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Employment and Economic Development

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AT A GLANCE

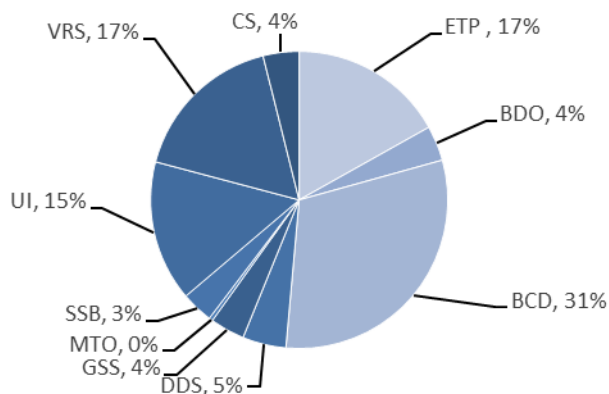
- The mission of the Department of Employment and Economic Development (DEED) is to empower the growth of the Minnesota economy, for everyone.
- DEED is the state's principal economic development and workforce development agency.
- We work to attract, retain, and expand businesses and create jobs for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

PURPOSE

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

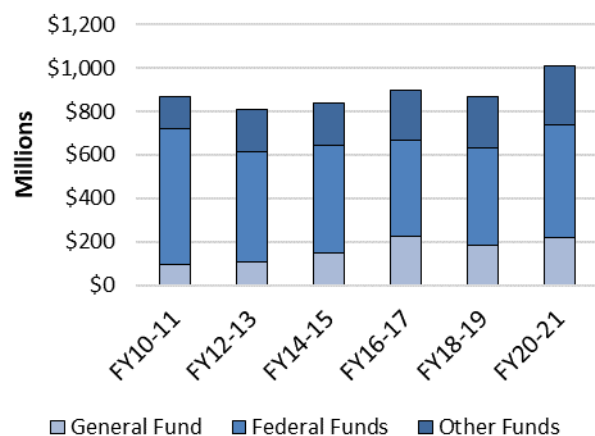
BUDGET

**Spending by Program
FY 2021 Actual**



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

Historical Spending



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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Enacted Budget	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	114,087	104,182	643,139	209,369	125,819	125,819	403,971	321,270
2000 - Restrict Misc Special Revenue	31,007	67,447	65,258	64,344	43,617	40,195	43,967	40,545
2001 - Other Misc Special Revenue	26,856	20,832	27	30,988	29,282	1,784	79,282	51,784
2002 - Climate and Economic Dev							8,000	
2340 - Renewable Development		1,643	8,353					
2350 - Petroleum Tank Release Cleanup	4,411	4,266	3,582	9,200	9,200	9,200	9,200	9,200
2390 - Workforce Development	55,574	58,393	56,623	79,567	53,237	53,237	60,277	60,277
2403 - Gift	293	254	281	448	468	431	468	431
2801 - Remediation	1,468	733		2,597	700	700	700	700
3000 - Federal	216,181	239,987	322,872	474,635	459,546	452,164	459,546	452,164
3010 - Coronavirus Relief	146	64,733	12,822					
3015 - ARP-State Fiscal Recovery		238	2,097,973	230,250	750		750	
4925 - Family and Medical Benefit Ins							50,938	71,357
4950 - Unemployment Insurance				55,078			165,234	165,234
8350 - Ag & Econ Development Board	16	6	11	41	42	43	42	43
Total	450,039	562,713	3,210,941	1,156,517	722,661	683,573	1,282,375	1,173,005
Biennial Change				3,354,706		(2,961,224)		(1,912,078)
Biennial % Change				331		(68)		(44)
Enacted Budget Change from Base								1,049,146
Enacted Budget % Change from Base								75

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Enacted Budget FY24 FY25	
1000 - General								
Balance Forward In	42,756	46,067	48,930	85,187				
Direct Appropriation	121,287	119,737	660,046	129,410	118,753	93,753	443,905	336,204
Open Appropriation	13,493	20,977	24,940	22,206	34,500	34,500	37,500	37,500
Transfers In	3,118	2,153	1,052	1,395	1,567	1,613	1,567	1,613
Transfers Out	28,512	25,032	3,463	28,829	29,001	4,047	79,001	54,047
Net Loan Activity	191	(1,000)	(449)					
Cancellations	282	16,213	2,729					
Balance Forward Out	37,965	42,506	85,188					
Expenditures	114,087	104,182	643,139	209,369	125,819	125,819	403,971	321,270
Biennial Change in Expenditures			634,239		(600,870)		(127,267)	
Biennial % Change in Expenditures			291		(70)		(15)	
Enacted Budget Change from Base							473,603	
Enacted Budget % Change from Base							188	

