

ANNUAL PERFORMANCE REPORT

Part 1: Agency Summary

Agency: Trade and Economic Development, Department of

Mission Statement:

The mission of the department of trade and economic development is to employ all of the available state government resources to facilitate an economic environment that produces net new job growth in excess of the national average and to increase nonresident and resident tourism revenues.

Primary clients of the department are businesses and communities. The department's Office of Tourism provides direct services to consumers seeking information about Minnesota travel, tourism and recreational opportunities.

The department is organized under M.S. 116J into 3 divisions:

- **Business and Community Development Division:** The division provides support for the Public Facilities Authority, the Rural Development Board, the Agriculture and Economic Development Board, and Federal Small Cities Block Grant monies. The division also promotes economic development growth and healthy, self-sustaining communities through marketing, technical assistance, analysis evaluation, publications and information services, training assistance and partnership activities. Services are provided directly to businesses and to communities.
- **Office of Tourism:** The Office of Tourism markets Minnesota's products and services that relate to travel, provide joint venture marketing partnerships with local and regional organizations and deliver tourist information through a statewide network of travel information centers and telecommunications systems. Travel related organizations, tourism businesses, and tourists are the clientele of this division. Travelers are the office customers with tourism businesses and organizations as primary stakeholder.
- **Minnesota Trade Office:** The Minnesota Trade Office assists small and medium sized businesses and those new to exporting through general export and market specific education programs, a network of public/private supported individualized foreign trade offices, foreign export counseling, export financing, trade shows and foreign trading delegations, targeted market research and selected reverse investment strategies to identify and expand export markets for Minnesota products.

The department also has an administrative services unit that provides direction and support in the areas of policy development, information management assistance, fiscal services and personnel/employee relations.

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Part 2: Program Information

Agency: Trade and Economic Development, Department of
Program: Minnesota Trade Office

Program Purpose: The purpose of this program is to enhance job creation in the state through the promotion, development, and facilitation of international trade and through reverse direct investment in Minnesota.

The Minnesota Trade Office program has two primary goals:

- increase Minnesota sales exports (M.S. 116J.966, subd. 1).
- attract foreign direct investment to the State (M.S. 116J.966, subd. 1(a) (9)).

These goals are achieved through trade services which fall under four functions: Information Services; Education/Training; Finance Program; and Marketing/Export Counseling.

Performance Objectives and Measures: *

A. Minnesota Export Results Reported by U.S. Department of Commerce

Objective 1. Minnesota exports (in dollars) to international markets will increase 2-3 % annually through 2000.

Measure: Minnesota exports (in dollars) to international markets, state rank and % change.

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	Objectives		
					F.Y. 1994	F.Y. 1995	F.Y. 2000
Export \$ (billions)	5.861	5.975	6.67	tbd**	7.07	7.25	8.20
Prior Objective	N/A	N/A	6.1	6.25	6.45	6.6	
State Rank	17	17	17	tbd**	16	16	16
% Change		2%	11.6%	tbd**	2.5%	2%	2.5%

** tbd = to be determined.

B. Export-Related Results Reported by Urban Institute Study

Objective 1. Export-related results achieved by Minnesota companies will increase by 4-5 % annually through 2000.

Measure: Export-related results achieved by Minnesota companies each year due to all MTO services.

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	Objectives		
					F.Y. 1994	F.Y. 1995	F.Y. 2000
Export Results	1425	2589	5082	tbd	5603	5827	7260
Prior Objective	N/A	N/A	N/A	5336			

* The following performance objectives have been amended from the FY 93-94 biennial budget to reflect and incorporate more current and accurate data provided by the U.S. Department of Commerce, Urban Institute Study and other sources.

Part 2: Program Information (Cont.)

Objective 2. Contribution to export-related results by the MTO library service will increase to 85 % by 2000.

Measure: Library service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Library Clients	3600	4200	4800	5400	6000	6600	7000
Effective	42 %	57 %	83 %	tbd	80 %	80 %	85 %
Efficient	82 %	90 %	93.1 %	tbd	90 %	95 %	95 %

Target costs: \$5 per outside information contact plus staff support.

Objective 3. Contribution to export-related results by the MTO publication service will increase to 75 % by 2000.

Measure: Publication service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Domestic Distribution	8000	7000	5000	5000	5000	5100	5500
International Distribution	150	175	200	200	200	250	300
Effective	64 %	63 %	71 %	tbd	72 %	75 %	75 %
Efficient	92 %	83 %	91.5 %	tbd	90 %	90 %	90 %

Target costs: \$.50 per impression.

Objective 4. Contribution to export-related results by the MTO education service will increase to 85 % by 2000.

Measure: Education service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Presentations	96	107	133	161	120	120	120
Effective	72 %	70 %	80.6 %	tbd	80 %	83 %	85 %
Efficient	93 %	81 %	90.6 %	tbd	91 %	92 %	93 %

Target costs: \$28 per educated exporter.

Objective 5. Contribution to export-related results by the MTO loan guarantee service will increase to 95 % by 2000.

Measure: Loan guarantee service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Part 2: Program Information (Cont.)

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Guarantees	4	9	6	11	15	15	18
Export \$ (millions)	0.5	3.7	4.9	2.6	2.5	3.0	4.5
Effective	44 %	26 %	66.7 %	tbd	90 %	95 %	95 %
Efficient	82 %	71 %	85.7	tbd	85 %	85 %	85 %

Target costs: \$.03 per export dollar increased.

Objective 6. Contribution to export-related results by the MTO finance counseling service will increase to 85 % by 2000.

Measure: Finance counseling service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Finance Counseling	N/A	N/A	N/A	354	400	400	450
Effective	N/A	38 %	73.1 %	tbd	90 %	85 %	85 %
Efficient	N/A	81 %	95.8 %	tbd	95 %	95 %	95 %

Target costs: \$40 per client consulted.

Objective 7. Contribution to export-related results by the MTO agent/distributor service will increase to 85 % by 2000.

Measure: Agent/distributor service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Agent/Distributor Listings	670	1424	4309	tbd	5500	6000	7650
Effective	47 %	55 %	84.8 %	tbd	80 %	83 %	85 %
Efficient	61 %	63 %	68.6 %	tbd	68 %	70 %	73 %

Target costs: \$4.50 per client consulted.

Objective 8. Contribution to export-related results by the MTO introduction to foreign buyer service will increase to 75 % by 2000.

Measure: Introduction to foreign buyer service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Meetings	N/A	N/A	N/A	tbd	50	100	135
Effective	49 %	38 %	71.7 %	tbd	72 %	73 %	75 %
Efficient	68 %	75 %	90.5 %	tbd	90 %	90 %	90 %

Target costs: \$50 per foreign buyer contact.

Part 2: Program Information (Cont.)

Objective 9. Contribution to export-related results by the MTO export counseling services will increase to 80 % by 2000.

Measure: On-call counseling service (to field general incoming trade-related calls) and specific inquiry service (inquiries and meetings requiring trade specialist assistance) workloads (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	Objectives		
					F.Y. 1994	F.Y. 1995	F.Y. 2000
On-call	N/A	2000	2500	2800	3000	3000	3080
Effective	(data too expensive to collect)						
Efficient	(data too expensive to collect)						

Target costs: \$3 per trade-related call.

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	Objectives		
					F.Y. 1994	F.Y. 1995	F.Y. 2000
Specific inquiries	N/A	N/A	N/A	20000	20000	22000	25000
Effective	73 %	64 %	76.5 %	tbd	76 %	78 %	80 %
Efficient	93 %	81 %	92.7 %	tbd	93 %	93 %	93 %

Target costs: \$14 per specific counseling inquiry.

Objective 10. Contribution to export-related results by the MTO trade mission service will increase to 70 % by 2000.

Measure: Trade mission service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	Objectives		
					F.Y. 1994	F.Y. 1995	F.Y. 2000
Missions	4	2	1	10	10	12	15
Effective	44 %	26 %	56 %	tbd	60 %	63 %	70 %
Efficient	84 %	83 %	84.4 %	tbd	84 %	85 %	85 %

Target costs: \$1,200 per trade mission.

