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Department of Employment and Economic Development

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AT A GLANCE

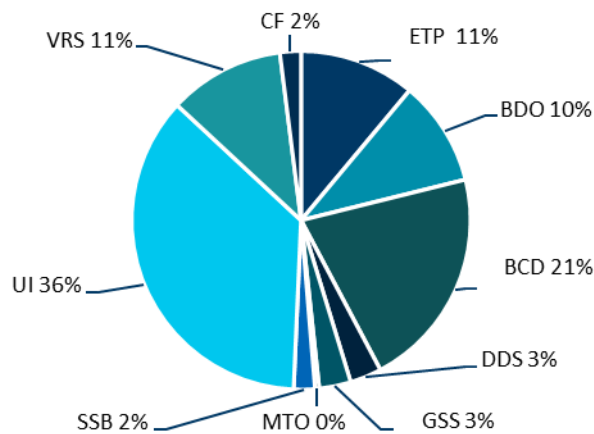
- The mission of the Department of Employment and Economic Development (DEED) is to empower the growth of the Minnesota economy, for everyone.
- DEED is the state's principal economic development and workforce development agency.
- We work to attract, retain, and expand businesses and create jobs for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

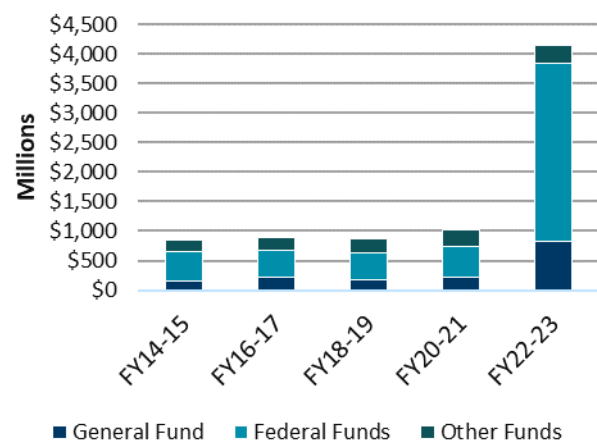


Growth in Broadband, which represented 4% of DEED in the prior Biennium, is causing all other Program Areas to show a lower percentage of total DEED.

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

Source: Budget Planning & Analysis System (BPAS)

Historical Spending



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

Source: Consolidated Fund Statement

STRATEGIES

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

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

Our *Workforce Development* division works to ensure that businesses have the talent they need to be locally and globally competitive and that workers have the skills and opportunities they need for meaningful and family-sustaining employment. DEED delivers many of these services directly to Minnesotans via our CareerForce System, which includes 55 CareerForce locations as well as digital services with new ways to provide virtual assistance. We also prioritize partnerships and grants to service providers, non-profits, colleges and universities, and Adult Basic Education programs.

- *Employment and Training Programs*: Provides unemployed and underemployed Minnesotans with services such as career counseling, assessment, job seeker and placement services, education and training, and job development activities through our employment and training programs.
- *CareerForce*: Engages with career seekers and employers in 55 CareerForce Locations across the state, online and through outreach to people and populations who have experienced greater challenges accessing the workforce development system.
- *Governor's Workforce Development Board (GWDB)*: Has statutory responsibility under the federal Workforce Innovation and Opportunity Act (WIOA), which provides leadership on opportunities and key workforce strategies for the state.
- *Office of Public Engagement*: Provides targeted outreach and engagement efforts on DEED's programs.

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

- *Business and Community Development*: Provides new and expanding businesses with various business finance incentives, while communities can receive grants, loans, and technical assistance for redevelopment and public infrastructure. This includes the new Launch Minnesota initiative, focused on technology-based businesses.
- *Minnesota Trade Office*: Provides export assistance and training for businesses and helps foreign companies invest in Minnesota through new business startups or expansions.
- *Office of Broadband Development*: Coordinates public, private, and philanthropic efforts to increase availability, speed, connectivity and use of broadband.
- *Small Business*: Administers programs and services that provide information and resources to entrepreneurs and small businesses.
- *Research*: Provides research services to internal and external customers including Economic Analysis and Labor Market Information.

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

- *Vocational Rehabilitation*: Assists Minnesotans with disabilities to secure and retain employment, live independently, and reduce their dependence on government supports.
- *State Services for the Blind*: Facilitates the achievement of personal and vocational independence by Minnesotans who are blind, visually impaired, or DeafBlind.

- *Unemployment Insurance:* Pays unemployment benefits to workers unemployed due to no fault of their own to ensure that they are able to support themselves and their families while they search for employment.
- *Disability Determination:* Determines if Minnesota applicants meet federal criteria for disability benefits through the Social Security Administration.

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

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

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

Minn. Stat. § 116L (<https://www.revisor.mn.gov/statutes/?id=116L>), Minn. Stat. § 116J (<https://www.revisor.mn.gov/statutes/?id=116J>), and Minn. Stat. § 268 (<https://www.revisor.mn.gov/statutes/?id=268A.11>) provide the legal authority for DEED.

Additional applicable 'general agency' statutes and laws: Government Data Practices, Minn. Stat. § 13 (<https://www.revisor.mn.gov/statutes/?id=13>), Official Records Act, Minn. Stat. § 15.17 (<https://www.revisor.mn.gov/statutes/?id=15.17>), Open Meeting Law, Minn. Stat. § 13D (<https://www.revisor.mn.gov/statutes/?id=13d>), Records Management, Minn. Stat. § 138.17 (<https://www.revisor.mn.gov/statutes/?id=138.17>).