2000 - Restrict Misc Special Revenue

Balance Forward In	36,164	53,826	40,600	40,426	11,084	5,564	11,084	5,564
Receipts	41,747	31,660	65,628	34,296	37,359	38,598	37,709	38,948
Internal Billing Receipts	18,609	20,570	20,369	20,778	24,495	25,638	24,495	25,638
Transfers In	3,478	1,128	1,117	1,325	1,325	1,325	1,325	1,325
Transfers Out	2,500		2,000					
Net Loan Activity	(81)	(205)	338	(619)	(587)	(587)	(587)	(587)
Balance Forward Out	47,801	18,962	40,426	11,084	5,564	4,705	5,564	4,705
Expenditures	31,007	67,447	65,258	64,344	43,617	40,195	43,967	40,545
Biennial Change in Expenditures				31,149		(45,790)		(45,090)
Biennial % Change in Expenditures				32		(35)		(35)
Enacted Budget Change from Base								700
Enacted Budget % Change from Base								1

2001 - Other Misc Special Revenue

Balance Forward In	63,921	41,635	77,129	79,605	85,572	93,461	85,572	93,461
Receipts	4,074	19,226	8,913	9,118	9,161	9,158	9,161	9,158
Transfers In	58,291	30,781	9,584	26,000	26,000	1,000	76,000	51,000
Transfers Out	30,300		22,750					

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Enacted Budget FY24 FY25	
Net Loan Activity	(29,436)	405	6,758	1,837	2,010	985	2,010	985
Balance Forward Out	39,693	71,216	79,607	85,572	93,461	102,820	93,461	102,820
Expenditures	26,856	20,832	27	30,988	29,282	1,784	79,282	51,784
Biennial Change in Expenditures				(16,672)		51		100,051
Biennial % Change in Expenditures				(35)		0		323
Enacted Budget Change from Base								100,000
Enacted Budget % Change from Base								322

2002 - Climate and Economic Dev

Balance Forward In							392,000
Transfers In							400,000
Balance Forward Out							392,000 392,000
Expenditures							8,000
Biennial Change in Expenditures				0		0	8,000
Biennial % Change in Expenditures							
Enacted Budget Change from Base							8,000
Enacted Budget % Change from Base							

2340 - Renewable Development

Balance Forward In		357				
Direct Appropriation	2,000	8,000				
Cancellations		5				
Balance Forward Out	357					
Expenditures	1,643	8,353				
Biennial Change in Expenditures			6,710		(8,353)	(8,353)
Biennial % Change in Expenditures						
Enacted Budget Change from Base						0
Enacted Budget % Change from Base						

2350 - Petroleum Tank Release Cleanup

Balance Forward In	4,352	7,539	9,865	12,483	9,483	6,483	9,483	6,483
Direct Appropriation	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
Balance Forward Out	6,141	9,473	12,483	9,483	6,483	3,483	6,483	3,483
Expenditures	4,411	4,266	3,582	9,200	9,200	9,200	9,200	9,200
Biennial Change in Expenditures				4,106		5,618		5,618

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Enacted Budget FY24 FY25	
Biennial % Change in Expenditures				47		44		44
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								0

2390 - Workforce Development

Balance Forward In	1,141	2,796	2,677	668				
Direct Appropriation	34,837	33,037	39,759	39,489	23,237	23,237	30,277	30,277
Open Appropriation	22,140	25,489	15,698	39,410	30,000	30,000	30,000	30,000
Cancellations	665	1,678	844					
Balance Forward Out	1,878	1,252	668					
Expenditures	55,574	58,393	56,623	79,567	53,237	53,237	60,277	60,277
Biennial Change in Expenditures				22,223		(29,716)		(15,636)
Biennial % Change in Expenditures				20		(22)		(11)
Enacted Budget Change from Base								14,080
Enacted Budget % Change from Base								13

2403 - Gift

Balance Forward In	377	499	715	656	596	551	596	551
Receipts	412	427	223	388	423	423	423	423
Balance Forward Out	496	672	657	596	551	543	551	543
Expenditures	293	254	281	448	468	431	468	431
Biennial Change in Expenditures				182		170		170
Biennial % Change in Expenditures				33		23		23
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								0

2801 - Remediation

Balance Forward In	801	33	1,198	1,897				
Direct Appropriation	700	700	700	700	700	700	700	700
Balance Forward Out	33		1,898					
Expenditures	1,468	733		2,597	700	700	700	700
Biennial Change in Expenditures				396		(1,197)		(1,197)
Biennial % Change in Expenditures				18				

