development Grant Program is a program for host communities to pay for capital costs and design-related costs for eligible capital projects. These state grants can cover 100% of the total costs of the project, and do not require any matching funds. Grants may be used for capital costs of development or redevelopment projects to create jobs, increase the city tax base and enhance the city's ability to attract private investment.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	Grants	(750)	(750)	(1,500)	(750)	(750)	(1,500)

Results:

Measure	Measure type	Measure data source	Most recent data	Projected change
Capital Investments Made	Quantitative	City economic development data	TBD	Unknown

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

 X No

Statutory Change(s):

N/A.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Reduce Mental Illness Employment Supports

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	(1,000)	(1,000)	(1,000)	(1,000)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,000)	(1,000)	(1,000)	(1,000)
FTEs	0	0	0	0

Recommendation:

The Governor recommends a reduction of \$1,000,000 each year from the general fund for the Individual Placement and Supports program.

Rationale/Background:

Reduction items at the Department of Employment and Economic Development (DEED) are intended to focus prioritization on empowering the growth of the Minnesota economy for everyone, including the agency's four-year goals of (1) equity in our economy, (2) workforce and talent attraction, and (3) economic dynamism for the state of Minnesota.

Proposal:

The proposal is to reduce funding for the Individual Placement and Supports program by \$1,000,000 each year. After a reduction, the FY 2026-27 base amount would be \$1,555,000 each year from the general fund. Minnesota's Individual Placement and Supports projects provide a full range of employment services and supports to assist people with serious mental illnesses to achieve competitive integrated employment.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	Grants	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)

Results:

Measure	Type of Measure	Measure Data Source	Most Recent Data (SFY 2023)	Projected change
Number of customers served	Quantity	Internal data	1,095	-438
Number of customers employed	Result	Internal data	736	-294
Average weekly hours worked	Result	Internal data	23.8	N/A
Average wages earned	Result	Internal data	\$15.52	N/A

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes

☒ No

Statutory Change(s):

N/A.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Reduce Small Business Assistance Partnership Grant Program

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	(1,000)	(1,000)	(1,000)	(1,000)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,000)	(1,000)	(1,000)	(1,000)
FTEs	0	0	0	0

Recommendation:

The Governor recommends a reduction of \$1,000,000 each year from the general fund for the Small Business Assistance Partnership Grant Program.

Rationale/Background:

Reduction items at the Department of Employment and Economic Development (DEED) are intended to focus prioritization on empowering the growth of the Minnesota economy for everyone, including the agency's four-year goals of (1) equity in our economy, (2) workforce and talent attraction, and (3) economic dynamism for the state of Minnesota.

Proposal:

The proposal is to reduce funding for the Small Business Assistance Partnership Grant Program by \$1,000,000 each year. After a reduction, the FY 2026-27 base amount would be \$1,725,000 each year from the general fund. The Small Business Assistance Partnerships program provides business development assistance and services through grant recipients that are awarded funds through a competitive process.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	Grants	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)

Results:

Measure	Measure Type	Measure data source	Most recent data (FY 2023)	Projected change
Number of entrepreneurs/businesses assisted	Quantity	Internal Data	16,471	Projected Decrease
Number of jobs created/retained	Quantity	Internal Data	20,645	Projected Decrease
Amount of business development capital	Results	Internal Data	\$158M	Projected Decrease

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Statutory Change(s):

N/A.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Reduce Pathways to Prosperity Grant Program

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	(1,000)	(1,000)	(1,000)	(1,000)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,000)	(1,000)	(1,000)	(1,000)
FTEs	0	0	0	0

Recommendation:

The Governor recommends a reduction of \$1,000,000 each year from the general fund for the Pathways to Prosperity Grant Program.

Rationale/Background:

Reduction items at the Department of Employment and Economic Development (DEED) are intended to focus prioritization on empowering the growth of the Minnesota economy for everyone, including the agency's four-year goals of (1) equity in our economy, (2) workforce and talent attraction, and (3) economic dynamism for the state of Minnesota.

Proposal:

The proposal is to reduce funding for the Pathways to Prosperity Grant Program by \$1,000,000 each year. After a reduction, the FY 2026-27 base amount would be \$1,546,000 each year from the general fund and \$4,604,000 from the workforce development fund. Pathways to Prosperity (P2P) is an innovative strategy that integrates basic skills education, career-specific training, support services, and employment placement and retention to meet the needs of unemployed and under-employed adults.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	Grants	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)

Funding Source	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023
Workforce Development Fund	\$4.604M	\$4.604M	\$4.604M	\$4.604M	\$4.604M
General Fund	\$1.094M	\$1.539M	\$1.094M	\$2.546M	\$2.546M

Results:

Measure	Measure type	Measure data source	Most recent data, as of 3/18/25	Projected change
# of individuals served	Quantity	Workforce One (WF1)	2,209	We would anticipate this number to decrease.
# of individuals served without an HSD/GED	Quantity	Workforce One (WF1)	197 Approximately 10% of overall served.	We would anticipate this number to decrease.
# of individuals served at or below 200% FPG	Quantity	Workforce One (WF1)	1,573 Approximately 75% of overall served.	We would anticipate this number to decrease.
# of individuals served are justice impacted	Quantity	Workforce One (WF1)	422 Approximately 10% of overall served.	We would anticipate this number to decrease.
# of individuals served lacking stable housing	Quantity	Workforce One (WF1)	144 Approximately 20% of overall served.	We would anticipate this number to decrease.
# of individuals served lacking work history	Quantity	Workforce One (WF1)	627 Approximately 30% of overall served.	We would anticipate this number to decrease.
# of barriers removed	Quantity	Workforce One (WF1)	1,031 individuals received with 3,446 issuances of Support Services to remove barriers through these grants. Some examples of specific support services provided to participants to remove barriers include transportation assistance, housing or rental support, incentives paid directly to participants, and technology support Approximately 50% of overall served.	We would anticipate this number to decrease.
# of credentials/certificates attained	Quantity	Workforce One (WF1)	219 – On Ramp 577 – Bridge 50 - ITP Total: 846	We anticipate fewer individuals completing training (On-Ramp, Bridge, or ITP) and earning one or more credentials during the grant period.
# of individuals placed in employment at or above \$16/hour	Quantity	Workforce One (WF1)	692 exits to employment with 589 at or above \$16/hour Average wage of all exits to employment is \$20.96/hour	We anticipate fewer individuals enrolled in the program will exit the program to employment.
# of Grants for On Ramp to Career Pathways	Quantity	Internal data collection	12	We would expect this metric to decrease.

Measure	Measure type	Measure data source	Most recent data, as of 3/18/25	Projected change
# of Grants for Bridge to Career Pathways	Quantity	Internal data collection	27	We would expect this metric to decrease.
# of Grants for Individualized Training Pathway	Quantity	Internal data collection	10	We would expect this metric to decrease.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
☒ No

Statutory Change(s):

N/A.

Employment and Economic Development

FY 2026-27 Biennial Budget Change Item

Change Item Title: Reduce Redevelopment Grant Program

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	(1,000)	(1,000)	(1,000)	(1,000)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,000)	(1,000)	(1,000)	(1,000)
FTEs	0	0	0	0

Recommendation:

The Governor recommends a reduction of \$1,000,000 each from the general fund for the Redevelopment Grant Program.

Rationale/Background:

Reduction items at the Department of Employment and Economic Development (DEED) are intended to focus prioritization on empowering the growth of the Minnesota economy for everyone, including the agency's four-year goals of (1) equity in our economy, (2) workforce and talent attraction, and (3) economic dynamism for the state of Minnesota.

Proposal:

The proposal is to reduce funding for the Redevelopment Grant Program by \$1,000,000 each year. After a reduction, the FY 2026-27 base amount would be \$1,246,000 each year from the general fund. The Redevelopment Grant program offers grants to assist development authorities with costs for redeveloping blighted industrial, residential, or commercial sites where the need to recycle the land for a more productive use exists.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	Grants	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)

Results:

Measure	Measure Type	Measure Data source	Most recent data (2024)	2026 Outcomes	Projected Change
Dollars awarded	State Award	DEED	\$4.05M	\$1.246M	\$(2.80M)
Number of acres redeveloped	Project Application	County Assessor	46.1	14.18	(31.92)
Number of jobs created	Project Application	Grantee/Developer Agreement	86	26	(60)
Number of jobs retained	Project Application	Grantee/Developer Agreement	98	30	(68)

Measure	Measure Type	Measure Data source	Most recent data (2024)	2026 Outcomes	Projected Change
Dollars leveraged	Project Application	Grantee/Developer Agreement	\$298.2M	91.74	(\$206.5M)

Tribal Consultation:
 Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes
 ☒ No

Statutory Change(s):
 N/A.

Program: Business and Community Development

<https://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 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 2023 and 2024, BCD was assigned over \$330 million in state general fund, over \$300 million in capital investment funding and, received over \$50 million from federal sources.
- In SFY 2023 and 2024, across all programs both federal and state, BCD awarded 1,079 grants, loans and tax credits totaling over \$475 million.
- Collects, analyzes, and disseminates key labor market indicators, information, and analysis on the economy, workforce, industry base, and job market in Minnesota to support informed decision-making. Completed more than 2,000 data, training, and briefing requests in SFY2023.

PURPOSE AND CONTEXT

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

BCD provides financial and technical services to businesses and communities to support the creation, expansion, attraction, and retention of businesses in and to Minnesota. BCD staff work to help communities become affordable, quality places for people and businesses to locate, grow, and prosper. BCD also provides Labor Market Information to support informed decision-making for businesses, students, and the workforce. BCD programs have played an important role in response to the pandemic over the last three years.

SERVICES PROVIDED

Business and Community Development accomplishes DEED's mission via the following activities:

- **Business Finance:** BCD administer over 25 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*, which 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 of up to \$35,000 to start-ups looking to raise capital.
 - *State Small Business Credit Initiative*, \$100 million in funding from the U.S. Department of Treasury to increase capital access through five different programs.
 - *Various finance programs*, several special appropriations such as Promise Act Loans, Expanding Opportunity Fund, Military and Reservists Loan Program, Native American Loan Fund.

- **Business Development:** 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 the Employment and Training Division, the 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):* The 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.
 - *Energy Transition Office (ETO):* The Energy Transition Office was established by the 2021 legislature to advise the Governor and the Legislature on energy transition issues and to establish transition programs, economic initiatives, and transition policy. For communities and workers impacted by fossil fuel-based power plant closures in Minnesota, the office aims to help them successfully transition into alternatives that minimize the negative consequences from closures and maximize opportunities for future economic growth and community wellbeing.
- **Community Finance:** BCD administers 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, the Airport Infrastructure Renewal Program, and the Transportation Economic Development Infrastructure Program. The office also manages a variety of special appropriations to local units of government and non-profits (over 120 assigned in 2023) and bond projects 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:** BCD administers 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. Programs within the office include:
 - *Launch Minnesota:* Launch MN aims to catalyze and connect the entrepreneurial ecosystem to better prepare technology-based businesses for success. The initiative has 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 Center*: SBDC's aid in the development of new and existing businesses through a statewide network of offices offering entrepreneurs no-cost 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 approximately 40% of the funding for the program. Nine regional centers across the state deliver the services to businesses.
- *Office of Small Business Partnerships*: The mission of this unit is to partner with community-based organizations, foundations and local governments to empower the success of small businesses and support vibrant main streets through the deployment of competitive grant opportunities such as the Promise Act, Small Business Assistance Partnership Competitive Grant, the newly established Office of Child Care Partnerships, Child Care Economic Development Grants, and the Main Street Economic Revitalization Program. The Office also manages tens of special appropriations to various non-profit service providers for the provision of technical services to businesses.
- *Research*: BCD provides research services to internal and external customers.
- Programs include:
 - *Economic Analysis*: The Economic Analysis team provides research, analysis, database management, program evaluation, client surveys, and library services. Primary customers are DEED management and DEED internal customers making operational decisions.
 - *Labor Market Information*: Labor Market Information collects, analyzes, and disseminates key labor market indicators, information and analysis on the economy, workforce, industry base and job market in Minnesota to support informed decision-making. All publicly releasable data are available on the DEED website for query and download, along with data tools and publications. Services include consultation, training seminars, public education, presentations, and briefings. Customers include businesses, job seekers, students, economic developers, education and training planners, workforce development professionals, policymakers, government entities, media, and the general public.
 - Bureau of Labor Statistics programs include monthly employment and unemployment estimates (<https://mn.gov/deed/data/data-tools/laus/index.jsp>); quarterly statistics on employment and wages by area and industry (QCEW <https://mn.gov/deed/data/current-econ-highlights/qcew-econ-highlights.jsp>); occupational employment and wage estimates (OEWS <https://mn.gov/deed/data/data-tools/oes/index.jsp>);
 - DOL Employment and Training Administration projects include job vacancy estimates (<https://mn.gov/deed/data/data-tools/job-vacancy/>); alternative measures of unemployment (<https://mn.gov/deed/data/current-econ-highlights/alternative-unemployment.jsp>); employment projections by occupation and industry (<https://mn.gov/deed/data/data-tools/employment-outlook/index.jsp>); Regional Profiles. (<https://mn.gov/deed/data/regional-lmi/index.jsp>); The Career and Education Explorer (<https://mn.gov/deed/data/data-tools/career-education-explorer/index.jsp>) is our comprehensive job seeker tool. Publications include our quarterly Minnesota Economic Trends (<https://mn.gov/deed/newscenter/publications/trends/index.jsp>); monthly Minnesota Employment Review, (<https://mn.gov/deed/newscenter/publications/review/index.jsp>); ongoing regional blogs (<https://mn.gov/deed/data/locallook/central/central-blog.jsp>) and various topical reports (<https://mn.gov/deed/data/lmi-reports/index.jsp>). CareerOneStop (<https://www.careeronestop.org/>) is a national career information website. Analyst

Resource Center (ARC) (<https://www.widcenter.org/>) is a national program that supports LMI work around the country.

- State Better LMI projects include Graduate Employment Outcomes (<https://mn.gov/deed/data/data-tools/graduate-employment-outcomes/index.jsp>), Occupations in Demand (<https://mn.gov/deed/data/data-tools/oid/index.jsp>) and reports on the labor market outcomes of students.

RESULTS

Type of Measure	Name of Measure	Measure Data Source	SFY 19-20	SFY 21-22	SFY 23-24
Quality 1.	Leveraged private investment through all programs	Internal Fiscal Data	\$3.55B	\$3.95B	\$6.01B
Results 2.	# of jobs to be created/retained through all programs	Internal Grant Data	32,589	20,657	22,629
Results 3.	# of jobs to be created through the Minnesota Job Creation Fund	Internal Grant Data	2565	2,157	2167
Results 4.	# of awards made to early-stage technology businesses	Internal Grant Data	166	369	336
Quantity 5.	Number of awards made (all programs)	Internal Grant Data	1933	1167	1079
Quantity 6.	Number of loans to underserved Minnesotans through Emerging Entrepreneur Loan program	Internal Data	98	92	143
Quantity 7.	# of workers trained through the Minnesota Job Skills Partnership Program	Internal Program Data	16758	10464	11,889
Quantity 8.	# of small business clients assisted by the SBDC, SBAO, SBAP and Launch MN	Internal Program Data	62962	55899	60,957**
Quality 9.	Leveraged private investment through the Contamination Investigation and Cleanup Grant Program	Internal Fiscal Data	\$1.5B	\$1.2B	\$856M
Quality 10.	Leveraged private investment through the Redevelopment Grant Program	Internal Fiscal Data	\$557M	\$534M	\$652M
Quality 11.	Leveraged non state investment through the Business Development Public Infrastructure program, Innovative Business Development Public Infrastructure program and the Transportation Economic Development Infrastructure program	Internal Fiscal Data	\$22.5M	\$38.9M	\$20.4M

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

**does not include FY 2024 SBAP non-profit clients served.

Business and Community Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	187,853	126,631	233,076	218,781	77,424	66,249	68,637	57,239
2000 - Restrict Misc Special Revenue	818	213	570	3,457	942	1,026	942	1,026
2001 - Other Misc Special Revenue	(930)	5,950	4,666	116,268	14,666	15,166	14,666	15,166
2002 - Climate and Economic Dev			37	209,963	96,132	81,368	96,132	81,368
2340 - Renewable Development	5,853							
2350 - Petroleum Tank Release Cleanup	3,582	3,859	5,731	6,759	4,315	5,000	4,315	5,000
2390 - Workforce Development	1,957	1,298	1,107	1,350	1,350	1,350	1,350	1,350
2403 - Gift	40	54	101	192	105	105	105	105
2801 - Remediation		1,914	572	2,035	700	700	700	700
3000 - Federal	71,139	44,392	32,501	27,003	23,408	23,408	23,408	23,408
3010 - Coronavirus Relief	12,822							
3015 - ARP-State Fiscal Recovery	3,798							
8350 - Ag & Econ Development Board	11	43	221	889	3	3	3	3
Total	286,944	184,354	278,581	586,697	219,045	194,375	210,258	185,365
Biennial Change				393,980		(451,858)		(469,655)
Biennial % Change				84		(52)		(54)
Governor's Change from Base								(17,797)
Governor's % Change from Base								(4)

Expenditures by Activity

Business Development	5,425	2,448	4,746	160,720	78,123	63,359	78,123	63,359
Community Finance	98,173	69,491	101,034	96,131	67,970	57,480	63,183	52,693
Small Business and Innovation	119,872	56,006	25,621	23,890	8,321	8,321	7,321	7,321
Business Finance	41,440	44,227	131,830	289,342	53,589	54,173	50,589	50,950
Job Skills Partnership	7,857	5,879	6,987	6,023	5,560	5,560	5,560	5,560
Economic Analysis and Information	11,692	4,007	4,832	7,235	5,482	5,482	5,482	5,482
Launch Minnesota-Admin	2,484	2,295	3,531	3,356				
Total	286,944	184,354	278,581	586,697	219,045	194,375	210,258	185,365

Expenditures by Category

Compensation	8,128	9,010	11,516	12,101	8,604	8,618	8,604	8,618
Operating Expenses	6,448	16,827	5,581	40,928	28,097	28,167	26,597	26,667

Business and Community Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Grants, Aids and Subsidies	274,883	154,377	259,073	530,980	180,792	155,538	173,505	148,028
Capital Outlay-Real Property		0						
Other Financial Transaction	(2,515)	4,140	2,411	2,688	1,552	2,052	1,552	2,052
Total	286,944	184,354	278,581	586,697	219,045	194,375	210,258	185,365

Total Agency Expenditures	286,944	184,354	278,581	586,697	219,045	194,375	210,258	185,365
Internal Billing Expenditures	1,228	1,323	1,726	1,847	1,411	1,413	1,411	1,413
Expenditures Less Internal Billing	285,715	183,031	276,854	584,850	217,634	192,962	208,847	183,952