Objective 11. Contribution to export-related results by the MTO trade and catalog show service will increase to 65 % by 2000.

Measure: Trade and catalog show service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	Objectives		
					F.Y. 1994	F.Y. 1995	F.Y. 2000
Shows	4	3	3	7	8	10	15
Effective	51 %	35 %	57.2 %	tbd	57 %	60 %	65 %
Efficient	83 %	83 %	83 %	tbd	83 %	84 %	85 %

Target costs: \$2 per contact at trade show.

Part 2: Program Information (Cont.)

Objective 12. Contribution to export-related results by the MTO export outreach service will increase to 60% by 2000.

Measure: Export outreach service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	Objectives		
					F.Y. 1994	F.Y. 1995	F.Y. 2000
Site Visits	N/A	240	300	600	650	720	800
Effective	N/A	N/A	N/A	tbd	50%	55%	60%
Efficient	N/A	N/A	N/A	tbd	70%	75%	75%

Target costs: \$50 per client visit.

Objective 13. Contribution to export-related results by the Minnesota international information network service will increase to 50% by 2000.

Measure: Minnesota international information network service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	Objectives		
					F.Y. 1994	F.Y. 1995	F.Y. 2000
Clients Served	N/A	N/A	*	tbd	960	1200	1500
Effective	N/A	33%	*	tbd	40%	45%	50%
Efficient	N/A	79%	*	tbd	80%	85%	85%

* Program funding eliminated for FY.

Target costs: \$40 per client serviced; \$.75 per Minnesota impression; \$250 per advice/strategic recommendation.

B. Foreign Direct Investment Results

Objective 1. Foreign affiliate employment in Minnesota will increase by 2-3% annually through 2000.

Measure: Employees in foreign affiliates locating in Minnesota.

	History					Forecast			
	1985	1986	1987	1988	1989	1990	1991	1992	1993
# of Employees	35.7	47.9	40.2	51.4	81.9	67.0*	72.0*	77.0*	82.0*

* Estimate on # of employees (in thousands) - data not yet released.

Objective 2. Minnesota-foreign corporation research and development joint ventures will increase by 10% annually through 2000.

Measure: Number of joint venture proposals facilitated by the Trade Office's International Business Partnership program.

Part 2: Program Information (Cont.)

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Joint Venture Proposals	N/A	N/A	2-3	9	10	11	16

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Part 3: Substantiating the Performance Measures

Agency: Department of Trade and Economic Development
Program: Minnesota Trade Office

Performance Objectives and Measures:

A. Minnesota Export Results Reported by U.S. Department of Commerce

Objective 1. Minnesota exports (in dollars) to international markets will increase 2-3% annually through 2000.

Measure: Minnesota exports (in dollars) to international markets, state rank and % change.

Definition: The total export performance of the State of Minnesota is measured in dollar amounts of exports to international markets. Minnesota's competitive position, as ranked against other states, is reflected in the state ranking.

Rationale: State law designates the Minnesota Trade Office as the lead program in promoting, facilitating and developing the State's exports. The purpose of this program is to improve the Minnesota economy and job creation through exports.

These measures track the performance of Minnesota in the international marketplace.

Data Source: Annual surveys of the U.S. Department of Commerce which track the State's export position relative to other states and dollar value attributed to Minnesota exports.

Factors Beyond Agency's Control That Affect Performance: Swings in the national and global economies, currency valuations, and other macro-economic and competitive industry factors will influence the ability and strategies of Minnesota businesses to successfully compete in a global economy.

B. Export-Related Results

Objective 1. Export-related results achieved by Minnesota companies will increase 4-5% annually through 2000.

Measure: Export-related results achieved by Minnesota companies each year due to all MTO services.

Definition: The Minnesota Trade Office promotes, facilitates and delivers export services to Minnesota businesses. Its activities, which contribute to the State's overall export activity, are measured, in part, through survey information provided by a random sampling of businesses served by the Trade Office.

Export-related results achieved by Minnesota companies due to contribution of MTO services include: 2) decision to export; 2) developed export marketing strategy or plan; 3) made foreign market contact; 4) signed overseas agent or distributor; 5) began exporting; 6) increased exports of current products to current markets; 7) exported new products/services; 8) exported to new countries; 9) added new export-related jobs; 10) signed a license or joint venture agreement.

Rationale: State law designates the Minnesota Trade Office as the organization responsible for the promotion, development and facilitation of international trade. The Office, in fulfilling this mission, targets and assists Minnesota businesses in developing and expanding their international markets.

The outcome measure identifies the number of Minnesota business export-related results achieved due to contribution of MTO services.

Part 3: Substantiating the Performance Measures (Cont.)

Data Source: Annual surveys of randomly selected Minnesota businesses served by the Minnesota Trade Office are conducted to solicit information in measuring this objective.

Factors Beyond Agency's Control That Affect Performance: Swings in the national and global economies, currency valuations, and other macro-economic and competitive industry factors will influence the ability of Minnesota businesses to successfully compete in a global economy.

Objective 2. Contribution to export-related results by the MTO international library service will increase to 85 % by 2000.

Measure: International library service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Definition: The international library provides a source of focused export information to private and public sector; facilitated international information to other libraries in the State; and positions Minnesota at the high-end of economic competitiveness.

Rationale: State law designates the Trade Office to provide information to Minnesota businesses. Businesses need information and intelligence in developing and pursuing an export market strategy. The international library provides this information.

These measures assess the input and export-related output attributed to the international library service.

Data Source: Annual surveys of randomly selected Minnesota businesses serviced by the Trade Office.

Factors Beyond Agency's Control That Affect Performance: Quality and price of the data collected by the federal government and transmitted to Minnesota businesses.

Objective 3. Contribution to export-related results by MTO publication service will increase to 75 % by 2000.

Measure: Publication service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Definition: The MTO produces trade-related directories featuring specific industry sectors (eg., AgriSource, Environmental Protection), international business service providers and trade data.

Rationale: People buy, sell and use what they know. Directories featuring Minnesota products/companies permit international markets to consider Minnesota-produced products and services.

These measures assess the input and export-related outcome attributable to the Trade Office's Publications service.

Data Source: Annual surveys of randomly selected Minnesota businesses serviced by the Trade Office and evaluations of each training session.

Factors Beyond Agency's Control That Affect Performance: None.

Objective 4. Contribution to export-related results by MTO education service will increase to 85 % by 2000.

Measure: Education service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Part 3: Substantiating the Performance Measures (Cont.)

Definition: Company export-related knowledge, skills and abilities are increased through formal basic export training workshops and seminars. These training opportunities are offered throughout non-metro and metro areas of the state.

Rationale: State law authorizes the Trade Office to train Minnesota businesses in the "tools and techniques" of exporting.

These measures assess the input and export-related outcomes attributable to the education service of the Trade Office.

Data Source: Annual surveys of randomly selected Minnesota businesses serviced by the Trade Office.

Factors Beyond Agency's Control That Affect Performance: Ability/capacity of some businesses to apply the training received.

Objective 5. Contribution to export-related results by MTO loan guarantee service will increase to 75 % by 2000.

Measure: Loan guarantee service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Definition: The loan guarantee service provides Minnesota exporters with financial assistance through loan guarantees and risk insurance.

Rationale: State law created the Minnesota Export Finance Authority to provide Minnesota exporters with pre-export loan guarantees.

These measures assess the input and export-related results of the loan guarantee service.

Data Source: Annual surveys of randomly selected Minnesota businesses serviced by the Trade Office and MEFA records.

Factors Beyond Agency's Control That Affect Performance: Banking climate, Federal Reserve Bank regulations, interest rates.

Objective 6. Contribution to export-related results by MTO finance counseling service will increase to 78 % by 2000.

Measure: Finance counseling service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Definition: Financial counseling provides Minnesota businesses with information on how to structure payment terms, foreign exchange, accessing federal financing programs, reducing transaction risk, etc.

Rationale: Authorized by State law. The measures assess the input and export-related results attributable to the Trade Office's financial counseling service.