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Enacted Budget FY24 FY25	
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								0

3000 - Federal

Balance Forward In	2,469	5,371	3,611	2,891	363	2	363	2
Receipts	216,147	237,269	322,152	473,575	460,503	457,862	460,503	457,862
Net Loan Activity	(392)	(356)		(1,468)	(1,318)	(1,317)	(1,318)	(1,317)
Balance Forward Out	2,042	2,296	2,891	363	2	4,383	2	4,383
Expenditures	216,181	239,987	322,872	474,635	459,546	452,164	459,546	452,164
Biennial Change in Expenditures				341,338		114,203		114,203
Biennial % Change in Expenditures				75		14		14
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								0

3010 - Coronavirus Relief

Balance Forward In		60,000						
Direct Appropriation	60,149	10,000	12,822					
Cancellations	3	5,267						
Balance Forward Out	60,000							
Expenditures	146	64,733	12,822					
Biennial Change in Expenditures				(52,058)		(12,822)		(12,822)
Biennial % Change in Expenditures				(80)				
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								

3015 - ARP-State Fiscal Recovery

Balance Forward In				230,000				
Direct Appropriation		238	2,327,973	250	750	0	750	0
Balance Forward Out			230,000					
Expenditures		238	2,097,973	230,250	750		750	
Biennial Change in Expenditures				2,327,985		(2,327,473)		(2,327,473)
Biennial % Change in Expenditures						(100)		(100)
Enacted Budget Change from Base								0

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Enacted Budget FY24 FY25	
Enacted Budget % Change from Base								

4925 - Family and Medical Benefit Ins

Direct Appropriation							50,938	71,357
Expenditures							50,938	71,357
Biennial Change in Expenditures				0		0		122,295
Biennial % Change in Expenditures								
Enacted Budget Change from Base								122,295
Enacted Budget % Change from Base								

4950 - Unemployment Insurance

Receipts							165,234	165,234
Cancellations				55,078				
Expenditures				55,078			165,234	165,234
Biennial Change in Expenditures				55,078		(55,078)		275,390
Biennial % Change in Expenditures								
Enacted Budget Change from Base								330,468
Enacted Budget % Change from Base								

8200 - Clean Water Revolving

Balance Forward In	666	197	228	276	297		297	
Receipts	1	1	0	1	1		1	
Transfers Out	500							
Net Loan Activity	31	30	48	20	(298)		(298)	
Balance Forward Out	197	228	276	297				

8350 - Ag & Econ Development Board

Balance Forward In	680	715	875	870	834	797	834	797
Receipts	25	7	6	5	5	5	5	5
Net Loan Activity	26	158						
Balance Forward Out	715	873	870	834	797	759	797	759
Expenditures	16	6	11	41	42	43	42	43
Biennial Change in Expenditures				30		33		33
Biennial % Change in Expenditures				138		63		63
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								0

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	116,440	116,440	116,440	232,880
Base Adjustments				
All Other One-Time Appropriations		(875)	(875)	(1,750)
Current Law Base Change		3,188	(21,812)	(18,624)
Biennial Appropriations		0	0	0
Forecast Base	116,440	118,753	93,753	212,506
Change Items				
Drive for 5 Workforce Fund		10,000	10,000	20,000
Targeted Population Workforce Programs		25,000	25,000	50,000
Small Business Partnership Program		5,000	5,000	10,000
Office of New Americans		750	750	1,500
Employer Reasonable Accommodation Program		2,000	2,000	4,000
State Services for the Blind Service Expansion		2,000	2,000	4,000
Workforce Digital Transformation		10,000		10,000
Energy Transition Grant Program		5,000	5,000	10,000
Small Business Development Center Support		500	500	1,000
Expanding Opportunity Fund		10,000		10,000
Maintain Current Service Levels		4,000	4,000	8,000
Office of Child Care and Community Partnerships		500	500	1,000
Legalizing Adult-Use Cannabis		6,000	6,000	12,000
Expo 2027 Support		5,000		5,000
Promise Act Grants		47,475	47,475	94,950
Promise Act Loans		15,150	15,150	30,300
Local Community Childcare		5,000	5,000	10,000
Childcare MN Initiative Foundations		2,500	2,500	5,000
Prevailing Wage Staff		150	150	300
Employment Support for Persons with Mental Illness		2,500	2,500	5,000
Minnesota-Based Automotive Component Manufacturer		2,500	2,500	5,000
Minnesota Youth Programs		5,604	5,604	11,208
Greater Minnesota BDPI Grant Program		500	500	1,000
Canadian Border Counties/Boundary Waters Area Economic Relief Program		5,000		5,000
Redevelopment Program		2,000	2,000	4,000
Airport Infrastructure Renewal (AIR)		(500)	(500)	(1,000)
Community Wealth Building Grants		1,500	1,500	3,000
Neighborhood Development Center		5,000		5,000
Rural Policy & Development Center		250	250	500
Center for Economic Inclusion		3,000		3,000
Emerging Developer Fund Program		5,000		5,000
Staffing for Freight Network Tool Development	(30)	30		30