Full-Time Equivalents

	74.39	82.06	93.63	88.95	74.02	74.02	74.02	74.02
--	-------	-------	-------	-------	-------	-------	-------	-------

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In	44,304	88,221	50,319	49,928				
Direct Appropriation	205,385	55,291	207,041	152,643	48,354	48,354	39,067	38,844
Open Appropriation	24,940	29,206	37,500	37,500	33,070	21,895	33,070	21,895
Transfers In	661	1,160	3,394	6,599				
Transfers Out	1,301	2,642	13,095	12,000	4,000	4,000	3,500	3,500
Net Loan Activity	(449)	(117)	(423)	(10,000)				
Cancellations	2,626	831	1,731	5,889				
Balance Forward Out	83,060	43,657	49,929					
Expenditures	187,853	126,631	233,076	218,781	77,424	66,249	68,637	57,239
Biennial Change in Expenditures			137,373		(308,184)		(325,981)	
Biennial % Change in Expenditures			44		(68)		(72)	
Governor's Change from Base							(17,797)	
Governor's % Change from Base							(12)	
Full-Time Equivalents	44.09	48.39	56.89	53.01	38.08	38.08	38.08	38.08

2000 - Restrict Misc Special Revenue

Balance Forward In	9,284	7,663	8,482	9,236	3,138	2,837	3,138	2,837
Receipts	858	741	1,125	764	1,115	1,283	1,115	1,283
Transfers Out	2,000							
Net Loan Activity	338	285	198	(3,405)	(474)	(516)	(474)	(516)
Balance Forward Out	7,663	8,475	9,235	3,138	2,837	2,578	2,837	2,578
Expenditures	818	213	570	3,457	942	1,026	942	1,026
Biennial Change in Expenditures				2,996		(2,059)		(2,059)
Biennial % Change in Expenditures				291		(51)		(51)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.54	1.64	2.50	2.47	2.47	2.47	2.47	2.47

2001 - Other Misc Special Revenue

Balance Forward In	71,656	74,851	98,909	122,152	16,145	14,445	16,145	14,445
Receipts	8,673	11,404	14,480	9,892	9,932	10,432	9,932	10,432
Transfers In	9,584	21,817	11,000	7,000	4,000	4,000	3,500	3,500
Transfers Out	22,750	5,000	38					

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Net Loan Activity	6,758	2,427	2,467	(6,631)	(966)	(966)	(466)	(466)
Balance Forward Out	74,851	99,549	122,152	16,145	14,445	12,745	14,445	12,745
Expenditures	(930)	5,950	4,666	116,268	14,666	15,166	14,666	15,166
Biennial Change in Expenditures				115,914		(91,102)		(91,102)
Biennial % Change in Expenditures				2,309		(75)		(75)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.89	6.04	5.90	5.90	5.90	5.90	5.90	5.90

2002 - Climate and Economic Dev

Balance Forward In			389,963	204,397	115,340	204,397	115,340
Receipts			26,897	7,075	2,547	7,075	2,547
Transfers In		680,000					
Transfers Out		290,000	2,500				
Balance Forward Out		389,963	204,397	115,340	36,519	115,340	36,519
Expenditures		37	209,963	96,132	81,368	96,132	81,368
Biennial Change in Expenditures			210,000		(32,500)		(32,500)
Biennial % Change in Expenditures					(15)		(15)
Governor's Change from Base							0
Governor's % Change from Base							0
Full-Time Equivalents		0.02	0.02	0.02	0.02	0.02	0.02

2340 - Renewable Development

Balance Forward In	357				
Direct Appropriation	5,500				
Cancellations	5				
Expenditures	5,853				
Biennial Change in Expenditures		(5,853)		0	0
Biennial % Change in Expenditures					
Governor's Change from Base					0
Governor's % Change from Base					
Full-Time Equivalents	0.34	0.03			

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
2350 - Petroleum Tank Release Cleanup								
Balance Forward In	9,865	12,513	15,963	10,457	3,923	3,923	3,923	3,923
Direct Appropriation	6,200	6,200	225	225	4,315	5,000	4,315	5,000
Balance Forward Out	12,483	14,854	10,458	3,923	3,923	3,923	3,923	3,923
Expenditures	3,582	3,859	5,731	6,759	4,315	5,000	4,315	5,000
Biennial Change in Expenditures			5,049		(3,175)		(3,175)	
Biennial % Change in Expenditures			68		(25)		(25)	
Governor's Change from Base							0	
Governor's % Change from Base							0	
Full-Time Equivalents	1.48	1.20	1.48	1.48	1.48	1.48	1.48	1.48

2390 - Workforce Development

Direct Appropriation	2,100	2,100	1,350	1,350	1,350	1,350	1,350	1,350
Cancellations	143	802	243					
Expenditures	1,957	1,298	1,107	1,350	1,350	1,350	1,350	1,350
Biennial Change in Expenditures				(798)		243		243
Biennial % Change in Expenditures				(25)		10		10
Governor's Change from Base								0
Governor's % Change from Base								0

2403 - Gift

Balance Forward In	91	117	137	87				
Receipts	64	56	51	105	105	105	105	105
Balance Forward Out	114	119	87					
Expenditures	40	54	101	192	105	105	105	105
Biennial Change in Expenditures				198		(83)		(83)
Biennial % Change in Expenditures				209		(28)		(28)
Governor's Change from Base								0
Governor's % Change from Base								0

2801 - Remediation

Balance Forward In	1,198	1,898	1,207	1,335				
Direct Appropriation	700	700	700	700	700	700	700	700
Balance Forward Out	1,898	683	1,335					

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Expenditures		1,914	572	2,035	700	700	700	700
Biennial Change in Expenditures				692		(1,207)		(1,207)
Biennial % Change in Expenditures						(46)		(46)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	12	38	23,052	17,248				
Receipts	71,127	62,292	31,908	24,953	23,608	23,608	23,608	23,608
Net Loan Activity		4,876	(5,212)	(15,198)	(200)	(200)	(200)	(200)
Balance Forward Out		22,814	17,248					
Expenditures	71,139	44,392	32,501	27,003	23,408	23,408	23,408	23,408
Biennial Change in Expenditures				(56,027)		(12,688)		(12,688)
Biennial % Change in Expenditures				(49)		(21)		(21)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	23.01	24.55	26.52	25.75	25.75	25.75	25.75	25.75

3010 - Coronavirus Relief

Direct Appropriation	12,822							
Expenditures	12,822							
Biennial Change in Expenditures				(12,822)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

3015 - ARP-State Fiscal Recovery

Direct Appropriation	3,798							
Expenditures	3,798							
Biennial Change in Expenditures				(3,798)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

8200 - Clean Water Revolving

Balance Forward In	228	276	289	293	293	293	293	293
Receipts	0	0	0					
Net Loan Activity	48	13	4					
Balance Forward Out	276	289	293	293	293	293	293	293

8350 - Ag & Econ Development Board

Balance Forward In	875	873	860	886				
Receipts	6	27	248	3	3	3	3	3
Balance Forward Out	870	857	886					
Expenditures	11	43	221	889	3	3	3	3
Biennial Change in Expenditures				1,056		(1,104)		(1,104)
Biennial % Change in Expenditures				1,957		(99)		(99)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.04	0.21	0.32	0.32	0.32	0.32	0.32	0.32

Program: Unemployment Insurance

<https://www.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.
- In fiscal year 2023, the program paid roughly \$1.127 billion to 172,000 Minnesotans.
- 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

UI accomplishes DEED's 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 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).

UI achieves these goals through several different activities:

- *Appeals Operations and Legal Affairs:* UI conducts appeal hearings and Workers' Compensation interventions to ensure that all legal standards are properly applied.
- *Audits and Special Accounts:* UI ensures compliance through 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:* UI works to make the program easy to understand by providing fast, responsive applicant and employer unemployment insurance account support.
- *Program Performance and Outreach:* UI focuses 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>Measure Data Source</i>	<i>SFY 2020</i>	<i>SFY 2021</i>	<i>SFY 2022</i>	<i>SFY 2023</i>
Quantity	# New initial applications (new and reactivated) for benefits	Internal Application Data	993,258	618,884	301,322	266,868
Quantity	Number of telephone calls taken	Internal Data	628,258	957,284	584,638	523,347

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	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	405,825							
2000 - Restrict Misc Special Revenue	36,353	27,949	43,318	29,302	11,975	12,572	11,975	12,572
3000 - Federal	77,496	78,578	51,320	70,594	73,899	77,372	73,899	77,372
3015 - ARP-State Fiscal Recovery	2,094,175	230,000						
Total	2,613,850	336,527	94,638	99,896	85,874	89,944	85,874	89,944
Biennial Change				(2,755,843)		(18,716)		(18,716)
Biennial % Change				(93)		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Activity</u>								
Unemployment Insurance	2,613,850	336,527	94,638	99,896	85,874	89,944	85,874	89,944
Total	2,613,850	336,527	94,638	99,896	85,874	89,944	85,874	89,944
<u>Expenditures by Category</u>								
Compensation	30,072	26,546	28,015	32,530	32,696	33,522	32,696	33,522
Operating Expenses	66,536	64,505	54,956	67,005	53,128	56,370	53,128	56,370
Grants, Aids and Subsidies	(23)	6,279	(14)					
Capital Outlay-Real Property	677	114	32	30	32	33	32	33
Other Financial Transaction	2,516,588	239,084	11,648	331	18	19	18	19
Total	2,613,850	336,527	94,638	99,896	85,874	89,944	85,874	89,944
Total Agency Expenditures	2,613,850	336,527	94,638	99,896	85,874	89,944	85,874	89,944
Internal Billing Expenditures	4,733	4,122	4,450	5,215	5,476	5,750	5,476	5,750
Expenditures Less Internal Billing	2,609,117	332,405	90,188	94,681	80,398	84,194	80,398	84,194
Full-Time Equivalents	353.62	306.62	286.66	286.66	286.66	286.66	286.66	286.66

Unemployment Insurance

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Direct Appropriation	405,825							
Expenditures	405,825							
Biennial Change in Expenditures				(405,825)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2000 - Restrict Misc Special Revenue

Balance Forward In	24,085	54,504	50,994	18,427				
Receipts	38,727	6,678	10,750	10,875	11,975	12,572	11,975	12,572
Balance Forward Out	26,459	33,233	18,427					
Expenditures	36,353	27,949	43,318	29,302	11,975	12,572	11,975	12,572
Biennial Change in Expenditures				8,317		(48,073)		(48,073)
Biennial % Change in Expenditures				13		(66)		(66)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	1,772	5,934	5,466	1,227				
Receipts	76,615	72,644	47,081	69,367	73,899	77,372	73,899	77,372
Balance Forward Out	891		1,227					
Expenditures	77,496	78,578	51,320	70,594	73,899	77,372	73,899	77,372
Biennial Change in Expenditures				(34,161)		29,357		29,357
Biennial % Change in Expenditures				(22)		24		24
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	353.62	306.62	286.66	286.66	286.66	286.66	286.66	286.66

3015 - ARP-State Fiscal Recovery

Balance Forward In		230,000						
Direct Appropriation	2,324,175							
Balance Forward Out	230,000							
Expenditures	2,094,175	230,000						

Unemployment Insurance

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Biennial Change in Expenditures				(2,324,175)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

Program: Workforce Development Services

AT A GLANCE

- Conducts outreach to communities through-out to increase awareness and participation in workforce development services.
- Provides skill development and training programs for Minnesotans including career seekers with barriers to employment or who are unemployed.
- Helps career seekers develop and improve job readiness for in-demand occupations that pay family sustaining wages.
- Partners, collaborates, and engages with employers to identify workforce needs and train workers to meet labor requirements.

PURPOSE AND CONTEXT

Workforce Development Services support Minnesotans seeking new employment through policy guidance, program administration and direct services. Workforce Development Services supports local and statewide partnerships designed to develop and improve career skills and obtain employment with 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 Employment and Training Programs to advance Minnesota's economy. From laid-off workers to at-risk youth, Workforce Development Services are designed to intentionally reach diverse communities across the state to ensure that all Minnesotans have access to DEED's services. Many of these programs include partnerships with Local Workforce Development Boards, nonprofit service providers, educational institutions, businesses, and other stakeholders; a full list of services can be found on the DEED website (<https://mn.gov/deed/job-seekers>). All programs are offered with a goal of assisting all Minnesotans individuals who have not had full access to education and robust career pathways.

- **Laid-Off Workers/ Dislocated Workers:** Workers who lost their jobs or those looking to re-enter the workforce such as displaced homemakers, veterans and the long-term unemployed, can receive assistance to find a new career. The Dislocated Worker Program, funded jointly by the federal government and the State, assists unemployed and underemployed workers in returning to work with comparable wages and benefits. Individuals 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 upon counselor approval. The related federal 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 fund include Career Pathway programs that integrate basic skills education, career-specific training, support services, and employment placement and retention to meet the needs of customers. DEED administers state funded grants along with direct legislative appropriations, such as: Pathways to Prosperity, Southeast Asian Economic relief, African Immigrant

Community, 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** provide 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.
- The **Senior Community Service Employment Program (SCSEP)** is a community service and work-based job training program for older Americans. Authorized by the Older Americans Act, the program provides training for low-income, unemployed seniors. Participants also have access to employment assistance through Careerforce. Participants work an average of 20 hours a week and are paid the highest of federal, state, or local minimum wage. This training serves as a bridge to unsubsidized employment opportunities for participants.
- The primary goal of the **Minnesota Retaining Employment and Talent After Injury/Illness Network (MN RETAIN)** is to provide early intervention strategies for workers to stay at work or return to work as soon as medically possible after an injury or illness, occurring on or off-the-job, impacts their employment. Minnesota RETAIN is different than many other stay at work/return to work programs because the Return-to-Work Case Manager is an integrated member of the worker's medical team. Minnesota RETAIN also assists workers that cannot be accommodated in their regular job by working with a Career Navigator to create an individualized employment plan for the participant. MN RETAIN is fully federally funded by the U.S. Department of Labor and the Social Security Administration.
- **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 to create a shared vision for the state's workforce strategies.
- **Office of New Americans:** The Office provides targeted outreach and engagement efforts on DEED's programs. In particular, it connects with populations in Minnesota hit hardest by racial and other disparities in employment – including gender, sexual orientation, geography, and race or ethnicity. DEED is committed to helping create equitable communities and economic opportunities and tailors statewide outreach and engagement efforts based on different needs across the state. The Office of Public Engagement works with agency leaders to make programs more accessible to all Minnesotans. The Office was launched at a critical inflection point for Minnesota's economy - the opportunity to increase outreach and engagement, in particular to communities of color, has an economic as well as moral urgency.

RESULTS

Type and Name of Measure	Measure Data Source	Name of Program	SFY 22	SFY23
Percentage of Dislocated Worker program participants entering employment after exit:	Internal Program Tracking	WIOA Dislocated Worker	82.00%	81.00%
Percentage of Dislocated Worker program participants entering employment after exit:	Internal Program Tracking	State Dislocated Worker	77.10%	77.80%
Percentage of participants attaining work readiness or education goals	Internal Program Tracking	MN Youth Program	92.4%	91.1%
Percentage of participants attaining work readiness or education goals	Internal Program Tracking	Youthbuild	89.9%	92.7%
Percentage of participants attaining work readiness or education goals	Internal Program Tracking	Youth at Work	78.6%	67.0%
Percentage of participants retaining employment for three quarters after exit.	Internal Program Tracking	Pathways to Prosperity	58%	63%

Workforce Development Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	7,420	7,358	67,543	99,440	10,746	10,746	12,596	12,596
2000 - Restrict Misc Special Revenue	2,179	2,455	3,184	3,597	1,864	1,864	1,864	1,864
2340 - Renewable Development	2,500							
2390 - Workforce Development	44,840	51,069	44,360	59,394	46,128	49,555	54,128	57,555
3000 - Federal	51,819	45,502	50,863	38,392	38,392	38,392	38,392	38,392
Total	108,758	106,385	165,949	200,823	97,130	100,557	106,980	110,407
Biennial Change				151,630		(169,085)		(149,385)
Biennial % Change				70		(46)		(41)
Governor's Change from Base								19,700
Governor's % Change from Base								10
<u>Expenditures by Activity</u>								
ETP Adult Services	77,485	75,052	118,551	155,833	74,421	77,848	84,271	87,698
ETP Youth Programs	23,841	23,904	39,207	37,560	15,279	15,279	15,279	15,279
CareerOneStop	7,432	7,428	8,191	7,430	7,430	7,430	7,430	7,430
Total	108,758	106,385	165,949	200,823	97,130	100,557	106,980	110,407
<u>Expenditures by Category</u>								
Compensation	8,372	8,673	10,422	12,170	9,477	9,508	10,577	10,608
Operating Expenses	10,428	11,604	15,545	58,948	40,605	40,574	40,905	40,874
Grants, Aids and Subsidies	89,962	86,108	139,963	129,704	47,048	50,475	55,498	58,925
Other Financial Transaction	(5)	0	19	1				
Total	108,758	106,385	165,949	200,823	97,130	100,557	106,980	110,407
<u>Expenditures by Activity - Internal Billing</u>								
Total Agency Expenditures	108,758	106,385	165,949	200,823	97,130	100,557	106,980	110,407
Internal Billing Expenditures	1,275	1,277	1,487	1,201	802	802	889	889
Expenditures Less Internal Billing	107,483	105,107	164,462	199,622	96,328	99,755	106,091	109,518
<u>Full-Time Equivalents</u>								
	80.39	83.40	82.44	80.93	80.67	80.67	86.67	86.67

Workforce Development Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In				4,893				
Direct Appropriation	7,421	7,421	93,036	94,547	10,746	10,746	12,746	12,746
Transfers Out							150	150
Cancellations	1	63	20,601					
Balance Forward Out			4,892					
Expenditures	7,420	7,358	67,543	99,440	10,746	10,746	12,596	12,596
Biennial Change in Expenditures				152,204		(145,491)		(141,791)
Biennial % Change in Expenditures				1,030		(87)		(85)
Governor's Change from Base								3,700
Governor's % Change from Base								17
Full-Time Equivalents	2.17	2.30	3.62	3.62	3.41	3.41	7.41	7.41

2000 - Restrict Misc Special Revenue

Balance Forward In	221	1,139	1,323	1,733				
Receipts	1,748	1,293	2,553	824	824	824	824	824
Transfers In	1,117	1,128	1,041	1,040	1,040	1,040	1,040	1,040
Balance Forward Out	907	1,104	1,733					
Expenditures	2,179	2,455	3,184	3,597	1,864	1,864	1,864	1,864
Biennial Change in Expenditures				2,147		(3,053)		(3,053)
Biennial % Change in Expenditures				46		(45)		(45)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.89	7.58	10.03	10.03	10.03	10.03	10.03	10.03

2340 - Renewable Development

Direct Appropriation	2,500							
Expenditures	2,500							
Biennial Change in Expenditures				(2,500)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2390 - Workforce Development

Workforce Development Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Balance Forward In	21	27	21	12				
Direct Appropriation	29,764	29,514	21,002	33,159	14,002	14,002	22,002	22,002
Open Appropriation	15,698	21,803	23,559	26,920	32,126	35,553	32,126	35,553
Transfers Out				697				
Cancellations	623	253	211					
Balance Forward Out	21	21	12					
Expenditures	44,840	51,069	44,360	59,394	46,128	49,555	54,128	57,555
Biennial Change in Expenditures				7,845		(8,071)		7,929
Biennial % Change in Expenditures				8		(8)		8
Governor's Change from Base								16,000
Governor's % Change from Base								17
Full-Time Equivalents	12.25	11.52	11.41	11.41	11.36	11.36	13.36	13.36

3000 - Federal

Balance Forward In	297	1,040	73					
Receipts	52,438	44,462	50,790	38,392	38,392	38,392	38,392	38,392
Balance Forward Out	915							
Expenditures	51,819	45,502	50,863	38,392	38,392	38,392	38,392	38,392
Biennial Change in Expenditures				(8,066)		(12,471)		(12,471)
Biennial % Change in Expenditures				(8)		(14)		(14)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	59.08	62.00	57.38	55.87	55.87	55.87	55.87	55.87

Program: CareerForce Systems<http://www.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 eligible 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 55 CareerForce Locations across the state, online and through outreach to people and populations who have experienced greater challenges accessing the workforce development system. These populations include career seekers who are communities of color 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 the Minnesota Department of Transportation, state funded Minnesota Youth Program services, 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 55 one-stop American Job Centers, known as CareerForce Locations located in sixteen Minnesota local workforce development areas, as well as online 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 units include the Employment Services unit and the Veteran Employment Services unit. Employment Services oversees Job Service, the Employment Service Program, Migrant Seasonal Farmworker Services, Work Opportunity Tax Credits (WOTC), Foreign Labor Certification, the Federal Bonding Program, CareerForce digital resources, and the state's 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, Pathways to Prosperity, or MFIP. Staff work out of each of the 16 local workforce development areas across the state. Supervisors represent Wagner-Peyser on each of the 16 local Workforce Development Boards.