Data Source: Annual surveys of randomly selected Minnesota businesses serviced by the Trade Office.

Factors Beyond Agency's Control That Affect Performance: None.

Objective 7. Contribution to export-related results by MTO agent/distributor service will increase to 85 % by 2000.

Measure: Agent/Distributor service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Part 3: Substantiating the Performance Measures (Cont.)

Definition: The agent/distributor service provides Minnesota businesses with lists of potential agents/distributors for their products in specific international markets.

Rationale: State law authorizes the Trade Office to provide Minnesota businesses with assistance in locating potential agents/distributors.

These measures assess input and export-related results attributed to the agent/distributor service.

Data Source: Annual survey of randomly selected Minnesota businesses serviced by the Trade Office.

Factors Beyond Agency's Control That Affect Performance: Quality of the agent/distributor lists in the National Trade Bank.

Objective 8. Contribution to export-related results by MTO introduction to foreign buyer service will increase to 75 % by 2000.

Measure: Introduction to foreign buyer service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Definition: Introduction to foreign buyer service introduces Minnesota companies to foreign buyers traveling to Minnesota.

Rationale: State law authorizes the Trade Office to provide this service to Minnesota companies.

These measures assess input and export-related results attributed to the introduction to foreign buyer service.

Data Source: Annual surveys of randomly selected Minnesota businesses served by the Trade Office.

Factors Beyond Agency's Control That Affect Performance: None.

Objective 9. Contribution to export-related results by MTO export counseling services will increase to 80 % by 2000.

Measure: On-call counseling service (to field general incoming trade-related calls) and specific inquiry service (inquiries and meetings requiring trade specialist assistance) workloads (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Definition: The on-call counseling service and specific inquiry service provide Minnesota businesses with one-on-one resources in developing marketing plans, pricing strategies and export logistic assistance.

Rationale: State law authorizes the Trade Office to provide export counseling services to Minnesota businesses.

These measures assess input and export-related results attributed to the export counseling service.

Data Source: Annual surveys of randomly selected Minnesota businesses served by the Trade Office. However, data on the on-call service is too expensive to collect.

Factors Beyond Agency's Control That Affect Performance: Data on effectiveness and efficiency of on-call counseling service is too expensive to collect.

Objective 10. Contribution to export-related results by MTO trade mission service will increase to 70 % by 2000.

Part 3: Substantiating the Performance Measures (Cont.)

Measure: Trade mission service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Definition: The trade mission service assists Minnesota businesses in matchmaking with international buyers.

Rationale: State law authorizes the Trade Office to conduct trade mission services for Minnesota businesses.

These measures assess the input and export-related results achieved by Minnesota businesses which are attributable to the trade mission service.

Data Source: Annual survey of randomly selected Minnesota businesses serviced by the Trade Office.

Factors Beyond Agency's Control That Affect Performance: None.

Objective 11. Contribution to export-related results by MTO trade & catalog show service will increase to 65 % by 2000.

Measure: Trade & catalog show service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Definition: The trade & catalog show service represents Minnesota companies at international market shows.

Rationale: State law authorizes the Trade Office to conduct trade & catalog shows for Minnesota businesses.

These measures assess the input and export-related results attributable to the trade & catalog show service.

Data Source: Annual survey of randomly selected Minnesota businesses serviced by the Trade Office.

Factors Beyond Agency's Control That Affect Performance: None.

Objective 12. Contribution to export-related results by MTO export outreach service will increase to 54 % by 2000.

Measure: Export outreach service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Definition: The export outreach service to the six initiative fund regions is required to serve all Minnesota business customers. This geographic trade coverage of the state will permit future measurement of export results and % change in jobs/unemployment.

Rationale: State law authorizes the Trade Office to serve Minnesota businesses throughout the state of Minnesota.

These measures, upon implementation, will assess the input and export-related results attributed to this service.

Data Source: Annual survey of randomly selected Minnesota businesses serviced by the Trade Office.

Factors Beyond Agency's Control That Affect Performance: None.

Objective 13. Contribution to export-related results by the Minnesota international information network (MIIN) service will increase to 50 % by 2000.

Measure: Minnesota international information network service workload (input), effectiveness (contribution to export result) and efficiency ("good to excellent" customer satisfaction) ratings.

Part 3: Substantiating the Performance Measures (Cont.)

Definition: The Minnesota international information network service assists Minnesota companies in establishing contact with international buyers in foreign locations.

Rationale: State law authorizes the Trade Office to establish foreign offices.

These measures will assess the input and export-related results of the Minnesota international information network service.

Data Source: Annual surveys of randomly selected Minnesota businesses serviced by the Trade Office.

Factors Beyond Agency's Control That Affect Performance: Availability of qualified candidates to work on an expense-only basis. Restraints in the state employment system in securing state employees to live and work abroad.

B. Foreign Direct Investment Results

Objective 1. Foreign affiliate employment in Minnesota will increase by 2-3% annually through 2000.

Measure: Employees in foreign affiliates locating in Minnesota.

Definition: The total level of foreign direct investment and employees in Minnesota for a given year is reported by the U.S. Department of Commerce. Data collection lags approximately 4-5 years behind actual investment.

The Trade Office promotes and facilitates attraction of foreign direct investment and employment to Minnesota through publications, gold files and coordination with Business and Community Development division. The Trade Office is in the process of developing additional measurable criteria.

Rationale: State law designates the Trade Office as the organization responsible for attracting and developing foreign direct investment. In fulfilling this goal, the Trade Office promotes Minnesota as an investment destination to key markets: Canada, Japan, UK, Netherlands, Germany, France, Korea and Taiwan.

The outcome measures need to be developed and refined to establish a correlation between investment activity and Trade Office services. Research is underway to identify the most appropriate methods to attract foreign direct investment and employment. The MTO is working with the Metropolitan Council and the Business and Community Development Division to address this issue.

Data Sources: The targets of investment decisions -- foreign businesses and investors -- are too numerous for cost effective data collection. One goal will be to further assess and develop suitable data collection methods.

Factors Beyond Agency's Control That Affect Performance: Unknown.

Objective 2. Minnesota-foreign corporation research and development joint ventures will increase by 100% annually through 2000.

Measure: Number of joint venture proposals facilitated by the Trade Office's International Business Partnership program.

Definition: The Minnesota Trade Office promotes, facilitates and develops international research and development joint ventures between Minnesota companies and foreign corporations.

Rationale: State law created the International Business Partnership program.

Part 3: Substantiating the Performance Measures (Cont.)

This measure assesses the number of proposals presented for funding review by organizations. In FY 1993, the Minnesota Technology, Inc. reviewed nine (9) joint venture applications.

Data Sources: Annual tallies of the number and names of facilitated joint venture proposals.

Factors Beyond Agency's Control That Affect Performance: Lack of designated loan/grant funding to match foreign government funding.

ANNUAL PERFORMANCE REPORT

Part 2: Program Information

Agency: Trade and Economic Development, Department of
Program: Office of Tourism

Program Purpose: To develop and market Minnesota travel products and services, to maintain and increase state revenues from tourism and to serve the needs of customers and stakeholders.

Performance Objectives and Measures:

1. Annual growth rate of 2 percent above the national average for individual households.

Measure: Quarterly reports of households traveling and households traveling to and in Minnesota. U.S. Households Traveling to Minnesota (In Millions).

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual	3.4		4.0			4.7	
Prior Objectives							

2. Increase market share of domestic group tours by 5.5 percent.

Measure: Quarterly reports of group travelers to Minnesota and National Tour Association report of scheduled tours to Minnesota. Group Tours to Minnesota - Percentage of Households.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual		2.3	5.3			5.5	
Prior Objectives							

3. 1.2 million international visitors, Canadian and overseas, by 1995.

Measure: United States Travel and Tourism Administration in-flight surveys, U.S. Immigration arrival data and Minneapolis/Saint Paul Airport, Statistics Canada reports. International Travelers, Canadian and Overseas.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual		.8				1.2	
Prior Objectives							

4. Generate \$4.4 million value in partnerships.

Measure: Documentation of cash and in-kind partnership dollars (In Millions).