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
City of Minneapolis - Acquisition of Property at 28th Street and Longfellow		2,000		2,000
City of Minneapolis - Lake Street Corridor		8,000		8,000
Named Employment and Economic Development Grants		76,743	47,072	123,815
Windom Relief Grant	13,000			
Border-to-Border Broadband Grant Program		50,000	50,000	100,000
Total Enacted Budget	129,410	443,905	336,204	780,109
Fund: 2350 - Petroleum Tank Release Cleanup				
FY2023 Appropriations	6,200	6,200	6,200	12,400
Forecast Base	6,200	6,200	6,200	12,400
Total Enacted Budget	6,200	6,200	6,200	12,400
Fund: 2390 - Workforce Development				
FY2023 Appropriations	39,489	39,489	39,489	78,978
Base Adjustments				
All Other One-Time Appropriations		(16,262)	(16,262)	(32,524)
Biennial Appropriations		10	10	20
Forecast Base	39,489	23,237	23,237	46,474
Change Items				
Maintain Current Service Levels		40	40	80
Minnesota Youth Programs		3,350	3,350	6,700
Legislative Member-Supported Grants		3,650	3,650	7,300
Total Enacted Budget	39,489	30,277	30,277	60,554
Fund: 2801 - Remediation				
FY2023 Appropriations	700	700	700	1,400
Forecast Base	700	700	700	1,400
Total Enacted Budget	700	700	700	1,400
Fund: 3015 - ARP-State Fiscal Recovery				
FY2023 Appropriations	250	250	250	500
Base Adjustments				
All Other One-Time Appropriations		500	(250)	250
Forecast Base	250	750	0	750
Total Enacted Budget	250	750	0	750
Fund: 4925 - Family and Medical Benefit Ins				
Change Items				
Family and Medical Benefit Insurance Program		50,938	71,357	122,295
Total Enacted Budget		50,938	71,357	122,295

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Open				
Fund: 1000 - General				
FY2023 Appropriations	29,211	29,211	29,211	58,422
Base Adjustments				
Forecast Open Appropriation Adjustment	2,792	5,289	5,289	10,578
November Forecast Adjustment	(9,797)			
Forecast Base	22,206	34,500	34,500	69,000
Change Items				
Destination Medical Center Statutory Modifications		3,000	3,000	6,000
Total Enacted Budget	22,206	37,500	37,500	75,000
Fund: 2390 - Workforce Development				
FY2023 Appropriations	39,410	39,410	39,410	78,820
Base Adjustments				
Forecast Open Appropriation Adjustment	(9,410)	(9,410)	(9,410)	(18,820)
November Forecast Adjustment	9,410			
Forecast Base	39,410	30,000	30,000	60,000
Total Enacted Budget	39,410	30,000	30,000	60,000
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	64,344	43,617	40,195	83,812
Forecast Base	64,344	43,617	40,195	83,812
Change Items				
Angel Tax Credit		350	350	700
Total Enacted Budget	64,344	43,967	40,545	84,512
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	30,988	29,282	1,784	31,066
Forecast Base	30,988	29,282	1,784	31,066
Change Items				
Border-to-Border Broadband Grant Program		50,000	50,000	100,000
Total Enacted Budget	30,988	79,282	51,784	131,066
Fund: 2002 - Climate and Economic Dev				
Change Items				
Minnesota Forward Fund Account		8,000		8,000
Total Enacted Budget		8,000		8,000