This team also includes a special program operated via interagency agreement with the Minnesota Department Transportation (MNDOT). The agreement with MNDOT provides recruitment and training for non-traditional groups to obtain employment opportunities with contractors on MNDOT's construction projects. Additionally, the team partners with the Minnesota Department of Corrections to collaborate on delivering services to incarcerated people. They work to ensure incarcerated people are aware of available services prior to their release from the State's correctional system. Additionally, after their release workshops and services are provided to help connect them with employment opportunities.

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 Information and Assistance Line (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, accessing programs and services, and delivering basic career services over the phone and online.

Employer services include Work Opportunity Tax Credits (WOTC), federal 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 Minnesota National Guard and Reserves who meet the state statute definition of an eligible veteran. The Veterans Employment 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

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	# of job seekers registered and receiving a reportable service	Internal Program Tracking	44,493	38,348	SFY 2022-23
Quantity	# of employer job openings posted on http://www.minnesotaworks.net	Minnesotaworks.Net Data	924,268	727,798	SFY 2022-23
Quality	Job seeker customer satisfaction using the Net Promoter Score (-100 to 100; a score of 50 is excellent)	Internal Program Tracking	46	32	SFY 2022-23
Results	Percentage of Wagner-Peyser Employment Services program participants entering employment, 2nd quarter after exit.	Internal Program Tracking	58.7%	61.9%	SFY 2022-23
Results	Percentage of Veterans Program participants receiving intensive services who completed all program goals with a successful exit	Internal Program Tracking	84%	80.0%	SFY 2022-23

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.congress.gov/bill/113th-congress/house-bill/803/text>) <https://www.gpo.gov/fdsys/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf>, 29 U.S.C. Sec. 3101, et. seq. provides the legal authority for DEED's Employment and Training Programs Division

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

Expenditures by Fund

2000 - Restrict Misc Special Revenue	3,013	3,127	6,242	5,288	5,177	5,177	5,177	5,177
3000 - Federal	17,806	18,464	21,091	24,405	23,510	23,510	23,510	23,510
Total	20,819	21,592	27,333	29,693	28,687	28,687	28,687	28,687
Biennial Change				14,615		348		348
Biennial % Change				34		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Career Force Systems	20,819	21,592	27,333	29,693	28,687	28,687	28,687	28,687
Total	20,819	21,592	27,333	29,693	28,687	28,687	28,687	28,687

Expenditures by Category

Compensation	12,651	13,326	15,781	16,564	15,997	15,997	15,997	15,997
Operating Expenses	7,750	7,921	7,687	12,586	12,147	12,147	12,147	12,147
Grants, Aids and Subsidies	386	334	3,834	556	556	556	556	556
Capital Outlay-Real Property	0	2	0	3	3	3	3	3
Other Financial Transaction	32	9	30	(16)	(16)	(16)	(16)	(16)
Total	20,819	21,592	27,333	29,693	28,687	28,687	28,687	28,687

Total Agency Expenditures	20,819	21,592	27,333	29,693	28,687	28,687	28,687	28,687
Internal Billing Expenditures	1,918	1,963	2,171	2,489	2,429	2,429	2,429	2,429
Expenditures Less Internal Billing	18,901	19,628	25,162	27,204	26,258	26,258	26,258	26,258

Full-Time Equivalents

	140.40	148.94	142.61	142.07	142.07	142.07	142.07	142.07
--	--------	--------	--------	--------	--------	--------	--------	--------

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
2000 - Restrict Misc Special Revenue								
Balance Forward In	13	935	346	111				
Receipts	3,058	2,224	6,007	5,177	5,177	5,177	5,177	5,177
Balance Forward Out	58	31	110					
Expenditures	3,013	3,127	6,242	5,288	5,177	5,177	5,177	5,177
Biennial Change in Expenditures			5,389		(1,176)		(1,176)	
Biennial % Change in Expenditures			88		(10)		(10)	
Governor's Change from Base							0	
Governor's % Change from Base							0	
Full-Time Equivalents	19.35	19.78	17.36	17.36	17.36	17.36	17.36	17.36

3000 - Federal

Balance Forward In	744	1,106	565	247				
Receipts	17,420	17,708	20,773	24,158	23,510	23,510	23,510	23,510
Balance Forward Out	358	350	247					
Expenditures	17,806	18,464	21,091	24,405	23,510	23,510	23,510	23,510
Biennial Change in Expenditures				9,226		1,524		1,524
Biennial % Change in Expenditures				25		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	121.05	129.16	125.25	124.71	124.71	124.71	124.71	124.71

Program: Disability Determination Services (DDS)

<https://mn.gov/deed/programs-services/dds/>

AT A GLANCE

- Serves Minnesota residents who file applications for Social Security disability benefits and Minnesotans who are reviewed for continuing eligibility for these benefits.
- Refers disability applications for individuals who may benefit from rehabilitation services to other state agencies.
 - Reviewed 45,816 new claims in 2023.
- DDS is funded entirely by the federal government.

PURPOSE AND 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 law included a requirement that the disability decision for an individual must be made by a state agency and not a federal office. The federal government, through SSA, funds DDS.

SERVICES PROVIDED

Disability Determination Services (DDS) accomplishes the mission by making eligibility decisions regarding disability and blindness applications on behalf of the federal SSA. The program's 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, DDS also refers 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>Measure Data Source</i>	<i>FFY 2021</i>	<i>FFY 2022</i>
Quantity	# of new determinations reviewed	Internal Program Data	42,031	43,562
Quality	Days in decision-making	Internal Data	94.5	92.4
Quality	Accuracy of determination decisions (Initial Claims only as reported by SSA.)	SSA Data	96.1%	96.2%

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 FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

3000 - Federal	27,345	29,773	36,090	33,263	36,152	37,521	36,152	37,521
Total	27,345	29,773	36,090	33,263	36,152	37,521	36,152	37,521
Biennial Change				12,236		4,320		4,320
Biennial % Change				21		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Disability Determination Services	27,345	29,773	36,090	33,263	36,152	37,521	36,152	37,521
Total	27,345	29,773	36,090	33,263	36,152	37,521	36,152	37,521

Expenditures by Category

Compensation	13,454	14,758	15,918	16,836	18,903	19,411	18,903	19,411
Operating Expenses	8,248	8,429	10,729	9,274	9,738	10,224	9,738	10,224
Grants, Aids and Subsidies	5,618	6,586	7,427	7,153	7,511	7,886	7,511	7,886
Capital Outlay-Real Property	17		0					
Other Financial Transaction	7	0	2,016					
Total	27,345	29,773	36,090	33,263	36,152	37,521	36,152	37,521

Total Agency Expenditures	27,345	29,773	36,090	33,263	36,152	37,521	36,152	37,521
Internal Billing Expenditures	2,049	2,182	2,417	2,699	2,834	2,976	2,834	2,976
Expenditures Less Internal Billing	25,295	27,590	33,674	30,564	33,318	34,545	33,318	34,545

Full-Time Equivalents

	161.07	175.49	167.44	167.44	167.44	167.44	167.44	167.44
--	--------	--------	--------	--------	--------	--------	--------	--------

Disability Determination Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
3000 - Federal								
Balance Forward In	1	3						
Receipts	27,344	29,769	36,090	33,263	36,152	37,521	36,152	37,521
Expenditures	27,345	29,773	36,090	33,263	36,152	37,521	36,152	37,521
Biennial Change in Expenditures				12,236		4,320		4,320
Biennial % Change in Expenditures				21		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	161.07	175.49	167.44	167.44	167.44	167.44	167.44	167.44

Program: General Support Services

<https://mn.gov/deed/>

AT A GLANCE

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

PURPOSE AND CONTEXT

General Support Services (GSS) directly supports the entire agency with the infrastructure and leadership necessary to operate programs, develop policies, and assist individuals, businesses, and communities. GSS provides operational support and the technical expertise to ensure the programs are run effectively and efficiently.

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.
- *Administrative and Financial Services*: Administers all financial policies and activities (including financial planning and analysis, accounting, payroll, procurement, contracting, granting, continuity of operations, emergency preparedness, and other administrative functions) as well as managing DEED facilities.
- *Communications*: Publicizes DEED services for customers, partners, and other stakeholders while promoting Minnesota as a thriving place to live, work, and do business.
- *Customer Innovation*: Builds capacity for delivering innovative government services and supports agency objectives and key results through use of continuous improvement and human-centered design methods.
- *General Counsel*: Supports DEED's legal needs, including data requests, data privacy, ethics questions, litigation, contracts, and other items.
- *Government Relations/Policy*: Provides policy and legislative support to the agency.
- *Human Resources*: Manages agency personnel policy, supports hiring and retention, administers labor relations, and advances employee training and development.
- *MNIT DEED*: Provides at agency information technology support to DEED.
- *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 spearheads diversity, equity and inclusion efforts for the agency.
- *Office of Public Engagement*: Organizing and coordinating public engagement events and outreach strategies for DEED in under-served BIPOC communities.

- *Performance and Technical Management:* Advises DEED on technology investments, coordinates the IT project decision process, and ensures that IT projects are set up, implemented, and maintained successfully. Supports the agency in providing local, state, and federal reporting data, as well as leading agency efforts around surveying, quantitative and qualitative data analysis, and data management.

RESULTS

Type of Measure	Name of Measure	Measure Data Source	SFY 2021	SFY 2022	SFY 2023
Quantity	Purchase Orders Completed	Internal Operations Data	4,657	5,500	4,302
Quantity	Contracts Completed	Internal Operations Data	560	308	728
Quantity	Grants Completed	Internal Grants Data	1,302	953	3,478

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

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

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

General Support Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	1,573	1,465	2,496	16,923	4,396	4,396	5,148	5,918
2000 - Restrict Misc Special Revenue	21,846	23,872	24,552	31,074	31,801	31,406	31,801	31,406
2001 - Other Misc Special Revenue	154	176	151	156	165	177	165	177
2390 - Workforce Development	30	80	39	151	95	95	95	95
Total	23,602	25,594	27,239	48,304	36,457	36,074	37,209	37,596
Biennial Change			26,347		(3,012)		(738)	
Biennial % Change			54		(4)		(1)	
Governor's Change from Base							2,274	
Governor's % Change from Base							3	

Expenditures by Activity

General Support Services	23,602	25,594	27,239	48,304	36,457	36,074	37,209	37,596
Total	23,602	25,594	27,239	48,304	36,457	36,074	37,209	37,596

Expenditures by Category

Compensation	12,642	13,962	16,201	20,554	21,581	22,062	21,987	23,234
Operating Expenses	9,865	11,282	10,997	27,267	14,639	13,775	14,985	14,125
Grants, Aids and Subsidies	4	43	27	30	30	30	30	30
Capital Outlay-Real Property	144	244	177					
Other Financial Transaction	948	62	(163)	453	207	207	207	207
Total	23,602	25,594	27,239	48,304	36,457	36,074	37,209	37,596

Total Agency Expenditures	23,602	25,594	27,239	48,304	36,457	36,074	37,209	37,596
Internal Billing Expenditures	34	26	47	22	22	23	22	23
Expenditures Less Internal Billing	23,568	25,568	27,191	48,282	36,435	36,051	37,187	37,573

Full-Time Equivalents

101.30	116.58	127.59	174.23	173.13	173.13	175.13	180.13
---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

General Support Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		505		12,398				
Direct Appropriation	3,637	3,950	17,701	7,701	5,758	5,758	6,510	7,280
Transfers In	220	1,053	197					
Transfers Out	2,161	3,340	3,004	3,176	1,362	1,362	1,362	1,362
Cancellations		702						
Balance Forward Out	123		12,398					
Expenditures	1,573	1,465	2,496	16,923	4,396	4,396	5,148	5,918
Biennial Change in Expenditures				16,381		(10,627)		(8,353)
Biennial % Change in Expenditures				539		(55)		(43)
Governor's Change from Base								2,274
Governor's % Change from Base								26
Full-Time Equivalents	0.39		1.62	1.62	0.52	0.52	2.52	7.52

2000 - Restrict Misc Special Revenue

Balance Forward In	5,917	5,614	3,912	3,910	3,327	2,017	3,327	2,017
Receipts	20,568	20,871	24,551	30,491	30,491	30,491	30,491	30,491
Internal Billing Receipts	20,369	20,303	24,177	30,000	30,000	30,000	30,000	30,000
Balance Forward Out	4,639	2,614	3,910	3,327	2,017	1,102	2,017	1,102
Expenditures	21,846	23,872	24,552	31,074	31,801	31,406	31,801	31,406
Biennial Change in Expenditures				9,909		7,581		7,581
Biennial % Change in Expenditures				22		14		14
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	100.39	115.97	125.36	172.00	172.00	172.00	172.00	172.00

2001 - Other Misc Special Revenue

Balance Forward In	104	78	44	5				
Receipts	116	101	112	151	165	177	165	177
Balance Forward Out	66	2	5					
Expenditures	154	176	151	156	165	177	165	177
Biennial Change in Expenditures				(23)		35		35
Biennial % Change in Expenditures				(7)		11		11
Governor's Change from Base								0

General Support Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Governor's % Change from Base								0
Full-Time Equivalents	0.52	0.61	0.61	0.61	0.61	0.61	0.61	0.61

2390 - Workforce Development

Balance Forward In		25		56				
Direct Appropriation	55	55	95	95	95	95	95	95
Balance Forward Out	25		56					
Expenditures	30	80	39	151	95	95	95	95
Biennial Change in Expenditures				80		0		0
Biennial % Change in Expenditures				73		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Minnesota Trade Office

<https://mn.gov/deed/business/exporting/>

AT A GLANCE

- Works to increase the number of Minnesota companies exporting into foreign markets.
- Helps foreign companies explore the advantages of expanding or relocating in Minnesota and directly contracts with representative trade and investment offices in Canada, EU, UK/Ireland, and Japan, and uses a larger network for trade assistance in another 50 countries.
- 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. MTO also has 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: MTO's Regional Trade Managers and Regional Trade Specialists 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. MTO utilizes an international network of trade consultants located in key markets to assist Minnesota businesses requiring hand-on aid or specific information in those markets.
- Export financing programs: 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 \$7,500 for export-training and export-development related activities. MTO also guides 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: Work with foreign companies exploring the advantages of expanding or relocating in Minnesota. MTO engages with existing foreign-owned enterprises through an annual seminar assisting foreign-owned enterprises on doing business in Minnesota. Additionally, MTO operates investment and trade offices in Canada, EU, UK/Ireland, and Japan.
- Protocol Office for the State: Provide leadership and expertise on international relations and international affairs for the State of Minnesota. MTO ensures the state's interactions with foreign delegations and dignitaries are conducted with appropriate diplomatic etiquette and cultural practices. MTO is also the state's liaison to the Minnesota Consular Corp, the state's local diplomatic community.
- 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.
- Organize Minnesota's participation at summits and international conferences.

- 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 organizes 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>Measure Data Source</i>	<i>SFY 2023</i>	<i>SFY 2024</i>
Results	Annual total exports from Minnesota	Trade Data Monitor (TDM) Data	\$23.5B	\$24.9B
Quantity	Number of organizations receiving export assistance	Internal MTO Data	1389	1187
Quantity	Number of attendees at MTO training seminars	Internal MTO Data	810	192
Quantity	Number of foreign companies contacted or requesting information on Minnesota	Internal MTO Data	996	1236
Quantity	Number of protocol requests, meetings and visits with diplomatic interactions	Internal MTO Data	113	132

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.