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual	2.6	2.3	2.5	4.1	4.4	4.6	
Prior Objectives							

5. Ninety percent of organizational partnerships will generate non-resident travel or retain Minnesotans and will generate sales tax revenue for the state.

Measure: Performance measures will be determined on an individual partnership basis.

Part 2: Program Information (Cont.)

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual						90	
Prior Objectives							

6. On a scale of highly unsatisfied-somewhat satisfied-neutral-satisfied-highly satisfied, 100% of customers score our information and our performance as satisfied or highly satisfied.

Measure: Percent of surveyed visitors who are satisfied or highly satisfied.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual						100	
Prior Objectives							

7. Achieve competitive advantage in the marketplace based on innovative products and services.

Measure: Our ranking of our performance in comparisons with other states.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual						1	
Prior Objectives							

8. Ninety percent of our stakeholders see us as responsive.

Measure: Establish and implement a survey methodology to determine the percentage of our stakeholder representatives (Chambers of Commerce, CVBs, etc.) who see us as responsive.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual						90	
Prior Objectives							

9. Ninety percent of our stakeholders are aware of office programs.

Measure: Establish and implement a survey methodology to determine the percentage of our stakeholder representatives who are aware of MOT programs.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual						90	
Prior Objectives							

10. Ninety percent of our stakeholders are informed of policy concerns.

Measure: Same survey method used in determining performance in communications.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual						90	
Prior Objectives							

ANNUAL PERFORMANCE REPORT

Part 3: Substantiating the Performance Measures

Agency: Trade and Economic Development, Department of
Program: Office of Tourism

Objective 1. Annual growth rate of 2 percent above the national average for individual households.

Measure: Quarterly reports of households traveling and households traveling to and in Minnesota.

Definition: A pleasure trip is currently defined as a trip where a person travels a round trip distance of 100 miles or more and spends one or more nights away from home primarily for pleasure. (A change in the definition of pleasure travel should not affect the accuracy of the measure as long as the definition and methodology used for both the national and Minnesota pleasure trips are identical.) The Office of Tourism is currently using a national pleasure travel survey which uses a representative household panel of 50,000 households every quarter to measure the number of trips, trip characteristics and destinations.

Rationale: The Office of Tourism is responsible for positively impacting travel and tourism in Minnesota and the tax receipts collected by the state resulting from travel and tourism in Minnesota. Pleasure travel is one of the most important types of travel that the Minnesota Office of Tourism can impact. Although there are many external impacts on pleasure travel that the Office of Tourism cannot control, use of an annual growth rate which places pleasure travel in a position relative to pleasure travel in the national marketplace may mitigate many of these non-controllable factors.

Data Source: National Family Opinion's national pleasure travel survey.

Factors Beyond Agency's Control That Affect Performance: There are many factors beyond control that could affect the Office of Tourism's performance such as prolonged economic recession, especially in the midwest area; weather or natural disasters such as flooding or drought; major changes in Minnesota's or the competitor's attraction supply; changes in Minnesota's travel advertising budget relative to the advertising budgets of other destinations; or a catastrophic event within Minnesota or our primary markets.

Objective 2. Increase market share of domestic group tours by 5.5 percent.

Measure: Quarterly reports of group travelers to Minnesota and National Tour Association report of scheduled tours to Minnesota.

Definition: A group tour is a prepaid tour, allowing special transportation fares to a group, and requiring that all the members travel in the same vehicle round trip and that they all must travel together during the entire trip. This data is gathered in the national travel survey.

Rationale: Group tour travelers tend to stay in paid accommodations and spend more money on the average than other pleasure travelers. The Office of Tourism plans to implement a number of strategies which will increase the proportion of travelers coming to Minnesota in group tours in order to increase the overall value of travel on the Minnesota economy.

Data Source: National Family Opinion's national pleasure travel survey.

Factors Beyond Agency's Control That Affect Performance: Like other travel, group travel can be influenced by the economy, weather, natural disasters or catastrophic events. Because this measure is a proportional one, it may be less sensitive to individual factors.

Objective 3. 1.2 million international visitors, Canadian and overseas, by 1995.

Measure: United States Travel and Tourism Administration in-flight surveys, U.S. Immigration arrival data at

Part 3: Substantiating the Performance Measures (Cont.)

Minneapolis/Saint Paul Airport, Statistics Canada reports.

Definition: In addition to domestic travelers, Minnesota will host 1.2 million non-U.S. resident travelers. The measures provided are the only regular sources for this data available.

Rationale: In its efforts to increase travel related tax revenues in the state, the Office of Tourism intends to focus on the particularly high value visitor. International travelers tend to take longer trips and spend more money than the average domestic traveler. Although on first visits, international travelers tend to travel to the coastal states that have world class attractions such as New York, California and Florida, Minnesota plans to build on the recognition of its major natural features and its thriving shopping and cultural opportunities in special cooperative marketing efforts to Japanese, German, British and Canadian consumers. This measurement of international and Canadian visitors to Minnesota estimates the number of these higher valued travelers to the state.

Data Source: United States Travel and Tourism Administration in-flight surveys, U.S. Immigration arrival data at the Minneapolis/Saint Paul International Airport and Statistic Canada reports.

Factors Beyond Agency's Control That Affect Performance: There are many factors beyond the office's control that affect international travel including world and regional economic and political health and stability, airline service and pricing, terrorism, international relations and catastrophic events.

Objective 4. Generate \$4.4 million value in partnerships.

Measure: Documentation of cash and in-kind partnership dollars.

Definition: Marketing partnership programs with corporate and travel-related affinity business stakeholders and participation of tourism businesses to provide resources for marketing efforts. Measurement is based on project by project basis, focusing on cash generated or in-kind services provided to reduce state expenditures.

Rationale: The Tourism Office is required by statute to generate \$2 million annually of which up to 50 percent can be in-kind. This measure directly addresses this requirement.

Data Source: State deposits, contract match requirements or project by project calculations of in-kind value.

Factors Beyond Agency's Control That Affect Performance: Solicitation of partners on a project by project basis is always dependent upon the agreement of a non-state supplier.

Objective 5. Ninety percent of organizational partnerships will generate non-resident travel or retain Minnesotans and will generate sales tax revenue for the state.

Measure: Performance measures will be determined on an individual partnership basis.

Definition: This objective includes the Organizational Partnership Program; ongoing partnerships with stakeholders outside of the formal framework (i.e. Explorer listings, Minnesota Broadcasters Association); region-wide partnership programs with regional tourism organizations; and legislatively mandated partnerships.

Rationale: The ability to generate travel to Minnesota is a combined effort of the office of Tourism and the travel industry throughout the state. Partnerships can enhance the outcome with increased exposure while reducing duplication and expenditures.

Data Source: Dependent upon each individual partnership.

Factors Beyond Agency's Control That Affect Performance: All partnerships are dependent upon reaching a agreement with an organization outside of MOT.

Part 3: Substantiating the Performance Measures (Cont.)

Objective 6. On a scale of highly unsatisfied-somewhat satisfied-neutral-satisfied-highly satisfied, 100 percent of customers score our information and our performance as satisfied or highly satisfied.

Measure: Percent of surveyed visitors who are satisfied or highly satisfied.

Definition: The specifics components of the information services and performance survey have not yet been determined. This is a new objective for Fiscal Year 1994.

Rationale: The Office of Tourism's primary product is information and its delivery. The interface between customer and the Office is a measurable experience. If the Office can produce a positive experience by matching a customer to an appropriate destination or activity which meets or exceeds his needs and expectations, the customer will likely have a satisfying Minnesota travel experience, become a repeat visitor and become a positive source of information about Minnesota by telling others about the experience.

Data Source: Survey of a random sample of customers.

Factors Beyond Agency's Control That Affect Performance: To be determined but possibly delivery delays from U.S. postage service, dissatisfying travel experience because of traffic congestion, or disappointing destination experience due to weather, bugs, etc.

Objective 7. Achieve competitive advantage in the marketplace based on innovative products and services.