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Fund: 2403 - Gift				
Planned Spending	448	468	431	899
Forecast Base	448	468	431	899
Total Enacted Budget	448	468	431	899
Fund: 3000 - Federal				
Planned Spending	474,635	459,546	452,164	911,710
Forecast Base	474,635	459,546	452,164	911,710
Total Enacted Budget	474,635	459,546	452,164	911,710
Fund: 4950 - Unemployment Insurance				
Change Items				
Unemployment Insurance Between Terms Removal for Certain Employees	55,078	165,234	165,234	330,468
Total Enacted Budget	55,078	165,234	165,234	330,468
Fund: 8350 - Ag & Econ Development Board				
Planned Spending	41	42	43	85
Forecast Base	41	42	43	85
Total Enacted Budget	41	42	43	85
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	34,296	37,359	38,598	75,957
Change Items				
Angel Tax Credit		350	350	700
Total Enacted Budget	34,296	37,709	38,948	76,657
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	9,118	9,161	9,158	18,319
Total Enacted Budget	9,118	9,161	9,158	18,319
Fund: 2403 - Gift				
Forecast Revenues	388	423	423	846
Total Enacted Budget	388	423	423	846
Fund: 3000 - Federal				
Forecast Revenues	473,575	460,503	457,862	918,365
Total Enacted Budget	473,575	460,503	457,862	918,365

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Fund: 4950 - Unemployment Insurance				
Change Items				
Unemployment Insurance Between Terms Removal for Certain Employees		165,234	165,234	330,468
Total Enacted Budget		165,234	165,234	330,468
Fund: 8200 - Clean Water Revolving				
Forecast Revenues	1	1		1
Total Enacted Budget	1	1		1
Fund: 8350 - Ag & Econ Development Board				
Forecast Revenues	5	5	5	10
Total Enacted Budget	5	5	5	10
Non-Dedicated				
Fund: 2390 - Workforce Development				
Forecast Revenues	67,956	72,917	76,114	149,031
Total Enacted Budget	67,956	72,917	76,114	149,031

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
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Minnesota Forward Fund Account

This funding will be used to re-shape how Minnesota does economic development, by making the state more competitive, nimble, and future-facing in the wake of several rapidly shifting global trends. The Minnesota Forward Fund would ensure that Minnesota can compete on a national and international playing field for business retention, expansion and attraction projects. These resources will position the state to compete for the kind of large investments that the federal government is making in domestic production and supply chains that are resilient for economic security and economic enhancement opportunities. These include maximizing leverage of CHIPS Act funds and the Inflation Reduction Act resources.

2002 - Climate and Economic Dev Fund Cost (Savings)	0	(392,000)	0	(392,000)	0	0	0
Transfers In	0	400,000	0	400,000	0	0	0
Expenditures	0	8,000	0	8,000	0	0	0

Drive for 5 Workforce Fund

This funding helps address the state's job vacancies and prepare a workforce for high growth jobs with family-sustaining wages. 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.

1000 - General Fund Cost (Savings)	0	10,000	10,000	20,000	0	0	0
Expenditures	0	10,000	10,000	20,000	0	0	0

Targeted Population Workforce Programs

This funding will be used to train individuals, provide employer diversity and inclusion trainings and provide capacity building to small workforce development community-based organizations.

1000 - General Fund Cost (Savings)	0	25,000	25,000	50,000	1,275	1,275	2,550
Expenditures	0	25,000	25,000	50,000	1,275	1,275	2,550

Small Business Partnership Program

This funding allows for the expansion of the small business partnership program to meet demands.

1000 - General Fund Cost (Savings)	0	5,000	5,000	10,000	1,300	1,300	2,600
Expenditures	0	5,000	5,000	10,000	1,300	1,300	2,600

Office of New Americans

This funding is for the Office of New Americans (ONA). ONA will lead the state's initiative to provide comprehensible and accessible services to the state's approximately 500,000 immigrants and refugees. The Department will organize and lead quarterly interagency efforts to align the state's efforts to eliminate the barriers immigrants and refugees face by ensuring awareness of opportunities, education of the process to accessing services, and technical assistance made available when necessary.

1000 - General Fund Cost (Savings)	0	750	750	1,500	750	750	1,500
Expenditures	0	750	750	1,500	750	750	1,500

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
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Family and Medical Benefit Insurance Program

The Family and Medical Benefit Insurance Program provides partial wage replacement to all Minnesotans who need to take time off from work due to a qualifying medical situation. The FMBI program will be managed by DEED and is initially funded by the general fund but will be self-sustaining through employer and employee premium contributions (0.70%, with at least 0.35% paid by the employer) starting January 1, 2026, when the program goes into effect.

4925 - Family and Medical Benefit Ins Fund Cost (Savings)	0	50,938	71,357	122,295	(78,408)	(244,250)	(322,658)
Revenues	0	0	0	0	687,430	1,440,275	2,127,705
Expenditures	0	50,938	71,357	122,295	609,022	1,196,025	1,805,047

Employer Reasonable Accommodation Program

Funding is provided to the Minnesota Reasonable Accommodation Program which creates a central fund where small to mid-sized Minnesota employers can request reimbursement for expenses related to providing reasonable accommodations for employees with disabilities. The Reasonable Accommodation Program is necessary to reduce barriers for Minnesota employers to foster disability-inclusive workplaces.