Minnesota Trade Office

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

Expenditures by Fund

1000 - General	2,159	2,206	2,373	2,508	2,242	2,242	2,242	2,242
2000 - Restrict Misc Special Revenue	367	(141)	366	391	160	160	160	160
3000 - Federal	38	310	43					
Total	2,565	2,376	2,782	2,899	2,402	2,402	2,402	2,402
Biennial Change				741		(877)		(877)
Biennial % Change				15		(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Minnesota Trade Office	2,565	2,376	2,782	2,899	2,402	2,402	2,402	2,402
Total	2,565	2,376	2,782	2,899	2,402	2,402	2,402	2,402

Expenditures by Category

Compensation	1,209	1,056	1,287	1,416	1,154	1,154	1,154	1,154
Operating Expenses	1,163	1,120	1,258	1,183	948	948	948	948
Grants, Aids and Subsidies	192	200	237	300	300	300	300	300
Other Financial Transaction	0							
Total	2,565	2,376	2,782	2,899	2,402	2,402	2,402	2,402

Total Agency Expenditures	2,565	2,376	2,782	2,899	2,402	2,402	2,402	2,402
Internal Billing Expenditures	184	154	195	4	4	4	4	4
Expenditures Less Internal Billing	2,380	2,222	2,587	2,895	2,398	2,398	2,398	2,398

Full-Time Equivalent

10.53	9.18	10.12	10.12	10.12	10.12	10.12	10.12
--------------	-------------	--------------	--------------	--------------	--------------	--------------	--------------

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		4		1				
Direct Appropriation	2,142	2,142	2,242	2,242	2,242	2,242	2,242	2,242
Transfers In	25	75	195	265				
Cancellations	8	15	63					
Balance Forward Out	1		1					
Expenditures	2,159	2,206	2,373	2,508	2,242	2,242	2,242	2,242
Biennial Change in Expenditures				516		(397)		(397)
Biennial % Change in Expenditures				12		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	10.46	9.01	9.94	9.94	9.94	9.94	9.94	9.94

2000 - Restrict Misc Special Revenue

Balance Forward In	186	60	395	192				
Receipts	218	161	162	199	160	160	160	160
Balance Forward Out	36	361	192					
Expenditures	367	(141)	366	391	160	160	160	160
Biennial Change in Expenditures				530		(437)		(437)
Biennial % Change in Expenditures				234		(58)		(58)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.07	0.17	0.18	0.18	0.18	0.18	0.18	0.18

3000 - Federal

Receipts	38	310	43				
Expenditures	38	310	43				
Biennial Change in Expenditures				(305)		(43)	(43)
Biennial % Change in Expenditures				(88)			
Governor's Change from Base							0
Governor's % Change from Base							

Program: Vocational Rehabilitation Services

<https://mn.gov/deed/job-seekers/disabilities>

AT A GLANCE

- Vocational Rehabilitation Services (VRS) provides employment-related services to approximately 20,000 youth and adults with disabilities in Minnesota each year to empower them to achieve their goals for competitive, integrated employment and career development.
- VRS assists Minnesotans with disabilities to live independently and secure their basic rights in areas like housing, transportation, education and employment.
- VRS administers Extended Employment, a state funded program that assists Minnesotans with significant disabilities retain their jobs and advance in their careers.

PURPOSE AND CONTEXT

The purpose of Vocational Rehabilitation Services (VRS) is to empower youth and adults with disabilities to achieve their goals to find and keep jobs, advance in their careers, and live independently in their communities. VRS helps remedy the disparity between the percentage of working-age Minnesotans with disabilities who are working – 51 percent – and those with no disability – 84 percent (2022).¹

Vocational Rehabilitation Services has a “dual customer” approach and assists both:

- Minnesotans with disabilities seeking competitive, integrated employment and independence in their communities, and
- Employers who seek qualified candidates for job openings.

SERVICES PROVIDED

Vocational Rehabilitation Services accomplish its mission via several distinct programs: the Vocational Rehabilitation program, the Extended Employment program, grants to Centers for Independent Living, grants for Individual Placement and Supports, and grants to serve individuals who are Deaf, Deafblind, and Hard of Hearing.

The Vocational Rehabilitation program and grants to Independent Living Centers are operated and funded as federal/state partnerships. The Extended Employment program, grants to serve individuals who are Deaf, Deafblind, and Hard of Hearing, and grants for Individual Placements and Supports are funded solely by state appropriation.

- Vocational Rehabilitation Program (VR): the program works 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. Staff provide individualized assessments, evaluations, counseling, training, assistive technologies, job placement and retention services.
 - Through coordinated partnerships, the program works 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. A particular service focus is on Pre-Employment Transition Services (Pre-ETS) to

¹ Data Source: Thomas, N., Paul, S., Bach, S., & Houtenville, A. (2024). Annual Disability Statistics Compendium: 2024 (Table 3.1). Durham, NH: University of New Hampshire, Institute on Disability.

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, work experiences, and assistance for students to make their plans happen.

- Go MN! is a new demonstration project funded by a Disability Innovation Fund federal grant that helps people working in subminimum wage or contemplating working in subminimum wage transition to competitive integrated employment. Go MN! utilizes the Progressive Employment model to help participants explore opportunities and find employment in the high-growth transportation industry.
- **Extended Employment (EE):** EE provides individuals with significant disabilities long-term supports to assist them with retaining their employment and advancing their careers by providing long-term employment support services. Supports can include assistance in training or retraining job tasks, schedule changes, adjusting to new supervisors, advancement to new job tasks or positions, and managing changes in life activities that may impact work performance.
- **Centers for Independent Living:** 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:** Provides state funding through grants to Minnesota's Individual Placement and Supports (IPS) projects that assist people with serious mental illnesses achieve steady competitive, integrated 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 offer long-term, ongoing employment support services to 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.

RESULTS – EXTENDED EMPLOYMENT PROGRAM

Type of Measure	Name of Measure	Measure Data Source	SFY21	SFY22	SFY23	SFY24
Quantity	Participants	Internal Program Data	2,813	2,830	2,765	2,596
Result	Total wages earned by participants	Internal Program Data	\$28.9M	\$34.2M	\$38.7M	\$34.9M

RESULTS – INDIVIDUAL PLACEMENT AND SUPPORTS GRANTS

Type of Measure	Name of Measure	Measure Data Source	CY21	SFY22 ²	SFY23	SFY24
Quantity	Participants	Internal Program Data	1,027	1,082	1,095	1,199
Quantity	Participants attaining employment	Internal Program Data	616	675	736	630

² New data collection method for IPS started on 7/1/2021.

RESULTS – INDEPENDENT LIVING GRANTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</i>	<i>SFY21</i>	<i>SFY22</i>	<i>SFY23</i>	<i>SFY24</i>
Quantity	Participants	Internal Program Data	6,384	6,698	6,120	pending
Quantity	Instances of service (information and referral, skills training, peer counseling, advocacy)	Internal Program Data	48,270	39,029	46,992	pending

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 the Vocational Rehabilitation program.

Minn. Stat., Chap. 268A (<https://www.revisor.mn.gov/statutes/cite/268A>) provides the statutory authority for the Extended Employment program, Individual Placement and Support grants, and the Deaf and Hard of Hearing grants.

Minn. Stat., Chap. 268A.11 (<https://www.revisor.mn.gov/statutes/?id=268a.11>); U.S. Code, Title 29, Chap. 16, Sect. 796 et seq (http://assembler.law.cornell.edu/uscode/html/uscode29/usc_sec_29_00000796----000-.html), provides the statutory authority for the Independent Living Program.

Vocational Rehabilitation Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	31,612	32,067	38,552	40,529	31,361	31,361	30,361	30,361
2390 - Workforce Development	9,796	8,383	10,069	7,830	7,830	7,830	12,830	12,830
2403 - Gift	14				2	2	2	2
3000 - Federal	64,077	63,294	85,398	107,561	99,428	99,428	99,428	99,428
Total	105,499	103,745	134,019	155,920	138,621	138,621	142,621	142,621
Biennial Change				80,696		(12,697)		(4,697)
Biennial % Change				39		(4)		(2)
Governor's Change from Base								8,000
Governor's % Change from Base								3
<u>Expenditures by Activity</u>								
Vocational Rehabilitation Services	77,625	76,003	98,104	112,277	112,306	112,306	117,306	117,306
Extended Employment	23,205	22,722	27,926	24,992	20,880	20,880	19,880	19,880
Independent Living	4,669	5,019	7,990	18,651	5,435	5,435	5,435	5,435
Total	105,499	103,745	134,019	155,920	138,621	138,621	142,621	142,621
<u>Expenditures by Category</u>								
Compensation	34,257	38,406	45,067	48,212	49,051	50,130	54,051	55,130
Operating Expenses	14,615	13,723	19,113	25,831	26,273	21,874	26,273	21,874
Grants, Aids and Subsidies	56,602	51,525	69,442	81,595	63,015	66,335	62,015	65,335
Capital Outlay-Real Property	0	12	1	1	1	1	1	1
Other Financial Transaction	25	78	396	281	281	281	281	281
Total	105,499	103,745	134,019	155,920	138,621	138,621	142,621	142,621
Total Agency Expenditures	105,499	103,745	134,019	155,920	138,621	138,621	142,621	142,621
Internal Billing Expenditures	5,303	5,683	7,439	7,928	7,862	8,034	7,862	8,034
Expenditures Less Internal Billing	100,196	98,062	126,580	147,992	130,759	130,587	134,759	134,587
<u>Full-Time Equivalents</u>								
	357.09	392.05	419.79	434.92	437.21	437.21	467.21	467.21

Vocational Rehabilitation Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In	4,626	4,154	3,424	2,668				
Direct Appropriation	28,861	28,861	37,861	37,861	31,361	31,361	30,361	30,361
Transfers In	19	19						
Cancellations	94	32	65					
Balance Forward Out	1,800	935	2,667					
Expenditures	31,612	32,067	38,552	40,529	31,361	31,361	30,361	30,361
Biennial Change in Expenditures				15,402		(16,359)		(18,359)
Biennial % Change in Expenditures				24		(21)		(23)
Governor's Change from Base								(2,000)
Governor's % Change from Base								(3)
Full-Time Equivalents	123.26	98.94	108.71	114.38	116.67	116.67	116.67	116.67

2000 - Restrict Misc Special Revenue

Balance Forward In	0					
Receipts	0					

2390 - Workforce Development

Balance Forward In	2,656	1,921	2,733					
Direct Appropriation	7,840	7,820	7,830	7,830	7,830	7,830	12,830	12,830
Cancellations	78	641	493					
Balance Forward Out	622	717						
Expenditures	9,796	8,383	10,069	7,830	7,830	7,830	12,830	12,830
Biennial Change in Expenditures				(280)		(2,239)		7,761
Biennial % Change in Expenditures				(2)		(13)		43
Governor's Change from Base								10,000
Governor's % Change from Base								64
Full-Time Equivalents	0.12	0.17	0.01	0.05	0.05	0.05	30.05	30.05

2403 - Gift

Balance Forward In	38	24	25	26	28	28	28	28
Receipts	0	1	1	2	2	2	2	2
Balance Forward Out	24	25	26	28	28	28	28	28
Expenditures	14				2	2	2	2

Vocational Rehabilitation Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Biennial Change in Expenditures				(14)		4		4
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	621	7,220	14,539	4,119				
Receipts	64,068	57,745	74,978	103,442	99,428	99,428	99,428	99,428
Balance Forward Out	612	1,670	4,119					
Expenditures	64,077	63,294	85,398	107,561	99,428	99,428	99,428	99,428
Biennial Change in Expenditures				65,588		5,897		5,897
Biennial % Change in Expenditures				51		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	233.71	292.94	311.07	320.49	320.49	320.49	320.49	320.49

Program: State Services for the Blind<https://mn.gov/deed/ssb/>**AT A GLANCE**

- The State Services for the Blind (SSB) Workforce Development Unit supports blind, low vision, 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 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 State Services for the Blind (SSB) assists customers with the tools needed 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 2023, the total amount of grant funds awarded was \$10,410,449. The remaining 21.3 percent required match of \$2,817,568 is funded by a state appropriation.

Vocational Rehabilitation: A Workforce Innovation and Opportunity Act Core Partner

SSB assists youth 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. SSB supports 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. SSB helps individuals avoid or leave sheltered workshops that pay subminimum wage and instead assist them in finding high quality, good paying jobs in the community. 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

Provide vending business job opportunities for blind and DeafBlind entrepreneurs within state and federal buildings at 120 locations statewide. There are 22 entrepreneurs in this program operating businesses which have an average annual net profit of \$54,000, generate \$5.2 million in annual sales, pay \$308,000 in state sales taxes, pay over \$486,000 in employee wages, and pay \$252,000 in funds to support the program.

Senior Services: Senior Services receives 90 percent of its funding through a federal grant from the U.S. Department of Education. For Federal Fiscal Year 2023, the total amount of grant funds awarded was \$530,112. The remaining 10 percent required match of \$58,901 is funded by a state appropriation. Senior Services also receives an additional \$500,000 state allotment.

Many of the people served have age-related macular degeneration, diabetic retinopathy, glaucoma, or other vision-related conditions that are often a part of aging. SSB helps 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 Aging Eyes Initiative is an additional program within Senior Services that leverages community partnerships throughout Minnesota to reach additional seniors in need.

Communication Center: SSB supports Minnesotans with print disabilities with reading, including providing equal access to information (newspapers, books, magazines, community, religious, and family materials) through braille, audio books, podcasts, large print, and e-text. SSB partners with the Minnesota Braille and Talking Book Library and are part of the National Library Service program and provides braille school materials for Minnesota's K-12 children. SSB's 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. SSB also produces life-skill podcasts for youth in partnership with Blind Abilities. Government agencies, businesses, and schools rely on approximately 300 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>Measure Data Source</i>	<i>FFY 2021</i>	<i>FFY 2022</i>
Result	Customers' average hours worked per week	Internal Program Tracking	29	31
Result	Customers' average hourly wage	Internal Program Tracking	\$21.67	\$25.02

Senior Services:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</i>	<i>FFY 2021</i>	<i>FFY 2022</i>
Quantity	Total customers served	Internal Program Tracking	2,898	3,599
Quantity	Customers enrolled through Aging Eyes	Internal Program Tracking	341	441
Result	Community partnerships formed	Internal Program Tracking	52	43

Communication Center:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</i>	<i>FFY 2021</i>	<i>FFY 2022</i>
Quantity	Total customers served	Internal Program Tracking	8,901	8,194

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	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	6,414	6,712	10,319	10,531	8,425	8,425	8,425	8,425
2000 - Restrict Misc Special Revenue	681	695	571	968	913	918	913	918
2001 - Other Misc Special Revenue			520	2,036	1,444		1,444	
2403 - Gift	227	362	282	305	313	315	313	315
3000 - Federal	13,153	13,828	16,317	34,635	37,420	37,420	37,420	37,420
Total	20,475	21,596	28,009	48,475	48,515	47,078	48,515	47,078
Biennial Change			34,413		19,109		19,109	
Biennial % Change			82		25		25	
Governor's Change from Base							0	
Governor's % Change from Base							0	

Expenditures by Activity

State Services for The Blind	20,475	21,596	28,009	48,475	48,515	47,078	48,515	47,078
Total	20,475	21,596	28,009	48,475	48,515	47,078	48,515	47,078

Expenditures by Category

Compensation	10,160	11,086	12,937	15,053	16,088	15,537	16,088	15,537
Operating Expenses	5,616	5,906	8,646	23,037	19,319	17,467	19,319	17,467
Grants, Aids and Subsidies	3,411	4,278	6,038	9,625	12,338	13,426	12,338	13,426
Capital Outlay-Real Property	0	1	1	226	336	336	336	336
Other Financial Transaction	1,287	325	387	534	434	312	434	312
Total	20,475	21,596	28,009	48,475	48,515	47,078	48,515	47,078

Total Agency Expenditures	20,475	21,596	28,009	48,475	48,515	47,078	48,515	47,078
Internal Billing Expenditures	1,546	1,638	1,940	2,373	2,514	2,422	2,514	2,422
Expenditures Less Internal Billing	18,928	19,958	26,069	46,102	46,001	44,656	46,001	44,656

<u>Full-Time Equivalents</u>	107.86	115.83	120.69	268.00	274.00	272.00	274.00	272.00
-------------------------------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

State Services for The Blind

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		161		106				
Direct Appropriation	6,425	6,425	10,425	10,425	8,425	8,425	8,425	8,425
Transfers In	126	126						
Cancellations		0						
Balance Forward Out	138		106					
Expenditures	6,414	6,712	10,319	10,531	8,425	8,425	8,425	8,425
Biennial Change in Expenditures				7,725		(4,000)		(4,000)
Biennial % Change in Expenditures				59		(19)		(19)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	38.97	41.14	61.50	47.00	47.00	47.00	47.00	47.00

2000 - Restrict Misc Special Revenue

Balance Forward In	894	1,022	768	713	663	668	663	668
Receipts	452	419	516	918	918	918	918	918
Balance Forward Out	664	746	713	663	668	668	668	668
Expenditures	681	695	571	968	913	918	913	918
Biennial Change in Expenditures				163		292		292
Biennial % Change in Expenditures				12		19		19
Governor's Change from Base								0
Governor's % Change from Base								0

2001 - Other Misc Special Revenue

Balance Forward In			1,480		1,444		1,444	
Receipts			2,000	2,000				
Balance Forward Out			1,480	1,444				
Expenditures			520	2,036	1,444		1,444	
Biennial Change in Expenditures				2,556		(1,112)		(1,112)
Biennial % Change in Expenditures						(44)		(44)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			1.13	2.00	2.00		2.00	

State Services for The Blind

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

2403 - Gift

Balance Forward In	587	519	376	233	233	225	233	225
Receipts	159	219	140	305	305	305	305	305
Balance Forward Out	518	375	233	233	225	215	225	215
Expenditures	227	362	282	305	313	315	313	315
Biennial Change in Expenditures				(1)		41		41
Biennial % Change in Expenditures				(0)		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.00	1.04	1.00	1.00	1.00	1.00	1.00	1.00

3000 - Federal

Balance Forward In	165	1,937	213	107				
Receipts	13,102	12,002	16,210	34,528	37,420	37,420	37,420	37,420
Balance Forward Out	115	112	107					
Expenditures	13,153	13,828	16,317	34,635	37,420	37,420	37,420	37,420
Biennial Change in Expenditures				23,971		23,888		23,888
Biennial % Change in Expenditures				89		47		47
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	67.89	73.65	57.06	218.00	224.00	224.00	224.00	224.00

Program: Paid Leave<https://paidleave.mn.gov/>**AT A GLANCE**

- Upon program launch on January 1, 2026, Paid Leave will pay eligible workers up to 90 percent of their average weekly wage (subject to a state maximum) for a qualifying event.
- Qualifying individuals can take up to 12 weeks of family or medical leave, or up to 20 weeks total, in one calendar year if they have qualifying claims under both family and medical leave.

PURPOSE AND CONTEXT

The mission of the Paid Leave program is to improve the health and well-being of every person and business in Minnesota. The program provides job protections and partial wage replacement paid by the state to individuals who are unable to work due to a qualifying condition. The program covers leave to care for yourself or a family member with a serious health condition; to bond with a new baby or child; to manage a significant personal safety issue; or to support a family member called to active duty.

The program is funded by premiums paid by both employers and workers in Minnesota. Paid Leave supports Minnesota workers to take time to care for themselves and their loved ones at the times that matter most, while supporting improved job retention, performance, and morale in Minnesota's workforce.

SERVICES PROVIDED

Paid Leave advances this mission by developing services that meet the needs of Minnesota employers and workers, including:

- An intuitive, user-friendly Paid Leave product that works to meet the needs of workers, employers, and certifying providers;
- Clear, accessible descriptions of program features and processes;
- Customer support that is responsive and available to meet the various needs of Paid Leave users; and
- Policies and rules that implement the program with excellence and integrity.