Measure: Our ranking of our performance in comparisons with other states.

Definition: The specific components of the innovative products and services survey are to be determined. This is a new objective established for Fiscal Year 1994.

Rationale: The Office of Tourism must create innovative ways to meet the information needs of a changing, and more demanding clientele if it is to maintain a competitive position in the marketplace. Measurement of consumer's acceptance of new products and services as well as measurement of the ability of these products and services to meet consumer needs will be conducted on a regular basis.

Data Source: Survey of customers to be established.

Factors Beyond Agency's Control That Affect Performance: To be determined.

Objective 8. Ninety percent of our stakeholders see us as responsive.

Measure: Establish and implement a survey methodology to determine the percentage of our stakeholder representatives (Chambers of Commerce, CVBs, etc.) who see us as responsive.

Definition: Stakeholders include travel businesses that derive a significant portion of their income from travel and generate sales tax revenue; elected government officials; state boards; agencies; departments, commissioners, educational institutions and not for profit travel organizations formed primarily to promote travel for their area or fee businesses they represent. Because they represent multiple groups of stakeholders they are viewed as the primary stakeholders group.

Rationale: Stakeholders ultimately generate the spending that provides tax revenue to the state. There are many organizations in the state that are responsible for providing services which can impact a potential traveler's experience. The ability of the Office of Tourism to be responsive to the requests of these stakeholders, to build awareness in them of the Office's programs and to have them informed about major issues affecting travel and tourism in the state will create a more knowledgeable industry that can better meet the needs of the traveler, create a better tourism product for the state and then generate greater sales.

Data Source: A survey of stakeholders to gain a baseline measure of these factors will be established.

Part 3: Substantiating the Performance Measures (Cont.)

Factors Beyond Agency's Control That Affect Performance: To be determined.

Objective 9. Ninety percent of our stakeholders are aware of office programs.

Measure: Establish and implement a survey methodology to determine the percentage of our stakeholder representatives who are aware of MOT programs.

Definition: See Objective 8

Rationale: "

Data Source: "

Factors Beyond Agency's Control That Affect Performance: "

Objective 10. Ninety percent of our stakeholders are informed of policy concerns.

Measure: Same survey method used in determining performance in communications.

Definition: See Objective 8

Rationale: "

Data Source: "

Factors Beyond Agency's Control That Affect Performance: "

ANNUAL PERFORMANCE REPORT

Part 2: Program Information

Agency: MN Department of Trade and Economic Development
Program: Business and Community Development Division

Program Purpose: The mission of the Business and Community Development Division program is to: employ all available resources to facilitate an economic environment, in partnership with communities, that creates wealth and produces net, new quality jobs. The Division provides programs for business financing, technical assistance, and business information and location assistance. In addition, the Division provides financing, technical assistance and capacity building programs to Minnesota communities.

In order to fulfill its mission, the Business and Community Development Division has six primary goals:

- 1) To facilitate start-up and growth of small businesses in Minnesota by providing information and technical assistance; and by coordinating the response to business job opportunities among the state's private sector job providers.
- 2) To help make communities viable and accommodate job growth by investing in decent housing, public infrastructure, and functional business districts
- 3) To stimulate job growth and private investment by providing financing stimulus to new and expanding business.
- 4) To build stronger communities and regions by enhancing their capacity to plan and undertake appropriate economic development activities.
- 5) To enhance businesses' ability to grow and expand in Minnesota by developing a trained work force.
- 6) To create information systems and provide economic analysis that enhances the productivity of DTED's operating units and other participating government units.

The Minnesota economy continues to respond to the pressures of the national recession. Throughout 1992 and 1993, unemployment rates hovered near 6 percent with roughly 140,000 workers without jobs and many more underemployed. Although the total number of jobs in the state is growing, manufacturing employment -- a critical source of basic income and high-wage jobs -- has remained steady at slightly less than 400,000 workers. During this time 20 Minnesota manufacturers, with more than 3,000 jobs, left the state, primarily due to state imposed burdens.

Cities are continuing to adjust to long-term demographic and economic shifts. Small towns are coping with population loss and declining economic bases as larger towns and cities struggle to accommodate economic and population growth. According to the 1990 Census of the population 477 of Minnesota's 673 towns with a population of 2,500 or less declined during the 1980s. In sharp contrast, cities and regional trade centers showed strong growth in population. The latest population forecasts project that this trend will continue in the 1990s.

Part 2: Program Information (Cont.)

Performance Objectives and Measures:

GOAL 1. Performance measures:

1. Increase sales to Minnesota business, especially in targeted industries, by at least \$XX million per year.

Measure: Sales increases to business clients of DTED industry specialists

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual	NA	NA	NA	NA			
Prior Objectives	NA	NA	NA	NA			

2. At least 50 percent of Small Business Assistance Office customers, or 3,000 annually, receiving training, publications, or direct counseling will start a business, hire employees or solve a business problem using that information or assistance.

Measure: Proportion and number of customers that take action based on the information and assistance provided by DTED.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual No. of Customers							
Prior Objectives							

Actual Proportion
Prior Objectives

3. At least X percent of the clients of the Office of Regional Initiative (ORI), or XXX businesses per year, will resolve specific problems or received needed assistance due to the services of the program.

Measure: Proportion and number of ORI customers reporting that problems were solved or needs addressed.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual No. of customers	NA	NA	NA	NA			
Prior Objectives	NA	NA	NA	NA			

Actual Proportion
Prior Objectives

Part 2: Program Information (Cont.)

GOAL 2. Performance measures:

4. Upgrade 650 substandard housing units to standard conditions annually.

Measure: Number of housing units rehabilitated annually

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
Prior Objectives	NA	NA	NA	650	650		

5. Upgrade 120 substandard/blighted commercial buildings annually.

Measure: Number of blighted buildings that have been rehabilitated annually.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
No. of Bldgs. Rehabed							
Prior Objectives	NA	NA	NA	120	120		

6. Increase the availability of safe, reliable drinking water to meet both current needs accommodate future economic growth in at least 5 towns and cities, serving 5,000 people annually.

Measure: Number of cities and population with water project completed annually

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
No. Of Cities							
Prior Objectives	NA	NA	NA	NA	5		
Population of Cities							
Prior Objectives	NA	NA	NA	NA	5,000		

7. Maintain and improve water quality in Minnesota by replacing, repairing or expanding a minimum of 25 waste water systems, serving 25,000 people each year.

Measure: Number of completed and successfully operating water treatment systems and population served by these systems

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
No. of Systems							
Prior Objectives	NA	NA	NA	NA	25		
Population Served							
Prior Objectives	NA	NA	NA	NA	25,000		

Part 2: Program Information (Cont.)

GOAL 3. Performance Measures

8. One permanent job will be created for every \$Y,000 loaned.

Measure: Average number of dollars loaned per job created by business financing program.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Challenge Grant							
Actual							
Prior Objectives	NA	NA	NA				

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Economic Recovery Fund							
Actual							
Prior Objectives	NA	NA	NA				

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Small Business Development Loan Program							
Actual							
Prior Objectives	NA	NA	NA				

9. Jobs created will pay an average of at least X percent above the minimum wage.

Measure: Average wage of jobs created through funded projects.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Challenge Grant Program							
Actual							
Prior Objectives	NA	NA	NA				

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Economic Recovery Fund							
Actual							
Prior Objectives	NA	NA	NA				

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Small Business Development Loan Program							
Actual							
Prior Objectives	NA	NA	NA				

Part 2: Program Information (Cont.)

10. X percent of jobs created will offer health, life insurance or retirement benefits.

Measure: Percent of jobs created by funded projects that offer benefits.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Challenge Grant Program							
Actual							
Prior Objectives	NA	NA	NA				

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Economic Recovery Fund							
Actual							
Prior Objectives	NA	NA	NA				

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Small Business Development Loan Program							
Actual							
Prior Objectives	NA	NA	NA				

11. Every dollar of state investment will leverage at least \$X of private capital investment.

Measure: The number of private sector dollars leveraged by the public funds, including private debt, personal equity or venture capital in the project.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Tourism Program							
Actual							
Prior Objectives	NA	NA	NA				

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Economic Recovery Fund							
Actual							
Prior Objectives	NA	NA	NA				

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Small Business Development Loan Program							
Actual							
Prior Objectives	NA	NA	NA				

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Capital Access Program							
Actual							
Prior Objectives	NA	NA	NA				

Part 2: Program Information (Cont.)