1000 - General Fund Cost (Savings)	0	2,000	2,000	4,000	0	0	0
Expenditures	0	2,000	2,000	4,000	0	0	0

State Services for the Blind Service Expansion

These state resources will fund additional FTEs in the vocational rehabilitation, older blind, and Communication Center programs, allowing the programs to better serve more individuals who are blind, visually impaired, DeafBlind, or have a print impairment. This will provide faster response times, an increase in the number of Minnesotans the program serves and will provide better outcomes for individual Minnesotans. In addition, resources would allow the program to keep pace with operational increases due to inflation, including personnel and supply costs.

1000 - General Fund Cost (Savings)	0	2,000	2,000	4,000	2,000	2,000	4,000
Expenditures	0	2,000	2,000	4,000	2,000	2,000	4,000

Workforce Digital Transformation

This funding will address key gaps in the state's workforce digital toolset. This is a new initiative to address key gaps in the department's workforce digital toolset (modern customer-facing tools; integrated systems between programs; coordinated grants management) which inhibit performance. This funding does not create new obligations for the state – it makes existing programs run in a modern manner.

1000 - General Fund Cost (Savings)	0	10,000	0	10,000	0	0	0
Expenditures	0	10,000	0	10,000	0	0	0

Energy Transition Grant Program

This funding provides assistance for communities in their planning processes to recover from the loss of tax base and jobs resulting from the planned closures of power plants. This program would be managed by the Office of Energy Transition.

1000 - General Fund Cost (Savings)	0	5,000	5,000	10,000	0	0	0
Expenditures	0	5,000	5,000	10,000	0	0	0

Employment and Economic Development

Enacted Budget Changes

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
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Small Business Development Center Support

These funds will be used to increase the number of entrepreneurs and small businesses that receive business assistance and counseling either directly through the Small Business Development Center regional centers or through additional satellite centers.

1000 - General Fund Cost (Savings)	0	500	500	1,000	500	500	1,000
Expenditures	0	500	500	1,000	500	500	1,000

Expanding Opportunity Fund

This funding allows for Expanding Opportunities EOF to increase the capitalization of nonprofit lenders, enabling them to make up to 10,000 loans to small business which often have difficulty obtaining the loan capital they need to startup or expand.

1000 - General Fund Cost (Savings)	0	10,000	0	10,000	0	0	0
Expenditures	0	10,000	0	10,000	0	0	0

Maintain Current Service Levels

This provision provides additional operating funds to maintain the current level of service delivery at the Department of Employment and Economic Development to ensure that the agency can adapt to changes in Minnesota while continuing to provide the same level of service.

1000 - General Fund Cost (Savings)	0	4,000	4,000	8,000	2,000	2,000	4,000
Expenditures	0	4,000	4,000	8,000	2,000	2,000	4,000
2390 - Workforce Development Fund Cost (Savings)	0	40	40	80	54	54	108
Expenditures	0	40	40	80	54	54	108

Unemployment Insurance Between Terms Removal for Certain Employees

This funding allows for the removal of the between terms wage credit limitation during summer breaks for Unemployment Insurance applicants who worked for an educational institution unless in an instructional, research or principal administrative capacity.

4950 - Unemployment Insurance Fund Cost (Savings)	55,078	0	0	0	0	0	0
Revenues	0	165,234	165,234	330,468	165,234	165,234	330,468
Expenditures	55,078	165,234	165,234	330,468	165,234	165,234	330,468

Office of Child Care and Community Partnerships

This funding supports a new Child Care Office in the Department of Employment and Economic Development. The office will take ownership of the existing childcare programs at DEED and will focus on organizing and marketing these existing efforts while planning for future opportunities to address this issue.

1000 - General Fund Cost (Savings)	0	500	500	1,000	500	500	1,000
Expenditures	0	500	500	1,000	500	500	1,000

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
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Legalizing Adult-Use Cannabis

This provision provides funding for the safe and responsible legalization of cannabis for adults in Minnesota. It allows for the monitoring and regulation of cannabis cultivation, processing, and sales. The provision also includes measures to promote public health, public safety, criminal justice, and economic growth.