This work is advanced through strategic approaches, including:

- Product development and program implementation that prioritizes functional and responsive systems to meet user needs;
- Close collaboration with partners and stakeholders to implement and iterate the Paid Leave product, including DEED and the State of Minnesota as well as community-based organizations, healthcare providers, and other external entities; and
- A culture of innovation, bringing new ways of working and serving customers to government services.

Minn. Stat. § 268B (<https://www.revisor.mn.gov/statutes/cite/268B>) provides the legal authority for DEED's Paid Leave program.

Paid Leave

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

Expenditures by Fund

3015 - ARP-State Fiscal Recovery		250	622					
4925 - Family and Medical Benefit Ins			1,033	121,262	823,194	1,597,700	823,194	1,597,700
Total		250	1,655	121,262	823,194	1,597,700	823,194	1,597,700
Biennial Change				122,667		2,297,977		2,297,977
Biennial % Change						1,870		1,870
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Paid Leave		250	1,655	121,262	823,194	1,597,700	823,194	1,597,700
Total		250	1,655	121,262	823,194	1,597,700	823,194	1,597,700

Expenditures by Category

Compensation			874	30,000	40,410	41,952	40,410	41,952
Operating Expenses		250	779	91,262	47,684	67,048	47,684	67,048
Grants, Aids and Subsidies					733,100	1,488,700	733,100	1,488,700
Capital Outlay-Real Property					2,000		2,000	
Other Financial Transaction			1					
Total		250	1,655	121,262	823,194	1,597,700	823,194	1,597,700

Full-Time Equivalents

			3.50	300.00	405.00	407.00	405.00	407.00
--	--	--	------	--------	--------	--------	--------	--------

Paid Leave

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
3015 - ARP-State Fiscal Recovery								
Direct Appropriation		250	750					
Cancellations			128					
Expenditures		250	622					
Biennial Change in Expenditures				372		(622)		(622)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			2.56					

4925 - Family and Medical Benefit Ins

Balance Forward In			49,905					
Direct Appropriation		50,938	71,357		40,544	5,000	40,544	5,000
Open Appropriation					782,650	1,592,700	782,650	1,592,700
Balance Forward Out		49,905						
Expenditures		1,033	121,262		823,194	1,597,700	823,194	1,597,700
Biennial Change in Expenditures				122,295		2,298,599		2,298,599
Biennial % Change in Expenditures						1,880		1,880
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.94	300.00		405.00	407.00	405.00	407.00

Program: Broadband Development<https://mn.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 federal resources assigned directly to states for broadband infrastructure and digital equity.
- Administers the state competitive grant programs for broadband infrastructure, including Border to Border, Low Density Population, and Line Extension programs.
- In SFY 2023 and 2024, awarded 148 grants totaling \$225M for broadband deployment.
- 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 Economic Development and Research Division of Minnesota Department of Employment and Economic Development (DEED). OBD's purpose is to drive job creation, promote innovation and expand markets for Minnesota businesses by increasing the deployment and use of broadband technologies. OBD encourages investment in broadband infrastructure to achieve equal access to opportunities in economic development, education, healthcare, public safety, and social well-being throughout the state. The work ensures that unserved and underserved communities gain access to the broadband infrastructure they need to remain economically competitive and to advance digital adoption and skills to all Minnesotans.

Since 2021, OBD has administered federal funding from both the U.S. Department of Treasury (\$135m) and more recently, preparing to administer the National Telecommunication Information Administration's Broadband Equity Access and Deployment (BEAD) program and the Digital Equity Act. The BEAD and Digital Equity Capacity grant programs will provide over \$660 million to Minnesota to deploy broadband infrastructure and to advance digital equity and adoption.

SERVICES PROVIDED

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

- *Community Planning:* Work with communities, internet service providers, Tribal Nations, and local units of government to provide technical assistance and consultation services for broadband development and related planning. OBD works to ensure these partners are aware of both federal and state policies and programs, including financial resources.
- *Broadband Infrastructure:* Manage the competitive Border-to-Border Broadband Development Grant program, Low Density Population Grant Program, Line Extension program, and new federal funding for the Broadband Equity, Access and Deployment program to award grants 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, OBD measures progress toward state broadband goals.
- *Adoption and Use:* Study and work to improve low broadband adoption and use rates among identified population groups including the development and administration of new federal funding for Digital Equity planning and capacity grants. OBD has led the development of a statewide Digital Opportunity Plan that will guide this work. Manage the Telecommuter Forward! Community certification program to promote broadband usage and economic development.
- *Collaboration and Engagement:* 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. Data and programmatic information are also used to educate and inform legislators as they consider broadband policy legislation. OBD works with the Association of Minnesota Counties, Minnesota Association of Townships, Minnesota Association of Small Cities, League of Minnesota Cities, Minnesota Cable Communications Association, Minnesota Telecom Alliance, Minnesota Rural Electric Association, and many other organizations to collaboration and engagement with communities.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</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>	<i>2020 \$20M</i>	<i>2022 \$100M</i>
Quantity	# of Applications to Broadband Grant Program	Internal Program Tracking	40	44	57	70	0	80	64	130
Quantity	# of Grant Awards from the Broadband Grant Program	Internal Program Tracking	16	15	40	39	0	30	39	61
Quantity	# of Households, Businesses and Community Institutions Served by Broadband Grant Program	Internal Program Tracking	6,333	4,098	16,708	12,202	0	10,938	6,922	33,091

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</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>	<i>2020 \$20M</i>	<i>2022 \$100M</i>
Results	Percent of Minnesota Households with High-Speed Broadband Access (based on 2016 established goal of 25Mbps down/3Mbps upload)	Connected Nation Mapping Data	85.83% ¹	87.72% ²	87.94% ³	90.77% ⁴	92.70% ⁵	92.19% ⁶	91.86 ⁷	91.56 ⁸

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.

⁷ Broadband access as of 5/21. The decrease in household availability between 2020 and 2021 is attributable to more granular reporting of available broadband speeds by a few broadband providers and use of Census 2020 Housing Units instead of 2010 Occupied Households.

⁸ Broadband access as of 10/23

Broadband Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General	283	417	325	1,026	1,001	1,001	1,001	1,001
2001 - Other Misc Special Revenue	803	27,544	78,451	56,070				
3000 - Federal		67,895	55,332	51,861	3,259	3,259	3,259	3,259
Total	1,086	95,856	134,108	108,957	4,260	4,260	4,260	4,260
Biennial Change				146,123		(234,545)		(234,545)
Biennial % Change				151		(96)		(96)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Broadband Dev Office	1,086	95,856	134,108	108,957	4,260	4,260	4,260	4,260
Total	1,086	95,856	134,108	108,957	4,260	4,260	4,260	4,260

Expenditures by Category

Compensation	521	688	1,397	1,226	102	102	102	102
Operating Expenses	565	1,285	999	3,357	4,158	4,158	4,158	4,158
Grants, Aids and Subsidies		93,883	131,709	104,374				
Other Financial Transaction	0	1	3					
Total	1,086	95,856	134,108	108,957	4,260	4,260	4,260	4,260

Total Agency Expenditures	1,086	95,856	134,108	108,957	4,260	4,260	4,260	4,260
Internal Billing Expenditures	79	101	207	75	60	60	60	60
Expenditures Less Internal Billing	1,007	95,755	133,901	108,882	4,200	4,200	4,200	4,200

Full-Time Equivalents

	3.98	5.26	10.97	10.97	3.44	3.44	3.44	3.44
--	------	------	-------	-------	------	------	------	------

Broadband Development

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		67		25				
Direct Appropriation	350	25,350	75,350	51,001	1,001	1,001	1,001	1,001
Transfers Out		25,000	75,000	50,000				
Cancellations		0						
Balance Forward Out	67		25					
Expenditures	283	417	325	1,026	1,001	1,001	1,001	1,001
Biennial Change in Expenditures				651		651		651
Biennial % Change in Expenditures				93		48		48
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.55	1.67	1.40	1.40	1.40	1.40	1.40	1.40

2001 - Other Misc Special Revenue

Balance Forward In	5,369	5,153	6,729	6,070				
Receipts	124	1,028	2,792					
Transfers In		25,000	75,000	50,000				
Balance Forward Out	4,690	3,636	6,070					
Expenditures	803	27,544	78,451	56,070				
Biennial Change in Expenditures				106,174		(134,521)		(134,521)
Biennial % Change in Expenditures				375		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.43	2.38	1.65	1.65				

3000 - Federal

Balance Forward In					1,704	852	1,704	852
Receipts	67,895		55,332	53,565	2,407	2,407	2,407	2,407
Balance Forward Out				1,704	852		852	
Expenditures	67,895		55,332	51,861	3,259	3,259	3,259	3,259
Biennial Change in Expenditures				39,298		(100,675)		(100,675)
Biennial % Change in Expenditures						(94)		(94)
Governor's Change from Base								0
Governor's % Change from Base								0

Broadband Development

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
Full-Time Equivalents		1.21	7.92	7.92	2.04	2.04	2.04	2.04

Employment and Economic Development

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	Required State Match or MOE?	FTEs
US HUD 14.228	Small Cities Community Development Block Grants (CDBG) For the benefit of eligible non- entitlement local units of government for community development needs.	\$ 23,348	\$ 18,850	\$ 18,850	\$ 18,850	Match	2.20
US HUD 14.228	Community Development Block Grant CARES Act (CDBG-CV) Activities that benefit low- and moderate-income persons by providing housing, a permanent job, a public service, or access to new or significantly improved infrastructure. The remaining 30 percent may be used to eliminate slum or blighted conditions, or to address an urgent need for which the grantee certifies it has no other funding.	\$ 1,313	\$ -	\$ -	\$ -		1.50
Environmental Protection Agency 66.818	Brownfield/Petroleum Cleanup Provide loans to public or private entities for clean-up of contaminated property.	\$ 8	\$ 205	\$ 150	\$ 150		0.01
Environmental Protection Agency 66.818	Brownfield/Petroleum Cleanup Provide loans to public or private entities for clean-up of contaminated property.	\$ -	\$ 200	\$ 200	\$ 200	Match	
	TOTAL: B221011 - Community Finance	\$ 24,669	\$ 19,255	\$ 19,200	\$ 19,200		3.71
Small Business Administration 59.037	Small Business Development Centers Financing small business development center services.	\$ 2,279	\$ -	\$ -	\$ -	Match	
	TOTAL: B221012 - Small Business and Innovation	\$ 2,279	\$ -	\$ -	\$ -		-
US Dept of Treasury (No ALN)	State Small Business Credit Initiative (SSBCI) The SSBCI program at DEED provides financial support to small businesses in Minnesota by facilitating access to capital through various programs, such as loan guarantees, venture capital investments, and collateral support. Its primary purpose is to leverage federal funds to strengthen small business growth, promote economic recovery, and ensure equitable access to financing, particularly for underserved and economically disadvantaged communities.	\$ 2,109	\$ 2,418	\$ 266	\$ 266		3.83
	TOTAL: B221013 - Business Finance	\$ 2,109	\$ 2,418	\$ 266	\$ 266		3.83

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	Required State Match or MOE?	FTEs
Dept of Commerce - EDA 11.307	ARPA Statewide Travel & Tourism Grant to help support regions hard hit by declines to these industries through projects to build new tourist attractions (museums, event venues, hiking trails, campgrounds, etc.), develop tourism-related economic plans, and support workforce training in the tourism sector.	\$ 216	\$ 1,800	\$ 1,300	\$ 1,300		0.24
Dept of Commerce - EDA 11.307	ARPA Statewide Planning, Research, and Networks develop coordinated state-wide plans for economic development and data, tools, and institutional capacity to evaluate and scale evidence-based economic development efforts, including through communities of practice and provision of technical assistance.	\$ 454	\$ 29	\$ -	\$ -		-
US Department of Labor 17.002	Labor Force Statistics Collects, edits, analyzes and disseminates employment and economic data.	\$ 1,481	\$ 1,414	\$ 1,400	\$ 1,400		10.29
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.	\$ 678	\$ 1,690	\$ 845	\$ 845		2.02
US Department of Labor 17.207	Workforce Information Grant Provide analysis of job market conditions and outlook, economic indicators and workforce trends.	\$ 614	\$ 597	\$ 597	\$ 597		5.67
	TOTAL: B221018 - Economic Analysis and Information	\$ 3,443	\$ 5,530	\$ 4,142	\$ 4,142		18.22
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.	\$ 50,952	\$ 66,094	\$ 69,399	\$ 72,872		286.66
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.	\$ 368	\$ 500	\$ 500	\$ 500		
US Department of Labor 17.225	Unemployment Insurance ADMIN EUISSA Families First Coronavirus Response Act, Public Law (Pub.L.) 116-127, Division D, EUISSA. Unemployment Insurance provides a temporary, partial wage replacement to those who become unemployed through no fault of their own.	\$ -	\$ 4,000	\$ 4,000	\$ 4,000		
	TOTAL: B222020 - Unemployment Insurance	\$ 51,320	\$ 70,594	\$ 73,899	\$ 77,372		286.66
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	\$ 2,387	\$ 8,065	\$ 8,065	\$ 8,065		9.40

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	Required State Match or MOE?	FTEs
US Department of Labor 17.72	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.	\$ 8,717	\$ 2,000	\$ 2,000	\$ 2,000		6.58
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.	\$ 1,988	\$ 2,098	\$ 2,098	\$ 2,098		0.58
US Department of Labor 17.258	Workforce Innovation and Opportunity Act (WIOA) Adult Programs Provides year round employment training services to adults.	\$ 8,219	\$ 4,753	\$ 4,753	\$ 4,753		4.60
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.	\$ 9,940	\$ 6,228	\$ 6,228	\$ 6,228		17.67
NPS POOL	NPS Pool-Admin Operations	\$ 1,752	\$ -	\$ -	\$ -		-
	TOTAL: B223030 - ETP Adult Services	\$ 33,003	\$ 23,144	\$ 23,144	\$ 23,144		38.83
US Department of Labor 17.72	Equitable Transition Models Demonstration Grants (ETM) Project	\$ 715	\$ 2,200	\$ 2,200	\$ 2,200		
US Department of Labor 17.259	Workforce Innovation and Opportunity Act (WIOA) Youth Programs Provides year round employment training services to disadvantaged youth.	\$ 8,954	\$ 5,618	\$ 5,618	\$ 5,618		6.53
	TOTAL: B223032 - ETP Youth Programs	\$ 9,669	\$ 7,818	\$ 7,818	\$ 7,818		6.53
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.	\$ 8,191	\$ 7,430	\$ 7,430	\$ 7,430		10.51
	TOTAL: B223033 - CareerOneStop	\$ 8,191	\$ 7,430	\$ 7,430	\$ 7,430		10.51
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.	\$ 383	\$ 290	\$ 290	\$ 290		2.28

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	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.	\$ 404	\$ 351	\$ 325	\$ 325		2.68
No ALN	NMPLSBLDGSale Building sale proceeds used to fund CareerForce approved projects	\$ 298	\$ 429	\$ 290	\$ 290		-
US Department of Labor 17.801	Veterans Programs Provide individualized career services to veterans experiencing significant barriers to employment and services to businesses seeking to recruit, hire, and retain veterans.	\$ 2,953	\$ 3,123	\$ 2,473	\$ 2,473		22.00
US Department of Labor 17.207	Employment Services Wagner- Peyser Provides labor exchange services to individuals seeking employment and to businesses seeking workers.	\$ 10,285	\$ 12,467	\$ 12,467	\$ 12,467		67.28
US Department of Labor 17.207	Employment Services Wagner- Peyser Provides labor exchange services to individuals seeking employment and to businesses seeking workers.	\$ 1,164	\$ 1,392	\$ 1,355	\$ 1,355		8.43
US Department of Labor 17.270	Help persons with criminal records, including ex-offenders recovering from opioid and other drug addictions, obtain employment.	\$ 20	\$ 30	\$ 30	\$ 30		0.07
US Department of Labor 17.270	First Step Act (PROWD) to provide pre-and post-release individualized career pathways training, employment seeking skills development, employment attainment, and sustainability services to Individuals currently residing in the four minimum- or low-security Federal Bureau of Prisons (BOP) correctional facilities in Minnesota	\$ 1,748	\$ 3,350	\$ 3,350	\$ 3,350		8.79
No ALN	Subgrant agreements	\$ 3,836	\$ 2,973	\$ 2,930	\$ 2,930		13.18
	TOTAL: B223131 - Career Force Systems	\$ 21,091	\$ 24,405	\$ 23,510	\$ 23,510		124.71
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.	\$ 36,090	\$ 33,263	\$ 36,152	\$ 37,521		167.44
	TOTAL: B223535 - Disability Determination Services	\$ 36,090	\$ 33,263	\$ 36,152	\$ 37,521		167.44
Small Business Administration 59.061	State Trade and Export Promotion (STEP) to provide grants to states to carry out export programs that assist eligible small businesses.	\$ 43	\$ -	\$ -	\$ -	Match	
	TOTAL: B225050 - Minnesota Trade Office	\$ 43	\$ -	\$ -	\$ -		-

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	Required State Match or MOE?	FTEs
US Department of Education 84.421	Disability Innovation Fund An Innovative Model Demonstration using Progressive Employment and a dual-customer approach to support people in exploring, trying, and achieving CIE in the transportation industry / Support innovative activities aimed at improving the outcomes of individuals with disabilities	\$ 751	\$ 5,202	\$ 5,233	\$ 5,233		4.12
US Department of Education 84.187	Basic Supported Employment Provides assessment, vocational evaluations, counseling, training, and job placement services for persons with significant disabilities.	\$ 17	\$ 18	\$ 18	\$ 18	Match	
US Department of Education 84.126	Basic Employment Provides assessment, vocational evaluations, counseling, training, and job placement services for persons with significant disabilities.	\$ 82,529	\$ 91,752	\$ 91,752	\$ 91,752	Both	315.95
Interagency agreement No ALN	VR Special Projects	\$ -	\$ 5	\$ 1	\$ 1		
	TOTAL: B226060 - Vocational Rehabilitation Services	\$ 83,297	\$ 96,977	\$ 97,004	\$ 97,004		320.07
Health & Human Services 93.432	Health Network Funding to recruit, hire, and train public health workers to respond to the COVID-19 pandemic and prepare for future public health	\$ 270	\$ 110	\$ -	\$ -		
Health & Human Services 93.432C	Independent Living Services C to support a network of centers for independent living centers for Covid-19 related needs.	\$ 35	\$ -	\$ -	\$ -		
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.	\$ 585	\$ 7,056	\$ 576	\$ 576	Match	0.42
Health & Human Services 93.432	Independent Living Services C To support a network of centers for independent living (centers or CILs).	\$ 1,212	\$ 3,418	\$ 1,848	\$ 1,848		
	TOTAL: B226062 - Independent Living	\$ 2,101	\$ 10,584	\$ 2,424	\$ 2,424		0.42
US Department of Education 84.126	Basic Employment Provides assessment, vocational evaluations, counseling, training, Braille, and job placement services.	\$ 14,028	\$ 20,800	\$ 22,500	\$ 22,500		145.00
US Department of Education 84.421	Disability Innovation Fund An Innovative Model Demonstration using Progressive Employment and a dual-customer approach to support people in exploring, trying, and achieving CIE in the transportation industry / Support innovative activities aimed at improving the outcomes of individuals with disabilities	\$ -	\$ 9,000	\$ 9,000	\$ 9,000		