GOAL 4. Performance Measures

12. At least X communities will participated each year in the Business Retention and Expansion (BRE) program to assess the businesses needs and concerns.

Measure: Number of completed BRE surveys.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
Prior Objectives	NA	NA	NA				

13. Y communities complete or update a community strategic economic development plan.

Measure: Number of completed or update strategic plans submitted to Star Cities program.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
Prior Objectives	NA	NA	NA				

14. Z percent of assisted communities aid an existing business to expand annually.

Measure: Percent of assisted communities that report assisting an expansion in the past year.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
Prior Objectives	NA	NA	NA				

15. Z percent of assisted communities work with a new business to locate in the city annually.

Measure: Percent of assisted communities that report siting a new business in the past year.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
Prior Objectives	NA	NA	NA				

GOAL 5. Performance Measures

16. The Job Skills Partnership (JSP) will enable at least 10 businesses per year to train their work forces.

Measure: Number of projects each year for which training has been completed.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
Prior Objectives							

Part 2: Program Information (Cont.)

17. The JSP will enable at least 1,500 persons per year to complete training in order to retain or gain employment.

Measure: Number of people that have completed training each year as part of a JSP project.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
Prior Objectives							

18. JSP funded projects will result in development of at least 10 new business-specific training courses year.

Measure: Curricula developed by training institutions and submitted for JSP funded projects.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
Prior Objectives							

GOAL 6. Performance Measures

18. A minimum of 90 percent of Information and Analysis Office (IAEO) customers report that computer and analytic services increase their efficiency or productivity.

Measure: Proportion of DTED staff that received services of IAEO that report increase in productivity or efficiency.

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual							
Prior Objectives	NA	NA	NA				

ANNUAL PERFORMANCE REPORT

Part 3: Substantiating the Performance Measures

Agency: Trade and Economic Development, Department of
Program: Business and Community Development

Performance Objectives and Measures:

GOAL 1. Performance measures:

Objective 1. Increase sales to Minnesota business, especially in targeted industries, by at least \$XX million per year.

Measure: Sales increases to business clients of BCD industry specialists

Definition: The total dollar increase in sales to clients of BCD's industry specialists that those business attribute, at least in part, to the services of the industry specialists. Clients are defined as business customers of the program that receive more than a threshold level of services. Outcomes reported for the calendar year will be for cases closed during that year and determined through customer survey. The increased sales reported by survey respondents will be extrapolated to the entire population of customers using standard statistical methods.

Rationale: One key role of the industry specialist group is to work with the existing industry in the state to promote their growth and expansion in Minnesota. One of the ways the industry specialist achieve this goal is by providing information about possible new sales opportunities for those firms. These sales leads may come from business seeking a Minnesota supplier of specific product, through Trade Show leads, or other networking activities.

The outcome measure directly measures progress toward Objective 1. It indirectly measures progress toward Goal 1 for the Division, because through increased sales businesses will expand and grow.

Data Source: The Business Development Office will conduct an annual survey of clients asking them to report sales increases attributable to their services, among other outcomes. The survey will be designed, administered and results analyzed by the Information, Analysis and Evaluation Office.

Factors Beyond Agency's Control: The general condition of the economy, especially national business cycles, will generally effect the opportunity for increased sales.

Objective 2. At least 50 percent of Small Business Assistance Office customers, or 3,000 annually, receiving training, publications, or direct counseling will start a business, hire employees or solve a business problem using that information or assistance.

Measure: Proportion and number of customers that take action based on the information and assistance provided.

Part 3: Substantiating the Performance Measures (Cont.)

Definition: Customers of the SBAO Office include all recipients of publications, seminar/workshop attendees and clients receiving direct counseling from the Small Business Development Centers (SBDC) during the calendar year. The proportion will be calculated by dividing the total number of customers reporting a successful outcome, by the total customers responding to survey.

Outcomes will be determined from survey responses. Publication and workshop recipients receive evaluation surveys at the time they receive the service. The SBDCs conduct an annual survey of all customers receiving direct counseling. This measure reports the aggregate results of these three customer groups.

Rationale: The chief goal of the SBAO is to improve business decision-making by providing information and technical assistance. This measure assesses the impact of their services on three important types of decision making: starting a business, expanding a business, or solving a problem. It directly measures progress toward the Objective and Goal 1 for the Division by determining if businesses start-up or added employees due to their services.

Data Source: Outcomes from publications and workshops/seminars will be determined through follow-up surveys. The outcomes from direct counseling of SBDC clients will be determined through an annual survey of SBDC customers. The SBDC survey will be administered and analyzed by the Department of Trade and Economic Development.

Factors Beyond Agency's Control: None

Objective 3. At least X percent of the clients of the Office of Regional Initiative (ORI), or XXX businesses per year, will resolve specific problems or receive needed assistance due to the services of the program.

Measure: Proportion and number of ORI customers reporting that problems were solved or needs addressed.

Definition: The measure will include ORI's business clients that attribute a problem solved part, to the services of the ORI staff. The proportion will be calculated by dividing clients reporting a successful outcome by total clients responding to the survey. Clients are defined as business customers of the program that receive more than a threshold level of services. Outcomes reported for the calendar year will be for cases closed during that year and determined through customer survey.

Rationale: The ORI program has lead responsibility in DTED to work with communities and regional development programs to identify economic development opportunities and problems in the state and coordinate the response to these opportunities and identified problems.

Because it is difficult to measure "opportunities identified," this measure provides customer reports of problems solved. It directly measures Objective 3 and indirectly measures Goal 1. While, it would be ideal to estimate the dollar value of those problems solved or the jobs created or retained because of those services, we believe it would pose undue burden on the business customer to quantify the value of those services. Lacking a more direct measure, successful resolution of business problems is an important indirect measure that those businesses will grow and prosper in Minnesota.

Data Source: The Office of Regional Initiatives will conduct an annual survey of clients asking them to report whether problems were solved, and if so was it attributable to their services. The survey will be designed, administered and results analyzed by the Information, Analysis and Evaluation Office.

Factors Beyond Agency's Control: Certain types of business problems may not be readily solvable. For example, problems with pollution regulations or taxes may be beyond the influence of ORI staff.

GOAL 2. Performance measures:

Objective 4. Upgrade at least 650 substandard housing units to standard conditions annually.

Part 3: Substantiating the Performance Measures (Cont.)

Measure: Number of housing units rehabilitated annually

Definition: The total annual number of housing units funded by the Small Cities Program for which rehabilitation has been completed.

Rationale: This measure directly reports the Small Cities Program's contribution to making decent, safe housing available to low and moderate income citizens. As a result, it directly measures both Goal 2 and Objective 4. Although it would be more informative for this measure to include its overall impact on reducing the total stock of substandard housing in the state, annual data on the stock of substandard housing is not available, except as collected during the decennial census of the population.

Data Source: Semi-annual progress reports to the Small Cities program from communities, reporting project completions.

Factors Beyond Agency's Control: Level of federal funding for program.

Objective 5. Upgrade 120 substandard/blighted commercial buildings annually.

Measure: Number of blighted buildings that have been rehabilitated annually.

Definition: The total annual number of blighted buildings for which Small Cities Program-funded rehabilitation has been completed.

Rationale: This measure directly reports the Small Cities Program's contribution to making decent, safe and functional business districts. As a result, it directly measures both Goal 2 and Objective 5. Although it would be more informative for this measure to include its overall impact on the

Part 3: Substantiating the Performance Measures (Cont.)

"viability" of cities after such projects, this would both be very difficult to measure and require much subjective judgement about community "viability." Lacking such a measure, the number of buildings rehabilitated provides a reasonable measure the improvement to the community.