1000 - General Fund Cost (Savings)	0	6,000	6,000	12,000	6,000	6,000	12,000
Expenditures	0	6,000	6,000	12,000	6,000	6,000	12,000

Destination Medical Center Statutory Modifications

This funding will be used together with local match to install, construct, or reconstruct elements of public infrastructure required to support the overall development of the destination medical center development district including, but not limited to, streets, roadways, utilities systems and related facilities, utility relocations and replacements, network and communication systems, streetscape improvements, drainage systems, sewer and water systems, subgrade structures and associated improvements, landscaping, facade construction and restoration, construction costs, wayfinding and signage, community engagement, and other components of community infrastructure. The modification will allow carry forward of excess annual local transit aid match, it will expand eligible match to include buses, bus charging stations, predesign and design costs, and other transit related expenses as eligible match and transit aid expenses.

1000 - General Fund Cost (Savings)	0	3,000	3,000	6,000	3,000	3,000	6,000
Expenditures	0	3,000	3,000	6,000	3,000	3,000	6,000

Expo 2027 Support

This provides funding to the Bloomington Port Authority to provide funding for the Expo 2027 host organization if entered into an agreement.

1000 - General Fund Cost (Savings)	0	5,000	0	5,000	0	0	0
Expenditures	0	5,000	0	5,000	0	0	0

Airport Infrastructure Renewal (AIR)

This action reduces the budget of the Airport Infrastructure Renewal (AIR) by \$500,000 annually.

1000 - General Fund Cost (Savings)	0	(500)	(500)	(1,000)	(500)	(500)	(1,000)
Expenditures	0	(500)	(500)	(1,000)	(500)	(500)	(1,000)

Angel Tax Credit

This funding provides for tax credits to investors who invest in emerging and small technology related businesses.

2000 - Restrict Misc Special Revenue Fund Cost (Savings)	0	0	0	0	0	0	0
Revenues	0	350	350	700	350	350	700
Expenditures	0	350	350	700	350	350	700

Border-to-Border Broadband Grant Program

This provision provides funding for grants in the Border-to-Border Broadband program.

1000 - General Fund Cost (Savings)	0	50,000	50,000	100,000	0	0	0
Transfers Out	0	50,000	50,000	100,000	0	0	0

Employment and Economic Development

Enacted Budget Changes

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
2001 - Other Misc Special Revenue Fund Cost (Savings)	0	0	0	0	0	0	0
Transfers In	0	50,000	50,000	100,000	0	0	0
Expenditures	0	50,000	50,000	100,000	0	0	0

Canadian Border Counties/Boundary Waters Area Economic Relief Program

This funding is for the Canadian border counties economic relief program to help the area continue economic recovery and growth.

1000 - General Fund Cost (Savings)	0	5,000	0	5,000	0	0	0
Expenditures	0	5,000	0	5,000	0	0	0

Center for Economic Inclusion

This funding provides a grant to the Center for Economic Inclusion for strategic, data-informed investments in job creation strategies meant to focus on underserved populations throughout Minnesota.

1000 - General Fund Cost (Savings)	0	3,000	0	3,000	0	0	0
Expenditures	0	3,000	0	3,000	0	0	0

Childcare MN Initiative Foundations

This funding will be used for the Minnesota Initiative Foundations to help with planning for rural communities that guides decision making to sustain and increase quality childcare in the region and engages with the private sector to invest in local resources for economic development.

1000 - General Fund Cost (Savings)	0	2,500	2,500	5,000	0	0	0
Expenditures	0	2,500	2,500	5,000	0	0	0

City of Minneapolis - Acquisition of Property at 28th Street and Longfellow

This funding provides a grant to the City of Minneapolis for the acquisition of Property at 28th Street E and Longfellow.

1000 - General Fund Cost (Savings)	0	2,000	0	2,000	0	0	0
Expenditures	0	2,000	0	2,000	0	0	0

City of Minneapolis - Lake Street Corridor

This provision allows for a grant to the City of Minneapolis to support businesses in the Lake Street Corridor.

1000 - General Fund Cost (Savings)	0	8,000	0	8,000	0	0	0
Expenditures	0	8,000	0	8,000	0	0	0

Community Wealth Building Grants

This provision provides funding to the Metropolitan Consortium of Community Developers for community wealth building grants.

1000 - General Fund Cost (Savings)	0	1,500	1,500	3,000	0	0	0
Expenditures	0	1,500	1,500	3,000	0	0	0

Employment and Economic Development

Enacted Budget Changes

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
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Emerging Developer Fund Program

This funding provides grant opportunities through the Emerging Developer Fund Program to stimulate community stabilization or revitalization in a disadvantaged or low-income community or households and increase the supply and condition of affordable housing and homeownership.