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	Required State Match or MOE?	FTEs
Health & Human Services CFDA 93.369	Independent Living Services B Provides assistance to older blind persons with disabilities to live independently.	\$ 25	\$ 110	\$ 70	\$ 70		1.00
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.	\$ 1,557	\$ 4,000	\$ 5,000	\$ 5,000		40.00
Interagency agreement No ALN	Education Agreement	\$ 707	\$ 725	\$ 850	\$ 850		26.00
	TOTAL: B227070 - State Services for The Blind	\$ 16,317	\$ 34,635	\$ 37,420	\$ 37,420		212.00
Dept of Treasury 21.029	Broadband ARPA CPF invest in capital assets that meet communities' critical needs in the short- and long-term, with a key emphasis on making funding available for broadband infrastructure.	\$ 54,251	\$ 47,431	\$ -	\$ -		2.76
Dept of Commerce 11.035	BrdBnd Equity Access & Deploy (BEAD) broadband planning, deployment, mapping, equity, and adoption activities	\$ 707	\$ 2,023	\$ 852	\$ 852		3.12
Dept of Commerce 11.032	Digital Equity Planning to develop digital equity plans	\$ 375	\$ 2,407	\$ 2,407	\$ 2,407		2.04
	TOTAL: B229090 - Broadband Dev Office	\$ 55,332	\$ 51,861	\$ 3,259	\$ 3,259		7.92
	Federal [3000] Fund – Agency Total	\$ 348,955	\$ 387,914	\$ 335,668	\$ 340,510		1,201
	Paid Family Medical Lv Study	\$ 622	\$ -	\$ -	\$ -		
	ARPA [3015] Fund – Agency Total	\$ 622					-
	Federal Fund – Agency Total	\$ 349,577	\$ 387,914	\$ 335,668	\$ 340,510		1,201

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 2024	FY 2025	FY 2026	FY 2027
Rural Policy and Dev Center MS 116J.4221	Purpose: 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): Rural policy and development center	\$ -	\$ 10		
Contaminated Cleanup Grants MS 115C.08 4	Purpose: Investigate and clean up contaminated sites for private or public redevelopment Recipient Type(s): Cities/Counties, Port Authorities, EDA, HRA	\$ 1,293	\$ 6,200	\$ 4,090	\$ 4,090
Emerging Entrprnr Revolving MS 116M.18	Purpose: Provide financial assistance through grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions. These grants fund loans aimed at promoting economic development, encouraging private investment, creating jobs for minority and low-income individuals, supporting businesses owned by minority or low-income persons, women, veterans, or people with disabilities, and strengthening minority business enterprises Recipient Type(s): Awards grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions. To be eligible for the program, these entities must demonstrate their capacity for economic development by having a knowledgeable board, technical project analysis skills, familiarity with funding sources, a history of successful economic initiatives, experience managing a revolving loan account, collaboration with job referral networks for minority and low-income individuals, and established relationships with minority communities. Additionally, the department must review and renew agreements every five years based on specific performance criteria		\$ 513	\$ 137	\$ 137
Indian Business Loan Program MS 116J.64	Purpose: Administrative grant to process and collect loans and repayments for the Indian Business Loan Program Recipient Type(s): Community Finance Organizations affiliated loan recipient tribes		\$ 1,456	\$ 74	\$ 74
21st Century Fund MS 116J.423	Purpose: Support economic diversification and competitiveness within the taconite assistance area. The fund is used to make loans (including forgivable loans), equity investments, and grants for infrastructure to aid mineral, steel, and other industry processing, production, manufacturing, or technology projects. The focus is on enhancing economic development in the designated area Recipient Type(s): Municipalities, counties, and county regional rail authorities for public infrastructure projects that support eligible industry projects. Additionally, companies within the taconite assistance area can receive loans or equity investments, which may require matching investments from the company. Eligibility is determined based on the project's potential to contribute to economic diversification and competitiveness in the taconite assistance area, with thorough due diligence conducted before any commitment		\$ 98,212	\$ 7,083	\$ 7,083

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Small Bus Emergency Loan Prog MS 116M.18 9	Purpose: Provide financial support for small businesses during emergencies. It serves as a special revenue fund to address immediate financial needs and ensure the continued operation and stability of small businesses facing critical situations Recipient Type(s): The account is intended to support small businesses in times of emergency. The eligibility requirements would likely align with the program's broader goals of supporting businesses owned by minority or low-income persons, women, veterans, or people with disabilities, although further details would need to be confirmed through related regulations or administrative guidelines		\$ 5,447		
Contaminated Site Cleanup MS 270.97	Purpose: Revenues derived from the tax, interest, and penalties received from contaminated site cleanup and development Recipient Type(s): Cities/Towns	\$ -	\$ 963	\$ 250	\$ 250
MN Job Creation 23 053 20 002 02Q	Purpose: Encourage capital investment and high wage job creation by business Recipient Type(s): Business in select industries that enter into a construction and job creation business subsidy agreement	\$ 347	\$ 10,000	\$ 10,000	\$ 10,000
Minnesota Investment Fund 23 053 20 002 02R	Purpose: Grants 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): Cities, counties, townships, certain development authorities and recognized Indian tribal governments are eligible	\$ 1,484	\$ 11,849	\$ 11,849	\$ 11,849
Contaminated Grants 23 053 20 002 02I	Purpose: Investigate and clean up of contaminated sites for private or public redevelopment Recipient Type(s): Cities/Counties, Port Authorities, EDA, HRA	\$ 107	\$ 4,318	\$ 1,772	\$ 1,772
Redevelopment Grant Program 23 053 20 002 02S	Purpose: Investigate and clean up of contaminated sites for private or public redevelopment Recipient Type(s): Cities/Counties, Port Authorities, EDA, HRA	\$ 265	\$ 5,723	\$ 2,032	\$ 2,032
Redev Demolition Loans/Grants MS 116J.571	Purpose: Investigate and clean up of contaminated sites for private or public redevelopment Recipient Type(s): Cities/Counties, Port Authorities, EDA, HRA		\$ 722		
Redevelopment via MIF 23 053 20 002 02R	Purpose: Redevelopment Projects using Minnesota Investment Funds (MIF) Recipient Type(s): Cities/Counties	\$ -	\$ 993	\$ -	\$ -
MN Film TV Bd Prod Jobs '27 23 053 20 002 02W	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): MN Film & TV Board	\$ 452	\$ 450	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
MPLS Lake St Business Supt 23 064 15 030 000	Purpose: Provides business advising, branding and marketing support, and real estate consulting to businesses located on Lake Street in Minneapolis, between 30th Avenue South and Nicollet Avenue Recipient Type(s): Businesses in Lake Street, Minneapolis	\$ -			
Windom Hylife Affordable House 23 064 15 033 000	Purpose: Completion of the Windom Hylife Affordable Housing Development Recipient Type(s): City of Windom	\$ 11,320	\$ -	\$ -	\$ -
Child Care Comm Partnerships 23 053 20 002 020	Purpose: Administration of the Office of Child Care Community Partnerships and for the Labor Market Information Office to conduct research and analysis related to the child care industry Recipient Type(s): The Office of Child Care Community Partnerships and The Labor Market Information Office	\$ 1	\$ -	\$ -	\$ -
PROMISE MN Initi Found Grt 23 053 20 002 02Z	Purpose: Support Minnesota businesses through grants to cover operating expenses, focusing on those in communities impacted by economic and structural disadvantages. It encourages economic development and resilience by providing financial support for business sustainability Recipient Type(s): Include small for-profit businesses and qualifying non-profits located in Minnesota.	\$ 5,943	\$ 7,500	\$ -	\$ -
PROMISE NDC Grt 23 053 20 002 02Z	Purpose: Provide financial assistance in the form of grants to aid small businesses in marginalized and economically distressed areas. The goal is to boost local economic growth and create opportunities for business recovery and expansion Recipient Type(s): Small for-profit and eligible non-profit businesses that have primary operations in Minnesota and	\$ 3,892	\$ 39,500	\$ -	\$ -
PROMISE MN Initi Found Loan 23 053 20 002 2AA	Purpose: Provide low-interest or flexible-term loans to support small businesses' financial needs, addressing gaps in traditional funding sources. Recipient Type(s): Small businesses and non-profits that meet specific operational and revenue criteria	\$ 2,420	\$ -	\$ -	\$ -
PROMISE MEDA Loan 23 053 20 002 2AA	Purpose: Offer loans to underrepresented businesses, fostering economic inclusion and supporting long-term business growth. The funds help cover business expenses that drive expansion and sustainability, such as equipment and payroll Recipient Type(s): Small for-profit and qualified non-profit businesses located in Minnesota	\$ 12,000	\$ 12,000	\$ -	\$ -
MCCD Community Wealth 23 053 20 002 2BB	Purpose: Administration of the Office of Child Care Community Partnerships and for the Labor Market Information Office to conduct research and analysis related to the child care industry Recipient Type(s): Metropolitan Consortium of Community Developers	\$ 80	\$ 1,466	\$ -	\$ -
Expo 2027 Host Organization 23 053 20 002 2DD	Purpose: Provide funding for the Expo 2027 host organization Recipient Type(s): Bloomington Port Authority		\$ 5,000		
NDC Small Bus Progs 23 053 20 002 2EE	Purpose: Grants to the Neighborhood Development Center for small business programs Recipient Type(s): Neighborhood Development Center (NDC)	\$ 2,308	\$ -	\$ -	\$ -
Canada Border Cnty Econ Relief 23 053 20 002 2GG	Purpose: Grant to Lake of the Woods County for the forgivable loan program for remote recreational businesses Recipient Type(s): The Canadian border counties	\$ 4,971	\$ -	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
African Econ Dev Solutions 23 053 20 002 2HH	Purpose: Grant to African Economic Development Solution for business development, entrepreneur training, business technical assistance, loan packing, and community development services Recipient Type(s): African Economic Development Solutions	\$ 711	\$ 970	\$ -	\$ -
Latino Econ Dev Center 23 053 20 002 2II	Purpose: Grant to assist, support, finance, and launch microentrepreneurs by delivering training, workshops, and one-on-one consultations to businesses Recipient Type(s): Latino Economic Development Center	\$ 1,159	\$ 1,455	\$ -	\$ -
CEDA Economic Dev Tech Ast 23 053 20 002 2JJ	Purpose: Grant to Community and Economic Development Associates (CEDA) to provide funding for economic development technical assistance and economic development project grants to small communities across rural Minnesota and for CEDA to design, implement, market, and administer specific types of basic community and economic development programs tailored to individual community needs Recipient Type(s): Community and Economic Development Associates (CEDA)	\$ 353	\$ -	\$ -	\$ -
WomenVenture Child Care 23 053 20 002 2KK	Purpose: Grant to WomenVenture to support child care providers through business training and shared services programs Recipient Type(s): WomenVenture	\$ 736	\$ -	\$ -	\$ -
African Car, Ed, and Resource 23 053 20 002 2LL	Purpose: Grant to African Career, Education, and Resource, Inc., for operational infrastructure and technical assistance to small businesses Recipient Type(s): African Career, Education, and Resource, Inc	\$ 198	\$ -	\$ -	\$ -
ADC Com Rel Estate Loans 23 053 20 002 2MM	Purpose: Grant to the African Development Center to provide loans to purchase commercial real estate and to expand organizational infrastructure Recipient Type(s): African Development Center	\$ 4,224	\$ -	\$ -	\$ -
MN Initiative Found Rev Loan 23 053 20 002 2NN	Purpose: Grants to the Minnesota Initiative Foundations to capitalize their revolving loan funds, which address unmet financing needs of for-profit business start-ups, expansions, and ownership transitions; nonprofit organizations; and developers of housing to support the construction, rehabilitation, and conversion of housing units Recipient Type(s): Minnesota Initiative Foundations	\$ 5,900	\$ -	\$ -	\$ -
Enterprise MN Small Mauf 23 053 20 002 2OO	Purpose: Grant to Enterprise Minnesota, Inc., to reach and deliver talent, leadership, employee retention, continuous improvement, strategy, quality management systems, revenue growth, and manufacturing peer-to-peer advisory services to small manufacturing companies Recipient Type(s): Enterprise Minnesota, Inc	\$ 359	\$ 485	\$ -	\$ -
PFund Foundation LGBTQ+ Sm Bus 23 053 20 002 2PP	Purpose: Grant to PFund Foundation to provide grants to LGBTQ+-owned small businesses and entrepreneurs Recipient Type(s): PFund Foundation	\$ 363	\$ 364	\$ -	\$ -
Quorum LGBTQ+ Sm Bus Supt 23 053 20 002 2QQ	Purpose: Grant to Quorum to provide business support, training, development, technical assistance, and related activities for LGBTQ+-owned small businesses that are recipients of a PFund Foundation grant Recipient Type(s):Twin Cities Quorum	\$ 56	\$ 121	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
MEDA Minority Owned Bus Dev 23 053 20 002 2RR	Purpose: Grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services to minority-owned businesses Recipient Type(s): Metropolitan Economic Development Association	\$ 3,570	\$ -	\$ -	\$ -
Electric Vehicle Comp Mauf 23 053 20 002 2SS	Purpose: Grant to a Minnesota-based automotive component manufacturer and distributor specializing in electric vehicles and sensor technology that manufactures all of their parts onshore to expand their manufacturing Recipient Type(s): Automotive component manufacturer and distributors	\$ 68	\$ 2,475	\$ -	\$ -
Latino Chamber of Comm Sm Bus 23 053 20 002 2TT	Purpose: Grants to the Latino Chamber of Commerce Minnesota to support the growth and expansion of small businesses statewide Recipient Type(s): Latino Chamber of Commerce Minnesota	\$ 115	\$ 121	\$ -	\$ -
South St. Paul Am Leg Library 23 053 20 002 2UU	Purpose: Repurpose the 1927 American Legion Memorial Library in South St Paul Recipient Type(s): American Legion Memorial Library	\$ 20			
NDC Software Comp Grants 23 053 20 002 2WW	Purpose: Grants to the Neighborhood Development Center for small business programs Recipient Type(s): Neighborhood Development Center (NDC)	\$ 39			
Center for Econ Inclusion 23 053 20 002 2XX	Purpose: Programs designed to target and connect program participants to meaningful, sustainable living-wage employment Recipient Type(s): Center for Economic Inclusion	\$ 2,393			
Asian Economic Dev Assoc 23 053 20 002 2YY	Purpose: Grant to the Asian Economic Development Association for asset building and financial empowerment for entrepreneurs and small business owners, small business development and technical assistance, and cultural placemaking Recipient Type(s): Asian Economic Development Association		\$ 985		
Isuroon African Immigrant Supt 23 053 20 002 2ZZ	Purpose: Grant to Isuroon to support primarily African immigrant women with entrepreneurial training to start, manage, and grow self-sustaining microbusinesses, develop incubator space for these businesses, and provide support with financial and language literacy and systems navigation Recipient Type(s): Isuroon	\$ 242	\$ 485	\$ -	\$ -
Emerging Developer Fund MS 116J.9926 6	Purpose: Grants to partner organizations, which then provide grants and loans to emerging developers for eligible projects. The program aims to transform neighborhoods across Minnesota, promote economic development, create and retain jobs, and reduce racial and socioeconomic disparities by building the financial capacity of emerging developers Recipient Type(s): Emerging developers who meet specific criteria, such as having limited access to traditional loans or being new/smaller developers with educational training in real estate development. Additionally, these developers must be a minority, a woman, a person with a disability, or a low-income person. Projects must be based in Minnesota and align with one or more criteria, such as stimulating community revitalization, benefiting low-income households, improving affordable housing, or promoting wealth creation in underserved neighborhoods.			\$ 2,500	\$ 2,500

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Community Energy Trans Grants MS 116J.55 3	Purpose: Grants to assist eligible communities to address the economic dislocation associated with the closing of a local electric generating plant Recipient Type(s): 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		\$ 2,572		
MN Forward Fed Match Exp 23 053 21 07A 000	Purpose: Funds appropriated from the Minnesota Forward Fund account to the commissioner of employment and economic development for providing businesses with matching funds required by federal programs Recipient Type(s): Businesses and institutions of higher education		\$ 29,746	\$ 9,750	\$ 9,750
MN Forward Cons Appr Act Exp 23 053 21 07B 000	Purpose: Construct and operate a bioindustrial manufacturing pilot innovation facility, biorefinery, or commercial campus utilizing agricultural feedstocks or (2) for a Minnesota aerospace center for research, development, and testing, or both Recipient Type(s): Businesses and institutions of higher education		\$ 59,474	\$ 19,500	\$ 19,500
MN Forward CHIPS Sci Act Exp 23 053 21 07C 000	Purpose: Construct, modernize, or expand commercial facilities on the front- and back-end fabrication of leading-edge, current-generation, and mature-node semiconductors Recipient Type(s): Businesses and institutions of higher education		\$ 69,518	\$ 39,525	\$ 29,525
MN Forward CHIPS SCI Control 23 053 21 07C 000	Purpose: Match federal funds made available in the Chips and Science Act, Public Law 117-167. Construct, modernize, or expand commercial facilities on the front- and back-end fabrication of leading-edge, current-generation, and mature-node semiconductors Recipient Type(s): Businesses and institutions of higher education		\$ 60,000	\$ 20,000	\$ 20,000
Upper MN Film Office 23 053 20 002 02V	Purpose: Promote Upper MN as a location destination for shooting and producing films on site Recipient Type(s): Northspan as the fiscal agent for Upper MN Film Office	\$ 10	\$ 11	\$ 11	\$ 11
MN Film and TV Board 23 053 20 002 02U	Purpose: Reimburse select administration cost incurred by MN Film & TV Board Recipient Type(s): MN Film & TV Board	\$ 257	\$ -	\$ -	\$ -
Center Rural Policy Dev 23 053 20 002 02K	Purpose: Research and policy analysis on emerging economic and social issues in rural Minnesota Recipient Type(s): Rural Policy and Development Center	\$ 192	\$ 373	\$ 123	\$ 123
Workforce Housing Grant Prog 151 001 01 002 02L	Purpose: Workforce housing grant programs Recipient Type(s): Non profits and housing organizations			\$ 889	
Greater MN Bus Dev Public Infr 17 094 01 002 02L	Purpose: Grant to help stimulate new economic development, create new jobs and retains existing jobs through investments in public infrastructure Recipient Type(s): Counties outside of the seven-county metropolitan area or statutory or home rule cities outside of the seven-county metropolitan area	\$ -	\$ 230		