Data Source: Semi-annual progress reports to the Small Cities program from communities, reporting project completions. Reports are verified by on-site monitoring a sample of projects

Factors Beyond Agency's Control: Level of federal funding for program.

Objective 6. Increase the availability of safe, reliable drinking water to meet both current needs accommodate future economic growth in at least 5 towns or cities, serving a population of 5,000 annually.

Measure: Number of cities and population with water projects completed annually

Definition: The total number of small cities and population completing water projects funded by the Small Cities Program each year.

Rationale: One of the ways that the Small Cities program helps make communities viable is by investing in safe drinking water systems. The measure directly measures Objective 6 and indirectly measures Goal 2. While evaluating the "viability" of cities after such projects may be a more direct measure of the goal, this would both be very difficult to measure and require much subjective judgement about community "viability." Lacking such a measure, the number of communities and community population that have their water systems improved provides a reasonable measure the improvement to the community.

Data Source: Semi-annual progress reports to the Small Cities program from communities, reporting project completions. Reports are verified by on-site monitoring a sample of projects

Factors Beyond Agency's Control: Level of federal funding for program.

Objective 7. Maintain and improve water quality in Minnesota by replacing, repairing or expanding a minimum of 25 waste water systems, serving a population of 25,000 each year.

Measure: Number of completed and successfully operating water treatment systems and population served by these systems

Definition: The total number of projects funded by the Public Finance Authority each year that are certified by the Mn Pollution Control Agency and the Environmental Protection Agency.

Rationale: The principal function of the Public Finance Authority is to help make communities viable to protect health and accommodate growth by investing in waste water systems. The measure directly measures Objective 7 and indirectly measures Goal 2. While evaluating the "viability" of cities before and after such projects may be a more direct measure of the goal, this would both be very difficult to measure and require much subjective judgement about community "viability." Lacking such a measure, the number of communities and community population that have their water systems improved provides a reasonable measure the improvement to the community.

Data Source: Letter from PCA/EPA documenting the one-year certification of systems as meeting clean water standards.

Factors Beyond Agency's Control: ???

GOAL 3. Performance Measures

Objective 8. One permanent job will be created for every \$Y,000 loaned.

Part 3: Substantiating the Performance Measures (Cont.)

Measure: Average number of dollars loaned per job created by business financing program.

Definition: This measure will report jobs actually created or retained by the project for projects completed during the calendar year. It will be calculated by dividing total jobs created by total public funding from the programs.

Rationale: Business financing for the purpose of job creation is provided by several programs of the Division including: the Challenge Grants Program, the Economic Recovery Fund, and the Small Business Development Loan Program. This measure reports jobs created by projects completed during the calendar year by program. As such, the measure provides a direct assessment of progress toward Objective 8 and Goal 3.

Data Source: This information is collected through semi-annual reports to the programs. Reports are verified through site visits to 100 percent of projects (except Challenge Grant Program) and audits of approximately 10 percent of projects.

Factors Beyond Agency's Control: The general condition of the economy and availability of private effects the activity of the business sector, in general, and the level of participation in the programs.

Objective 9. Jobs created will pay an average of at least x percent above the minimum wage.

Measure: Average wage of jobs created through funded projects.

Definition: This measure will report the total wages of jobs actually created or retained by the projects divided by total number of jobs created for projects completed during the calendar year.

Rationale: Business financing for the purpose of job creation is provided by several programs of the Division including: the Challenge Grants Program, the Economic Recovery Fund, and the Small Business Development Loan Program. This measure reports the average wages of jobs created by

projects completed during the calendar year by program as a indicator of the quality of jobs being created through the programs. As such the measure provides an indirect assessment of progress toward Objective 8 and Goal 3.

Data Source: This information will be collected through semi-annual reports to the programs. Reports are verified through site visits to 100 percent of projects (except Challenge Grant Program) and audits of approximately 10 percent of projects.

Factors Beyond Agency's Control: The general condition of the economy and availability of private effects the activity of the business sector, in general, and the level of participation in the programs.

Objective 10. X percent of jobs created will offer health, life insurance or retirement benefits.

Measure: Percent of jobs created by funded projects that offer benefits.

Definition: This measure will report the total number of businesses offering benefits divided by the total number of projects for projects funded through the listed programs that were completed during the calendar year.

Rationale: Business financing for the purpose of job creation is provided by several programs of the Division including: the Challenge Grants Program, the Economic Recovery Fund, and the Small Business Development Loan Program. This measure reports the benefits offered with the jobs created by projects completed during the calendar year by program as a indicator of the quality of jobs being created through the programs. As such the measure provides a indirect assessment of progress toward Objective 8 and Goal 3.

Data Source: This information will be collected through semi-annual reports to the programs. Reports are verified through site visits to 100 percent of projects (except Challenge Grant Program) and audits of approximately 10 percent of projects.

Part 3: Substantiating the Performance Measures (Cont.)

Factors Beyond Agency's Control: The general condition of the economy and availability of private effects the activity of the business sector, in general, and the level of participation in the programs.

Objective 11. Every dollar of state investment will leverage at least \$X of private capital investment.

Measure: The number of private dollars leveraged with the state loan, including private debt, personal equity or private venture capital in the project.

Definition: The measure calculates total private sector dollars in the projects divided by total program dollars in the projects, for projects funded during the calendar year.

Rationale: Business financing for the purpose of stimulating private sector capital investment is provided by several programs of the Division including: the Economic Recovery Fund, the Tourism Program and the Capital Access Program and the Small Business Development Loan Program. This measure reports the private capital leveraged by the public investment for projects completed during the calendar year by program as a indicator of the quality of jobs being created through the programs. As such the measure provides a direct assessment of progress toward Objective 8 and Goal 3.

Data Source: This information is collected through applications to the programs. Reports are verified through site visits to 100 percent of projects and audits of approximately 10 percent of projects.

Factors Beyond Agency's Control: The general condition of the economy and availability of private effects the activity of the business sector, in general, and the level of participation in the programs.

GOAL 4. Performance Measures

Objective 12. At least X communities will participate each year in the Business Retention and Expansion (BRE) program to assess the businesses needs and concerns.

Measure: Number of cities completing at least X BRE surveys.

Definition: The number cities completing a threshold level of BRE and submitting to the Office of Regional Initiatives during the calendar year.

Rationale: The Office of Regional Initiative provides community capacity building services, through such programs as the Star Cities Program and the Business Retention and Expansion Program to improve communities understanding of their local economy and their ability to conduct appropriate economic development activities. One important economic development activity for communities is to work with local businesses to know their concerns and needs, so that those businesses will grow and expand in the community. The BRE program provides instruction and technical assistance to communities on how to conduct annual surveys of community businesses. The returned surveys directly indicates the degree to which those communities are working with local businesses and, as such, is a direct measure of Objective 12 and Goal 4.

Data Source: The BRE surveys returned to ORI.

Factors Beyond Agency's Control: None

Objective 13. Y communities will complete or update a community strategic economic development plan each year.

Measure: Number of completed or update strategic plans submitted to Star Cities program.

Definition: The total number of strategic plans completed or updated by communities and submitted to the Office of Regional Initiatives during the calendar year.

Part 3: Substantiating the Performance Measures (Cont.)

Rationale: The Office of Regional Initiatives provides community capacity building services, through such programs as the Star Cities Program and the Business Retention and Expansion Program to improve communities understanding of their local economy and their ability to conduct appropriate economic development activities. One important economic development activity for communities is to analyze their local economy and develop a strategy for maintaining a viable community or stimulating economic growth. The BRE program provides instruction and technical assistance to communities on how to prepare a strategic economic development plan for the community. The completion of plans directly indicates the degree to which those communities achieving Objective 12 and Goal 4. While the quality of the plans may be a better measure, it would require too much subjective judgement to be considered valid.

Data Source: The strategic economic development plans submitted to ORI.

Factors Beyond Agency's Control: None

Objective 14. Z percent of assisted communities aid an existing business to expand annually.

Measure: Percent of assisted communities that report assisting an expansion in the past year.