1000 - General Fund Cost (Savings)	0	5,000	0	5,000	0	0	0
Expenditures	0	5,000	0	5,000	0	0	0

Employment Support for Persons with Mental Illness

This funding provides grants to programs that provide employment supports services to persons with mental illness.

1000 - General Fund Cost (Savings)	0	2,500	2,500	5,000	0	0	0
Expenditures	0	2,500	2,500	5,000	0	0	0

Greater Minnesota BDPI Grant Program

This funding provides grant opportunities to keep or enhance the jobs in the area, increase the tax base, or expand new economic development in greater Minnesota.

1000 - General Fund Cost (Savings)	0	500	500	1,000	500	500	1,000
Expenditures	0	500	500	1,000	500	500	1,000

Named Employment and Economic Development Grants

This funding provides grants to organizations that support employment and economic development activities.

1000 - General Fund Cost (Savings)	0	76,743	47,072	123,815	2,525	2,525	5,050
Expenditures	0	76,743	47,072	123,815	2,525	2,525	5,050
2390 - Workforce Development Fund Cost (Savings)	0	3,650	3,650	7,300	0	0	0
Expenditures	0	3,650	3,650	7,300	0	0	0

Local Community Childcare

This funding provides grants to communities to increase the supply of quality childcare to reduce childcare shortages, support workforce participation, business expansion, retention and new business development.

1000 - General Fund Cost (Savings)	0	5,000	5,000	10,000	0	0	0
Expenditures	0	5,000	5,000	10,000	0	0	0

Minnesota Youth Programs

This funding provides money for grants aimed at helping economically disadvantaged youth.

1000 - General Fund Cost (Savings)	0	5,604	5,604	11,208	0	0	0
Expenditures	0	5,604	5,604	11,208	0	0	0
2390 - Workforce Development Fund Cost (Savings)	0	3,350	3,350	6,700	0	0	0

Employment and Economic Development

Enacted Budget Changes

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
Expenditures	0	3,350	3,350	6,700	0	0	0

Minnesota-Based Automotive Component Manufacturer

This funding is for grants for Minnesota-based automotive component manufacturers and distributors specializing in electric vehicles and sensor technology.

1000 - General Fund Cost (Savings)	0	2,500	2,500	5,000	0	0	0
Expenditures	0	2,500	2,500	5,000	0	0	0

Neighborhood Development Center

This funding provides grants to the Neighborhood Development Center for small business programs. Grants support training, lending, business services and real estate programming.

1000 - General Fund Cost (Savings)	0	5,000	0	5,000	0	0	0
Expenditures	0	5,000	0	5,000	0	0	0

Prevailing Wage Staff

This funding provides for prevailing wage staff.

1000 - General Fund Cost (Savings)	0	150	150	300	150	150	300
Expenditures	0	150	150	300	150	150	300

Promise Act Grants

This provision provides funding towards grants that support the PROMISE Act (providing resources and opportunity and maximizing investments in striving entrepreneurs).

1000 - General Fund Cost (Savings)	0	47,475	47,475	94,950	0	0	0
Expenditures	0	47,475	47,475	94,950	0	0	0

Promise Act Loans

This provision provides funding towards loans that support the PROMISE Act (providing resources and opportunity and maximizing investments in striving entrepreneurs).

1000 - General Fund Cost (Savings)	0	15,150	15,150	30,300	0	0	0
Expenditures	0	15,150	15,150	30,300	0	0	0

Redevelopment Program

This funding provides grant money to redevelop property and structures that are no longer in use, causes a risk to the public, and not listed on the National Register of Historic Places.

1000 - General Fund Cost (Savings)	0	2,000	2,000	4,000	0	0	0
Expenditures	0	2,000	2,000	4,000	0	0	0

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
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Rural Policy & Development Center

This provision provides funding for the Center for Rural Policy and Development.

1000 - General Fund Cost (Savings)	0	250	250	500	0	0	0
Expenditures	0	250	250	500	0	0	0

Staffing for Freight Network Tool Development

This provision allows for staffing for the Freight Network Tool Development software system.

1000 - General Fund Cost (Savings)	(30)	30	0	30	0	0	0
Expenditures	(30)	30	0	30	0	0	0

Windom Relief Grant

This provision provides for a grant to the City of Windom for an affordable housing development, wastewater improvements and to help locate a buyer for the Windom HyLife food processing plant.

1000 - General Fund Cost (Savings)	13,000	0	0	0	0	0	0
Expenditures	13,000	0	0	0	0	0	0