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Greater MN BDPI GF '25 211 010 01 002 00A	Purpose: Grant to help stimulate new economic development, create new jobs and retains existing jobs through investments in public infrastructure Recipient Type(s): Counties outside of the seven-county metropolitan area or statutory or home rule cities outside of the seven-county metropolitan area	\$ -	\$ 675		
Greater MN BDPI GF '27 23 053 20 002 02A	Purpose: Grant to help stimulate new economic development, create new jobs and retains existing jobs through investments in public infrastructure Recipient Type(s): Counties outside of the seven-county metropolitan area or statutory or home rule cities outside of the seven-county metropolitan area	\$ -	\$ 3,584	\$ 2,287	\$ 2,287
Host Comm Econ Dev Prog 23 053 20 002 02M	Purpose: Grants to pay for capital costs associated with an economic development project in Host Communities Recipient Type(s): Cities of Inver Grove Heights and Burnsville.		\$ 875		
DMC General State Inf Aid MS 469.47 9	Purpose: General State Infrastructure Aid to City of Rochester Recipient Type(s): City of Rochester	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
DMC General Transit Aid MS 469.47 9	Purpose: General State Transit Aid to City of Rochester Recipient Type(s): City of Rochester	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Job Skills Partnership Program 23 053 20 002 02X	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): Educational or other nonprofit institutions	\$ 905	\$ 3,962	\$ -	\$ -
Job Training Grants 23 053 20 002 02Y	Purpose: Provides on-the-job training costs for employees for training and education specifically directed to creating new jobs Recipient Type(s): Businesses (in-house training services); institutions of higher education; and federal, state, or local agencies; or private training or educational services.	\$ 181	\$ 1,350	\$ 1,350	\$ 1,350
BDPI - Taylors Falls 151 001 01 002 02O	Purpose: Greater Minnesota business development public infrastructure grant program Recipient Type(s): City of Taylors Falls			\$ 100	
Sm Business Assistance Partner 23 053 20 002 02F	Purpose: Small business assistance partnerships programs Recipient Type(s): Small businesses and start ups	\$ 2,777	\$ 5,125	\$ 2,608	\$ 2,608
Launch MN - Innovation Grants 23 053 20 002 02C	Purpose: Grants provide funds for business operations, including research and development, direct business expenses and technical assistance Recipient Type(s): Small businesses and start ups	\$ 709	\$ 1,500	\$ 1,500	\$ 1,500
Launch MN - Education Grants 23 053 20 002 02C	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 Recipient Type(s): Institutions of higher education and non-profit organizations 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	\$ 255	\$ 500	\$ 500	\$ 500

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Launch MN - Admin '25 211 010 01 002 02S	Purpose: Grants to accelerate the start-up ecosystem for growth of startups and amplify Minnesota as a national leader in innovation through a statewide collaborative effort Recipient Type(s): Small businesses and start ups	\$ 4	\$ -	\$ -	\$ -
Launch MN - Innovation '25 211 010 01 002 02S	Purpose: Grants to provide funds for business operations, including research and development, direct business expenses and technical assistance Recipient Type(s): 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	\$ 93	\$ 2	\$ -	\$ -
MNSBIR Inc 23 053 20 002 02D	Purpose: Support moving scientific excellence and technological innovation from the lab to the market for start-ups and small businesses by securing federal research and development funding Recipient Type(s): Small businesses and start ups	\$ 272	\$ 485	\$ -	\$ -
Cannabis Navigate Grants 23 63 09 09C 000	Purpose: Grants to eligible organizations to help individuals navigate the regulatory structure of the legal cannabis industry Recipient Type(s): Nonprofit/private corporations dealing with cannabis		\$ 1,953	\$ 953	\$ 953
CanStartup RLF 23 63 09 09B 000	Purpose: Grants to nonprofit corporations to fund loans to new cannabis microbusinesses and to support job creation in communities where long-term residents are eligible to be social equity applicants Recipient Type(s): Nonprofit corporations		\$ 5,872	\$ 2,872	\$ 2,872
Small Business Office 23 053 20 002 002	Purpose: Provide business development assistance and services through non-profit organizations awarded funds through a competitive process Recipient Type(s): Small businesses and start ups	\$ 70	\$ -	\$ -	\$ -
Quality Child Care Grants 23 053 20 002 02N	Purpose: 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. Recipient Type(s): Local Communities, At least 60% of the funds must go to communities located outside of the seven-county metro area	\$ 920	\$ 6,175	\$ 1,175	\$ 1,175
MN Initiative Fnd - Childcare 23 053 20 002 02P	Purpose: Grants to local communities to increase the supply of quality child care providers to support economic development Recipient Type(s): Local Communities, At least 60% of the funds must go to communities located outside of the seven-county metro area	\$ 708	\$ 3,360	\$ 860	\$ 860
SBDC Grants 23 053 20 002 02B	Purpose: Provide consulting services to small business entrepreneurs. Grant provides operational funding to the centers along with a federal grant Recipient Type(s): Higher Education Institutions hosting one of the state's nine Small Business Development Center	\$ 1	\$ 500	\$ -	\$ -
Main Street Econ Revit 211 010 01 002 02U	Purpose: Grants that are designed to address the greatest economic development and redevelopment needs Recipient Type(s): Nonprofit partner organizations		\$ 2,713		
Cannon Falls Retain Wall 23 071 00 000	Purpose: Build a retaining wall in Cannon Falls Recipient Type(s): Cannon Falls	\$ 216	\$ -	\$ -	\$ -
Pelican Rapids Aquatic 23 071 00 000	Purpose: Build an Aquatic Center in Pelican Rapids Recipient Type(s): Pelican Rapids	\$ 1,198	\$ -	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
St Paul Hillcrest Redevelop 23 071 00 000	Purpose: Redevelop the Hillcrest Center in St Paul Recipient Type(s): St Paul	\$ 2,858			
Savage Sports Center 23 071 00 000	Purpose: Redevelop the Savage Sports Center Recipient Type(s): Savage	\$ 13			
Waite Park Quarry Redevelop 23 071 00 000	Purpose: Redevelop the Quarry in Waite Park Recipient Type(s): Waite Park	\$ 2,500	\$ -	\$ -	\$ -
African Economic Dev Solutions 23 071 00 000	Purpose: Renovate and equip a building in St. Paul that will support business incubation, entrepreneurship, and workforce development in the African immigrant community Recipient Type(s): St Paul	\$ 903			
African Career and Edu Resourc 23 071 00 000	Purpose: Acquire, predesign, design, and renovate a building in Brooklyn Center that will support business development, business incubation, entrepreneurship, and workforce development in the Black community and in other communities of color Recipient Type(s): Brooklyn Center	\$ 3,000			
Agate Housing 23 071 00 000	Purpose: Design, construct, equip, and furnish a shelter facility in the city of Minneapolis for those experiencing homelessness Recipient Type(s): Agate Housing in Minneapolis	\$ 712			
Division of Indian Work 23 071 00 000	Purpose: Renovation and capital repairs of the DIW's existing facility at 1001 East Lake Street in the city of Minneapolis Recipient Type(s): Minneapolis	\$ 31			
Playwright Center 23 071 00 000	Purpose: Acquisition of the property located at 710 Raymond Avenue and to construct, furnish, and equip renovation of the building for use as a comprehensive play development program and workshop facility Recipient Type(s): St Paul	\$ 1,208			
Great River Children's Museum 23 071 00 000	Purpose: Construct, furnish, and equip capital improvements to renovate and expand a facility and outdoor exhibit space donated to the museum for the purpose of housing a children's museum in the city of St. Cloud Recipient Type(s): St Cloud	\$ 923			
Anoka Ice Arena Association 23 071 00 000	Purpose: Build Ice Arena in Anoka Recipient Type(s): Anoka	\$ 487	\$ -	\$ -	\$ -
Every Meal Grant 23 071 00 000	Purpose: Purchase a facility that will function as the statewide distribution hub for a backpack service delivery network Recipient Type(s): Every Meal	\$ 4,000	\$ -	\$ -	\$ -
Norway House 23 071 00 000	Purpose: Acquire land and predesign, design, construct, furnish, and equip a conference and event center at 913 East Franklin Avenue and adjacent property in Minneapolis to celebrate the culture of Norway and American Norwegians Recipient Type(s): Norway House	\$ 5,000	\$ -	\$ -	\$ -
Walker West Music Academy 23 071 00 000	Purpose: Acquire property, predesign, and design a building in the city of St. Paul to support youth music education Recipient Type(s): Walker West Academy	\$ 4,000	\$ -	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Parkers Prairie Veterans Mem 23 072 00 000	Purpose: Design, construct, and equip site improvements and infrastructure for a veterans memorial park along marked Trunk Highway 29 Recipient Type(s): Parkers Prairie	\$ 50	\$ -	\$ -	\$ -
New American Dev Center 24 120 01 002 02B	Purpose: Provide small businesses and entrepreneurs with technical assistance, financial education, training, and lending and to build the grantee's capacity Recipient Type(s): New American Development Center		\$ 1,000		
Entrepreneur Fund 24 120 01 002 02C	Purpose: Capitalize their revolving loan funds to address unmet financing needs in northeast Minnesota of for-profit business startups, expansions, and ownership transitions Recipient Type(s): Entrepreneur Fund		\$ 1,000		
Asian American Lead Coalition 24 120 01 002 02D	Purpose: Support outreach, training, technical assistance, peer network development, and direct financial assistance for Asian Minnesotan women entrepreneurs and Asian-owned businesses Recipient Type(s): Asian American Lead Coalition		\$ 200		
Fortis Capital 24 120 01 002 02E	Purpose: Revolving loan fund to provide risk-mitigating capital for commercial development activities in underserved communities and to entrepreneurs from disadvantaged groups statewide Recipient Type(s): Fortis Capital		\$ 300		
Somali Museum 24 120 01 002 02G	Purpose: Grant to the Somali Museum of Minnesota for capacity building Recipient Type(s): Somali Museum		\$ 400		
Comm Resources Center 24 120 01 002 02H	Purpose: Grant to the Center for Community Resources for a financial literacy program Recipient Type(s): Community Resources Center		\$ 489		
Comm Butcher Shop 24 120 01 002 02I	Purpose: Costs associated with relocation of community butcher shops Recipient Type(s): Community Butcher shops		\$ 200		
Youthbuild GF 23 053 20 002 03M	Purpose: Train and employs young adults in construction Recipient Type(s): Public agencies or nonprofit organizations	\$ 844	\$ 1,052	\$ -	\$ -
Youthbuild WDF 23 053 20 002 03M	Purpose: Train and employ young adults in construction Recipient Type(s): Public agencies or nonprofit organizations	\$ 821	\$ 988	\$ 988	\$ 988
Dislocated Worker Program MS 116L.17	Purpose: Provide career assessment, training, and job placement assistance for individuals in transition Recipient Type(s): Individuals in transition	\$ 13,131	\$ 18,214	\$ -	\$ -
Target Pop Workforce Grants 23 053 20 002 03B	Purpose: Provide workers in underserved communities with the technical and work-readiness skills and support needed to secure a job and advance employer's efforts to fill job vacancies statewide. Recipient Type(s): Public in underserved community of color or low-income community.	\$ 323	\$ 23,750	\$ 1,211	\$ 1,211
Minnesota Youth Program GF 23 053 20 002 03N	Purpose: Provides short-term, job readiness preparation for at-risk youth Recipient Type(s): Public agencies or nonprofit organizations	\$ 3,502	\$ 4,579	\$ -	\$ -
Drive for Five Educ Train Grts 23 053 20 002 03E	Purpose: Provides grants to workforce training and business organizations. Drive for 5 is specifically focused on helping people get training and support for placement in the near-term to meet the moment of our current high job vacancy rate in Minnesota Recipient Type(s): Caring professions, educational services, trades, manufacturing, and technology professions.	\$ 922	\$ 6,300	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Drive for Five Job Place Grts 23 053 20 002 03F	Purpose: Provides grants to workforce training and business organizations. Drive for 5 is specifically focused on helping people get training and support for placement in the near-term to meet the moment of our current high job vacancy rate in Minnesota Recipient Type(s): Caring professions, educational services, trades, manufacturing, and technology professions	\$ 406	\$ 1,800	\$ -	\$ -
MPLS Park & Rec Teen Teamworks 23 053 20 002 03Q	Purpose: Provide youth ages 14 to 24 with necessary job skills and training to find jobs in the community. Recipient Type(s): Youth ages 14 to 24	\$ 51	\$ 712		
AVIVO GF 23 053 20 002 03R	Purpose: Provide low-income individuals with career education and job skills training that is integrated with chemical and mental health services Recipient Type(s): Avivo	\$ 517	\$ 855	\$ -	\$ -
Getting to Work Grant Prog GF 23 053 20 002 03S	Purpose: Establish and operate programs that provide, repair or maintain motor vehicles to assist eligible individuals (economically disadvantaged individuals 22 years of age and over) to obtain or maintain employment. Grantees must also offer one or more of the following: Financial literacy education; Education on budgeting for vehicle ownership; Car maintenance and repair instruction; Credit counseling; and Job training related to motor vehicle maintenance and repair Recipient Type(s): Nonprofit organizations	\$ 519	\$ 950	\$ -	\$ -
30,000 Feet GF 23 053 20 002 03T	Purpose: Fund youth apprenticeship jobs, after-school programming, and summer learning loss prevention for African American youth Recipient Type(s): 30,000 Feet	\$ 380	\$ 380	\$ -	\$ -
Boys and Girls Club 23 053 20 002 03V	Purpose: Statewide project of youth job skills and career development Recipient Type(s): Minnesota Alliance of Boys and Girls Clubs	\$ 950	\$ 950	\$ -	\$ -
Owatonna Learn and Earn 23 053 20 002 03W	Purpose: Help the Owatonna and Steele County region grow and retain a talented workforce Recipient Type(s): Students for higher education	\$ 15	\$ 700		
White Bear Center for the Arts 23 053 20 002 03X	Purpose: Establish a paid internship program for high school students to learn professional development skills through an arts perspective Recipient Type(s): High school students.	\$ 154	\$ 237	\$ -	\$ -
MN Family Resiliency Ptrnr 23 053 20 002 03Y	Purpose: Fund displaced homemaker programs Recipient Type(s): Existing nonprofit and state displaced homemaker programs.	\$ 195	\$ 237	\$ -	\$ -
East Side Neighborhood 23 053 20 002 03Z	Purpose: Support disadvantaged small businesses and social sector organizations in certain St Paul neighborhoods Recipient Type(s): Small business in St Paul.	\$ 519	\$ 570	\$ -	\$ -
COPAL 23 053 20 002 3BB	Purpose: Provide Comunidades Organizando el Poder y la Acción Latina (COPAL) for worker center programming that supports primarily low-income, migrant, and Latinx workers with career planning, workforce training and education, workers' rights Recipient Type(s): Primarily low-income, migrant, and Latinx workers	\$ 417	\$ 475	\$ -	\$ -
Propel Nonprofits 23 053 20 002 3CC	Purpose: Provide capacity-building grants and related technical assistance to small, culturally specific organizations that primarily serve historically underserved cultural communities Recipient Type(s): Propel Nonprofits	\$ 1,597	\$ 1,900	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Goodwill Easter Seals FATHER 23 053 20 002 3DD	Purpose: Continue the FATHER Project in Rochester, Park Rapids, St. Cloud, St. Paul, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally Recipient Type(s): Goodwill-Easter Seals Minnesota and its partners	\$ 818	\$ 950	\$ -	\$ -
ProStar 23 053 20 002 3EE	Purpose: Education program that helps young people advance careers in the hospitality industry and addresses critical long-term workforce shortages in that industry Recipient Type(s): : ProStart and Hospitality Tourism Management Program	\$ 192	\$ -	\$ -	\$ -
MN Div Ind (MDI) Inclsive Emp 23 053 20 002 3FF	Purpose: Provide help Minnesota Diversified Industries to provide inclusive employment opportunities and services for people with disabilities. Recipient Type(s): People with disabilities	\$ 428	\$ 427	\$ -	\$ -
MN Div Ind (MDI) Career Skills 23 053 20 002 3GG	Purpose: Provide progressive development and employments opportunities for people with disabilities Recipient Type(s): : Minnesota Diversified Industries, Inc	\$ 623	\$ -	\$ -	\$ -
Summit Academy OIC 23 053 20 002 3HH	Purpose: Grant to Summit Academy OIC to expand employment placement, GED preparation and administration, and STEM programming in the Twin Cities, Saint Cloud, and Bemidji Recipient Type(s): : Summit Academy OIC	\$ 888	\$ 1,201	\$ -	\$ -
MN Indep College and Community 23 053 20 002 3II	Purpose: Provide employment preparation, job placement, job retention, and service coordination services to adults with autism and learning differences Recipient Type(s): Adults with autism and learning differences	\$ 475	\$ 475	\$ -	\$ -
Clean Econ Equitable Workforce 23 053 20 002 3JJ	Purpose: Support partnership development, planning, and implementation of workforce readiness programs aimed at workers who are Black, Indigenous, and People of Color. Programs must include workforce training, career development, workers' rights training, employment placement, and culturally appropriate job readiness and must prepare workers for careers in the high-demand fields of construction, clean energy, and energy efficiency Recipient Type(s): Nonprofit organizations that serve historically disenfranchised communities	\$ 42	\$ 1,800		
UMN Online Hospitality Trn 23 053 20 002 3KK	Purpose: For the creation and operation of an online hospitality training program in partnership with Explore Minnesota Tourism Recipient Type(s): Minnesota residents	\$ 324	\$ 25	\$ 25	\$ 25
Robotics Team STEM Internships 23 053 20 002 3LL	Purpose: Support high school robotics teams and prepare youth for careers in STEM fields Recipient Type(s): High school students to work at private companies in STEM fields.	\$ 399	\$ 195	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Hmong American Partnership 23 053 20 002 3NN	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): Hmong American Partnership and with collaborating MN community partners.	\$ 339	\$ 950	\$ -	\$ -
CLUES 23 053 20 002 3OO	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): Grant to Latino Communities United in Services (CLUES)	\$ 496	\$ 950	\$ -	\$ -
Greater Twin Cities United Way 23 053 20 002 3RR	Purpose: Grants to partner organizations to provide workforce training using the career pathways model that helps students gain work experience, earn experience in high-demand fields, and transition into family-sustaining careers Recipient Type(s): Public agencies or nonprofit organizations	\$ 45	\$ 475	\$ -	\$ -
Hmong Chmbr Commerce 23 053 20 002 3XX	Purpose: Train ethnically Southeast Asian business owners and operators in better business practices Recipient Type(s): Hmong Chamber of Commerce	\$ 475	\$ 494	\$ -	\$ -
STEM MN High Tech Association 23 053 20 002 03P	Purpose: Support SciTech internship program that supports science, technology, engineering, and math (STEM) internship opportunities Recipient Type(s): MN High Tech Association	\$ 579	\$ 950	\$ -	\$ -
OIC WDF 23 053 20 002 03I	Purpose: Provide employment and training services Recipient Type(s): MN State Council of OICs	\$ 268	\$ 475	\$ 475	\$ 475
Rural Career Counseling Coor 23 053 20 002 03A	Purpose: Rural career counseling coordinators positions in the workforce service areas Recipient Type(s): Workforce service areas to receive funds to provide equitable services across workforce services areas	\$ 475	\$ 475	\$ 475	\$ 475
Rural Career WDF 23 053 20 002 03A	Purpose: Funds for rural career counseling coordinators positions for purposes specified in Minnesota Statutes, section 116L.667 Recipient Type(s): Funds to workforce services areas	\$ 475	\$ 475	\$ 475	\$ 475
Support Svc Comp Grant 23 053 20 002 03K	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): 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	\$ 651	\$ 950	\$ -	\$ -
WESA GF 23 053 20 002 03C	Purpose: Grant program for women and high-wage, high-demand, nontraditional jobs program. Recipient Type(s): Public agencies or nonprofit organizations providing services for women	\$ 302	\$ 712	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Youth at Work Comp Grant GF 23 053 20 002 03L	Purpose: Competitive Grants for Youth-at-Work Recipient Type(s): Public agencies or nonprofit organizations	\$ 451	\$ 713	\$ 713	\$ 713
SE Asian Comp Grant 23 053 20 002 03J	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): Public agencies or nonprofit organizations providing services to Southeast Asian community	\$ 516	\$ 950	\$ -	\$ -
Pathways 2 Prosperity Comp Grt 23 053 20 002 03H	Purpose: Pathways to Prosperity competitive grants for job training and placement for hard-to-train individuals Recipient Type(s): Public agencies or nonprofit organizations	\$ 1,090	\$ 2,418	\$ -	\$ -
Pathways 2 Prosperity Comp Grt 23 053 20 002 03H	Purpose: Competitive grants for job training and placement for hard-to-train individuals Recipient Type(s): Public agencies or nonprofit organizations	\$ 2,348	\$ 4,374	\$ 4,374	\$ 4,374
Ujamaa Place 23 053 20 002 3AA	Purpose: Grant for job training, employment preparation, internships, education, training in the construction trades, housing and organizational capacity building Recipient Type(s): Grant to Ujamaa Place	\$ 1,425	\$ 1,425	\$ -	\$ -
Youth at Work Comp Grant WDF 23 053 20 002 03L	Purpose: Competitive Grants for Youth-at-Work Recipient Type(s): Public agencies or nonprofit organizations	\$ 5,542	\$ 6,359	\$ 3,181	\$ 3,181
Minnesota Youth Program WDF 23 053 20 002 03N	Purpose: Provides short-term, job readiness preparation for at-risk youth Recipient Type(s): Public agencies or nonprofit organizations	\$ 3,595	\$ 3,858	\$ 3,846	\$ 3,846
SNAP INTERAGENCY AGREEMENT MS 471.59	Purpose: Grants to pay for capital costs associated with an economic development project in Host Communities Recipient Type(s): Must meet the definition of a Host Community	\$ 89	\$ -	\$ -	\$ -
TANF Youth Interagency MS 471.59	Purpose: Grants to provide structured work experiences, training, and an introduction to career pathways to youth receiving Minnesota Family Investment Program (MFIP) cash benefits as either: 1) a teen parent (age 16-24), or 2) a youth (14-18) in a household receiving MFIP benefits. This program is funded through an Interagency Agreement with the Department of Human Services Recipient Type(s): Youth	\$ 169	\$ -	\$ -	\$ -
MN Family Resilience Program MS 517.08 1C	Purpose: Fund displaced homemaker programs Recipient Type(s): Existing nonprofit and state displaced homemaker programs	\$ 867	\$ 1,476	\$ 1,000	\$ 1,000
International Institute of MN 23 053 20 002 3UU	Purpose: Workforce training for New Americans in industries in need of a trained workforce Recipient Type(s): International Institute of Minnesota	\$ 523	\$ 522	\$ -	\$ -
American Indian OIC 23 053 20 002 3WW	Purpose: Grant to reduce academic disparities for American Indian students and adults. Funds maybe 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): Grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center		\$ 475		