Definition: The total number of communities reporting to the Office of Regional Initiatives during the calendar year that they have successfully aided a business expansion in the community divided by the total number of responding communities.

Rationale: The Office of Regional Initiatives provides community capacity building services, through such programs as the Star Cities Program and the Business Retention and Expansion Program to improve communities understanding of their local economy and their ability to conduct appropriate economic development activities. One important economic development activity for communities is working with a local business to aid in an expansion in the community. As a result, this is a direct measure of both Goal 4 and Objective 14.

Data Source: Results of an annual survey of communities assisted. The survey will be administered and analyzed by the Information and Analysis Office.

Factors Beyond Agency's Control: General economic conditions and broad demographic shifts will have a great impact on the general level of business expansion activity in the community.

Objective 15. Z percent of assisted communities work with a new business to locate in the city annually.

Measure: Percent of assisted communities that report siting a new business in the past year.

Definition: The total number of communities reporting to the Office of Regional Initiatives during the calendar year that they have successfully aided a business to locate in the community divided by the total number of responding communities.

Rationale: The Office of Regional Initiatives provides community capacity building services, through such programs as the Star Cities Program and the Business Retention and Expansion Program to improve communities understanding of their local economy and their ability to conduct appropriate economic development activities. One important economic development activity for communities is working with business to aid it in locating in the community. As a result, this is a direct measure of both Goal 4 and Objective 15.

Data Source: Results of an annual survey of communities assisted. The survey will be administered and analyzed by the Information and Analysis Office.

Factors Beyond Agency's Control: General economic conditions and broad demographic shifts will have a great impact on the general level of business location activity in the region and community.

Part 3: Substantiating the Performance Measures (Cont.)

GOAL 5. Performance Measures

Objective 16. The Job Skills Partnership (JSP) will enable at least 10 businesses per year to train their work forces.

Measure: Number of projects each year for which training has been completed.

Definition: This measure will report businesses that have completed training projects during the fiscal year.

Rationale: One of the missions of the JSP is to help make business competitive by providing a trained work force. Thus, the number of businesses that have their work force trained is an indirect measure of Goal 5 and direct measure of Objective 16. While, it would be a more direct measure of the Goal to determine improvement in competitiveness after the training project is complete this would be very subjective and, as a result, difficult to measure. The number of businesses that have completed projects is a reasonable proxy for this goal.

Data Source: This information is collected through information on the grant awards and quarterly progress reports submitted to the agency.

Factors Beyond Agency's Control: Level of funding for the program.

Objective 17. The JSP will enable at least 1,500 persons per year to complete training in order to retain or gain employment.

Measure: Number of people that have completed training each year as part of a JSP project.

Definition: This measure will report the number of people that have successfully completed training.

Rationale: One of the missions of the JSP is to provide business with a trained work force. Thus, the number of people that complete training is an indirect measure of Goal 5 and direct measure of Objective 17. While, it would be a more direct measure of the Goal to determine increase in output or skills of workers after the training is complete this would be both very subjective and difficult to measure. The number of people who have completed training is a reasonable proxy for this goal.

Data Source: This information is collected through information on the grant awards and quarterly progress reports submitted to the agency.

Factors Beyond Agency's Control: Level of funding for the program.

Objective 18. JSP funded projects will result in development of at least 10 new business-specific training courses year.

Measure: Curricula developed by training institutions and submitted for JSP funded projects.

Definition: This measure will report the number of curricula that have been developed and delivered for the JSP funded projects.

Rationale: One of the missions of the JSP is to develop new training courses that provide business with a trained work force. Thus, the number of curricula developed is an indirect measure of Goal 5 and direct measure of Objective 18. While, it would be a more direct measure of the Goal to determine the quality of those training courses would be both very subjective and difficult to measure. The number of curricula developed is a reasonable proxy for this goal.

Data Source: This information is collected through information in the grant applications and the curriculum report submitted by the training institution.

Part 3: Substantiating the Performance Measures (Cont.)

Factors Beyond Agency's Control: Level of funding for the program.

Objective 19. A minimum of 90 percent of Information and Analysis Office (IAEO) customers report that computer and analytic services increase their efficiency or productivity.

Measure: Proportion of DTED staff that received services of IAEO that report an increase in productivity or efficiency.

Definition: Total number of employees reporting assistance improved their productivity divided by total number of customers responding to survey. The customers are all DTED employees.

Rationale: One of the key ways the Office of Information, Analysis and Evaluation improves the productivity of Division staff is by providing analysis, computer services and information systems that speed work and increase the capabilities of staff. This measure reported the assessment of those customers about whether these services did actual improve their productivity. Thus it is a direct measure of Objective 19 and an indirect measure of Goal 6. While actual number of hours saved or increase output per worker hour might be a more direct measure of Goal 6, this number would extremely difficult to calculate, requiring much subjective judgement. As a result, this number is a reasonable proxy for the Goal.

Data Source: Annual survey of DTED employees regarding productivity improvement from IAEO services.

Factor Beyond Agency's Control: None

ANNUAL PERFORMANCE REPORT

Part 2: Program Information

Agency: Trade and Economic Development, Department of
Program: Administration

Program Purpose: The Administration unit exists to provide centralized administrative, management, communications and legislative support to department operating divisions. Administration develops and facilitates the implementation of organizational policies, information management, and provides management direction in the areas of fiscal services and personnel/employee relations services.

Performance Objectives and Measures:

1. Processing 98% of payments within 30 days to maintain a positive relationship with department vendors.

Measure: No. of payments within 30 days

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual	99.1%	99.3%	99.5%	99.5%	98.0%	98.0%	98.0%
Prior Objectives	98.0%	98.0%	98.0%	98.0%			

2. Overall management of the department's budget to insure that state funds are spent for the appropriate purposes.

Measure: No. of Leg. Auditor Audit Findings

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Objectives</u>		
					<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 2000</u>
Actual	0	0	0	0	0	0	0
Prior Objectives	0	0	0	0			

Measures are under development for other administrative activities.

ANNUAL PERFORMANCE REPORT

Part 3: Substantiating the Performance Measures

Agency: Trade and Economic Development, Department of
Program: Administration

Objective 1. Processing of 98% payments within 30 days to maintain a positive relationship with department vendors.

Measure: Number of payments within 30 days.

Definition: The statewide accounting system has a system in place to measure the number of payment transactions and the number of days it takes to make them. The numbers are provided by the Department of Finance. The number of payments made within 30 days is being measured.

Rationale: Minnesota state Statutes 16A.124 requires state agencies to make payments within 30 days. Failure to do so can result in the payment of interest to the vendor and the unallotment of agency funds. This program has the responsibility to insure that the department pays its bills within 30 days thereby avoiding interest costs and unallotments.

Data Source: Percentages are provided monthly by the Department of Finance.

Factors Beyond Agency's Control That Affect Performance: None.

Objective 2. Overall management of the department's budget to insure that state funds are spent for the appropriate purposes.

Measure: Number of legislative auditors findings.

Definition: Extent to which the department funds were spent properly and appropriately through annual audits conducted by the legislative audits.

Rationale: To provide an operating structure that insures proper and appropriate use of department funds.

Data Source: Annual legislative audit recommendation.

Factors Beyond Agency's Control That Affect Performance: None.

ANNUAL PERFORMANCE REPORT

Part 4: Improving Programs and the Reporting Process

Agency: Trade and Economic Development, Department of

Process Used: The Minnesota Department of Trade and Economic Development (DTED) has been involved in a number of processes to assess and improve its service delivery and operations generally. These efforts have included Strategic Planning, Action Plans, Information Resource Management, and assistance from the Urban Institute in developing Outcome Based Performance Measures in a number of program areas.

In addition, DTED is in the process of implementing a department-wide Quality Initiative which has included training and participatory activities for all staff. Through the establishment of steering teams comprised of managers and line staff working together, suggestions for a number of improvement projects have been solicited within the agency and will be considered for implementation this fall.

Ways to Improve Program Outcomes: DTED will continue to assess its program outcomes; recommendations will be included in its first annual performance report in September, 1994.