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Abijahs on the Backside 23 053 20 002 3AAA	Purpose: Funding to provide mental health therapy to first responders suffering from job-related trauma and PTSD. The program targets peace officers, full-time firefighters, and volunteer firefighters, offering them support to address the emotional impacts of their work Recipient Type(s): First responders suffering from job-related trauma and post-traumatic stress disorder	\$ 238	\$ 237	\$ -	\$ -
Ramsey Cnty Milestone Program 23 053 20 002 3BBB	Purpose: Provide job training and workforce development for underserved communities. Grant money may be subgranted to Milestone Community Development for the Milestone Tech program Recipient Type(s): Underserved communities	\$ 252	\$ 475	\$ -	\$ -
Ramsey Cnty Pathway Program 23 053 20 002 3CCC	Purpose: Provide a technology training pathway program focused on intergenerational community tech work. Grant money may be used for program administration, training, training stipends, wages, and support services Recipient Type(s): For residents who are at least 18 years old and no more than 24 years old and who live in a census tract that has a poverty rate of at least 20 percent as reported in the most recently completed decennial census published by the United States Bureau of the Census	\$ 114	\$ 475	\$ -	\$ -
Social Kitchen 23 053 20 002 3DDD	Purpose: Provide a pathway program for careers in the culinary arts Recipient Type(s): Individuals seeking careers in culinary arts	\$ 151	\$ 190	\$ -	\$ -
MN Grocers Assoc 23 053 20 002 3EEE	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): Minnesota Grocers Association Foundation for Carts to Careers	\$ 38	\$ 95	\$ -	\$ -
Twin City RISE 23 053 20 002 3FFF	Purpose: Provide training to individuals facing barriers to employment and to increase the capacity of the Empowerment Institute through employer partnerships across Minnesota and expansion of the youth personal empowerment curriculum Recipient Type(s): Individuals impacted by racial or socio-economic barriers	\$ 739	\$ 1,140	\$ -	\$ -
Bridges to Healthcare 23 053 20 002 3GGG	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): Bridges to Healthcare	\$ 713	\$ 712	\$ -	\$ -
Big Brothers Big Sisters 23 053 20 002 3HHH	Purpose: Workforce readiness, employment exploration, and skills development for youth ages 12 to 21 Recipient Type(s): Big Brothers, Big Sisters of the Greater Twin Cities	\$ 475	\$ 475	\$ -	\$ -
Youthprise 23 053 20 002 3III	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): Youthprise	\$ 519	\$ 2,850	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
YWCA Minneapolis 23 053 20 002 3JJJ	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): YWCA of Mpls	\$ 253	\$ 332	\$ -	\$ -
EMERGE Community Development 23 053 20 002 3KKK	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): EMERGE Community Development in collaboration with community partners targeting Minnesota communities with the highest concentrations of African and African-American joblessness	\$ 475	\$ 475	\$ -	\$ -
Better Futures 23 053 20 002 3LLL	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): Better Futures Minnesota	\$ 404	\$ 404	\$ -	\$ -
Pillsbury United Communities 23 053 20 002 3MMM	Purpose: Provide job training and workforce development services for underserved communities Recipient Type(s): Pillsbury United Communities	\$ 76	\$ 475	\$ -	\$ -
Project for Pride in Living 23 053 20 002 3NNN	Purpose: Provide job training and workforce development services for underserved communities Recipient Type(s): Project for Pride in Living	\$ 465	\$ 475	\$ -	\$ -
YMCA of the North 23 053 20 002 3OOO	Purpose: Provide job training and workforce development services for underserved communities Recipient Type(s): YMCA of the North	\$ 285	\$ 285	\$ -	\$ -
Al Maa'uun Strategic Interven 23 053 20 002 3PPP	Purpose: Provide a strategic intervention program designed to target and connect program participants to meaningful, sustainable living wage employment Recipient Type(s): Children, Families and Community	\$ 452	\$ 475	\$ -	\$ -
CAIRO 23 053 20 002 3QQQ	Purpose: Provide workforce development services in health care, technology, and transportation (CDL) industries Recipient Type(s): African immigrants/refugees.	\$ 469	\$ 475	\$ -	\$ -
Central MN Comm Empower Org 23 053 20 002 3RRR	Purpose: Provide services to relieve economic disparities in the African immigrant community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach Recipient Type(s): African immigrant community	\$ 355	\$ 475	\$ -	\$ -
Stairstep Foundation 23 053 20 002 3SSS	Purpose: Provide for African American cultural festivals and events Recipient Type(s): African American	\$ 244	\$ 256	\$ -	\$ -
Building Strong Communities Inc 23 053 20 002 3TTT	Purpose: Provide a statewide apprenticeship readiness program to prepare women, BIPOC community members, and veterans to enter the building and construction trades Recipient Type(s): Women, BIPOC community members, and Veterans	\$ 246	\$ 380	\$ -	\$ -
MNCAPD Roots Connect FRAYEO 23 053 20 002 3VVV	Purpose: Provide funding for workforce development activities for at-risk youth from low-income families and unengaged young adults experiencing disabilities Recipient Type(s): Youth from low-income families and unengaged young adults experiencing disabilities		\$ 237		

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
Gr Rochester Advocate for Univ 23 053 20 002 3WWW	Purpose: grant to Greater Rochester Advocates for Universities and Colleges (GRAUC) for expenses relating to starting up a state-of-the-art simulation center for training health care workers in southeast Minnesota Recipient Type(s): Students seeking higher education	\$ 197	\$ 237	\$ -	\$ -
MN Association of Black Lawyer 23 053 20 002 3XXX	Purpose: Pilot program supporting black undergraduate students pursuing admission to law school and legal careers Recipient Type(s): Black undergraduate students pursuing admission to law school	\$ 162	\$ 332	\$ -	\$ -
Power of People Ldrshp Inst 23 053 20 002 3YYY	Purpose: Expand pre- and post-release personal development and leadership training and community reintegration services, to reduce recidivism, and increase access to employment. Recipient Type(s): Youth mentoring programs for boys and girls	\$ 432	\$ -	\$ -	\$ -
Hmong 18 Council Inc 23 071 00 000	Purpose: Acquire property for and predesign, design, renovate, furnish, and equip the Hmong Minnesota Community Center in the city of St. Paul. The center will serve Hmong families and the community. It will be a community space and a hub for culturally specific resources and social services Recipient Type(s): The center will serve Hmong families and the community	\$ 1,805			
Listening House 23 071 00 000	Purpose: Renovate, remodel, furnish, and equip a building and parking lot on parcels located at 421, 423, and 423a East 7th Street in the city of St. Paul, including the construction of an addition, to serve as a permanent day shelter. Providing hospitality, practical assistance, and guidance to men and women experiencing homelessness, loneliness, and deep poverty Recipient Type(s): Men and Women experiencing homelessness, loneliness, and deep poverty	\$ 1,502	\$ -	\$ -	\$ -
Parents in Community Action 23 071 00 000	Purpose: Remodel, construct, furnish, and equip an existing facility. This project shall consolidate training programs from multiple locations and expand state-of-the-art workforce development training in early childhood, transportation, and food services. This project shall also increase child care services in a lab school dual-functioning model that has proven to increase teacher diversity through hands-on training for parents, staff, and community members. This project shall create additional child care classrooms, training rooms, restrooms, a central activity room, trainer office space, general office space, conference rooms, and a new lobby area with an outdoor canopy Recipient Type(s): Supports families by providing comprehensive services	\$ 4,000	\$ -	\$ -	\$ -
Phyllis Wheatley Comm Cent 23 071 00 000	Purpose: Design the construction and rehabilitation of infrastructure at Camp Katherine Parsons in Carver County Recipient Type(s): Children, youth, families, and elders.	\$ 21	\$ -	\$ -	\$ -
St. Paul Urban Tennis 23 071 00 000	Purpose: Acquire property for and to predesign and design a new Tennis and Life Learning Community Center Recipient Type(s): Tennis and life skills programming to Youth and Adults	\$ 238	\$ -	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
We Win Institute Inc 23 071 00 000	Purpose: Acquire property and predesign, design, construct, renovate, furnish, and equip capital improvements to provide academic, social, and culturally specific programming and food services for Black students in the city of Minneapolis Recipient Type(s): Black students in the city of Minneapolis	\$ 2,461	\$ -	\$ -	\$ -
Boys and Girls Club Central MN 23 053 20 002 03U	Purpose: Promote and enhance the development of boys and girls by instilling a sense of competence, usefulness, belonging and influence Recipient Type(s): Boys & Girls	\$ 355	\$ -	\$ -	\$ -
Sanneh Foundation 23 053 20 002 3MM	Purpose: Fund out-of-school summer programs focused on mentoring and behavioral, social, and emotional learning interventions and enrichment activities directed toward low-income students of color Recipient Type(s): Low-income students of color	\$ 101	\$ 712	\$ -	\$ -
All Square 23 053 20 002 3PP	Purpose: Support the operations of All Square's Fellowship and Prison to Law Pipeline programs which operate in Minneapolis, St. Paul, and surrounding correctional facilities to assist incarcerated and formerly incarcerated Minnesotans in overcoming employment barriers that prevent economic and emotional freedom Recipient Type(s): Formerly incarcerated Minnesotans	\$ 285	\$ 285	\$ -	\$ -
Redemption Project 23 053 20 002 3QQ	Purpose: Provide employment services to adults leaving incarceration, including recruiting, educating, training, and retaining employment mentors and partners Recipient Type(s): Adults leaving incarceration	\$ 790	\$ 950	\$ -	\$ -
CAP of Hennepin County 23 053 20 002 3SS	Purpose: Help Hennepin County residents who are low income navigate crisis situations, build stability, and lift themselves out of poverty Recipient Type(s): Hennepin County residents	\$ 2,389	\$ 2,850	\$ -	\$ -
Mind the G.A.P.P. 23 053 20 002 3TT	Purpose: Improve the quality of life of unemployed and underemployed individuals by improving their employment outcomes and developing individual earnings potential Recipient Type(s): Mind the G.A.P.P. (Gaining Assistance to Prosperity Program)	\$ 596	\$ 712	\$ -	\$ -
Hired 23 053 20 002 3VV	Purpose: Expand their career pathway job training and placement program that connects lower-skilled job seekers to entry-level and gateway jobs in high-growth sectors Recipient Type(s): HIRED for lower-skilled job seekers	\$ 350	\$ 380	\$ -	\$ -
WDA 8 and Workforce Dvlp Inc 23 053 20 002 3YY	Purpose: Provide career planning, career pathway training and education, wraparound support services, and job skills advancement in high-demand careers to individuals with barriers to employment in Owatonna and Steele Counties Recipient Type(s): Workforce development for Steele and Owatonna county area	\$ 261	\$ 261	\$ -	\$ -
Black Women's Wealth Alliance 23 053 20 002 3ZZ	Purpose: Provide low-income individuals with job skills training, career counseling, and job placement assistance Recipient Type(s): Black Women's Wealth Alliance	\$ 329	\$ 559	\$ -	\$ -
Income Agreements MS 116J.035 6	Purpose: Grants for training for energy related and trades careers to support entry into either apprenticeships or directly to employment in energy-related construction careers specifically designed for the utility industry and building trades Recipient Type(s): Focused outreach to people of color, women, and veterans to participate in skilled training, navigation services, and supportive services	\$ 1,293	\$ -	\$ -	\$ -

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2024	FY 2025	FY 2026	FY 2027
DEED Operating Adjustment WDF 23 053 20 002 004	Purpose: Grants to increase training capacity within the communities they serve by funding training programs that provide workforce recruitment and development, job creation and community outreach in a targeted population such as Southeast Asian to address economic disparities Recipient Type(s): Targeted population such as Southeast Asian	\$ 21	\$ 30	\$ 30	\$ 30
State Trade Export Promotion 23 053 20 002 05A	Purpose: Provides grants to assist small businesses participate in trade missions. Recipient Type(s): Small Businesses	\$ 93	\$ 300	\$ 300	\$ 300
Deaf / Hard of Hearing 23 053 20 002 06E	Purpose: Grants for employment services for persons including transition-age youth, who are deaf, deafblind, or hard-of-hearing Recipient Type(s): Public agencies or nonprofit organizations providing services to deaf, deafblind, and hard-of-hearing	\$ 505	\$ 991	\$ 990	\$ 990
Extended Employment - WDF 211 010 01 002 06B	Purpose: Provide employment services and support to people with severe disabilities Recipient Type(s): Rehabilitation facilities	\$ 7,826	\$ 6,830	\$ 6,830	\$ 6,830
Extended Employment GF 211 010 01 002 06B	Purpose: Maintain prior rate increases to providers of extended employment services for persons with severe disabilities Recipient Type(s): Rehabilitation facilities	\$ 7,029	\$ 6,803	\$ 6,736	\$ 6,736
Extended Employment Inc 211 010 01 002 06B	Purpose: Maintain prior rate increases to providers of extended employment services for persons with severe disabilities Recipient Type(s): Rehabilitation facilities	\$ 3,397	\$ 4,500	\$ 4,500	\$ 4,500
ILSTATEINC 23 053 20 002 06D	Purpose: Provide assistance to persons with disabilities to live independently, function in their homes and within their families, and participate in their communities Recipient Type(s): Independent Living Centers	\$ 2,198	\$ 4,000	\$ -	\$ -
Independent Living Services St 23 053 20 002 06D	Purpose: Provide assistance to persons with disabilities to live independently, function in their homes and within their families, and participate in their communities Recipient Type(s): Independent Living Centers	\$ 2,761	\$ 3,011	\$ 3,011	\$ 3,011
MI-Support Employment Incr 23 053 20 002 06C	Purpose: Grants to programs that provide employment support services to persons with mental illness Recipient Type(s): Rehabilitation facilities	\$ 1,295	\$ 2,500	\$ -	\$ -
MI-Support Employment 211 010 01 002 06C	Purpose: Grants to programs that provide employment support services to persons with mental illness Recipient Type(s): Rehabilitation facilities	\$ 2,503	\$ 2,717	\$ 2,374	\$ 2,374
Broadband Development Office 23 043 03 02A 000	Purpose: Carry out administration of Broadband programs Recipient Type(s): Broadband Office	\$ 2	\$ -	\$ -	\$ -
Border-to-Border Broadband MS 116J.396	Purpose: Grants for broadband infrastructure to promote the expansion of broadband services to unserved and underserved areas of the state Recipient Type(s): 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	\$ 2,380	\$ 55,020	\$ -	\$ -