Federal: Workforce Investment Act, the Workforce Investment Act (Public Law 113 – 128) <https://www.gpo.gov/fdsys/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf>, 29 U.S.C. Sec. 3101, et. seq. This is a non-state website.

Employment and Economic Development

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
<u>Expenditures by Fund</u>						
1000 - General	643,139	176,857	354,684	394,127	131,182	121,920
2000 - Restrict Misc Special Revenue	65,258	58,170	78,803	74,077	52,832	53,123
2001 - Other Misc Special Revenue	27	33,670	83,787	174,530	16,275	15,343
2002 - Climate and Economic Dev			37	219,963	90,000	77,500
2340 - Renewable Development	8,353					
2350 - Petroleum Tank Release Cleanup	3,582	3,859	5,731	6,759	4,315	5,000
2390 - Workforce Development	56,623	60,830	55,574	81,805	63,277	63,277
2403 - Gift	281	416	383	497	420	422
2801 - Remediation		1,914	572	2,035	700	700
3000 - Federal	322,872	362,037	348,955	418,223	366,087	370,929
3010 - Coronavirus Relief	12,822					
3015 - ARP-State Fiscal Recovery	2,097,973	230,250	622			
4925 - Family and Medical Benefit Ins			1,033	121,262	823,194	1,597,700
8350 - Ag & Econ Development Board	11	43	221	889	3	3
Total	3,210,941	928,046	930,403	1,494,167	1,548,285	2,305,917
Biennial Change				(1,714,418)		1,429,632
Biennial % Change				(41)		59

Expenditures by Program

Business and Community Development	286,944	184,354	278,581	601,086	208,500	188,007
Unemployment Insurance	2,613,850	336,527	94,638	99,896	85,874	89,944
Workforce Development Services	108,758	106,385	165,949	244,522	135,623	135,623
CareerForce Systems	20,819	21,592	27,333	29,693	28,687	28,687
Disability Determination Services	27,345	29,773	36,090	33,263	36,152	37,521
General Support Services	23,602	25,594	27,239	48,304	36,457	36,074
Minnesota Trade Office	2,565	2,376	2,782	2,899	2,402	2,402
Vocational Rehabilitation Services	105,499	103,745	134,019	155,810	138,621	138,621
State Services for The Blind	20,475	21,596	28,009	48,475	48,515	47,078
Paid Leave		250	1,655	121,262	823,194	1,597,700
Broadband Development	1,086	95,856	134,108	108,957	4,260	4,260
Total	3,210,941	928,046	930,403	1,494,167	1,548,285	2,305,917

Employment and Economic Development

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
<u>Expenditures by Category</u>						
Compensation	131,466	137,510	159,414	206,863	214,264	218,194
Operating Expenses	131,235	142,850	136,291	393,082	286,190	302,206
Grants, Aids and Subsidies	431,036	403,613	617,737	889,678	1,042,971	1,782,277
Capital Outlay-Real Property	838	373	212	260	2,372	373
Other Financial Transaction	2,516,367	243,700	16,748	4,284	2,488	2,867
Total	3,210,941	928,046	930,403	1,494,167	1,548,285	2,305,917
Total Agency Expenditures	3,210,941	928,046	930,403	1,494,167	1,548,285	2,305,917
Internal Billing Expenditures	18,350	18,471	22,172	23,953	36,496	32,982
Expenditures Less Internal Billing	3,192,591	909,575	908,230	1,470,214	1,511,789	2,272,935
<u>Full-Time Equivalents</u>	1,390.63	1,435.41	1,465.44	1,965.81	2,055.28	2,055.28

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base	
	FY22	FY23	FY24	FY25	FY26	FY27
1000 - General						
Balance Forward In	48,930	93,111	53,743	68,819		
Direct Appropriation	660,046	129,440	443,656	354,920	107,937	107,937
Open Appropriation	24,940	29,206	37,500	37,500	28,607	19,345
Transfers In	1,052	2,433	3,787	6,864		
Transfers Out	3,463	30,982	91,099	65,176	5,362	5,362
Net Loan Activity	(449)	(117)	(1,623)	(8,800)		
Cancellations	2,729	1,643	22,461			
Balance Forward Out	85,188	44,592	68,819			
Expenditures	643,139	176,857	354,684	394,127	131,182	121,920
Biennial Change in Expenditures				(71,184)	(495,709)	
Biennial % Change in Expenditures				(9)	(66)	
Full-Time Equivalents	220.89	201.45	243.68	230.97	217.02	217.02

2000 - Restrict Misc Special Revenue

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

2001 - Other Misc Special Revenue

Balance Forward In	77,129	80,081	105,683	129,707	17,589	14,445
Receipts	8,913	12,533	19,384	12,043	10,097	10,609
Transfers In	9,584	46,817	86,000	57,000	4,000	4,000
Transfers Out	22,750	5,000	38			
Net Loan Activity	6,758	2,427	2,467	(6,631)	(966)	(966)
Balance Forward Out	79,607	103,188	129,708	17,589	14,445	12,745

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
Expenditures	27	33,670	83,787	174,530	16,275	15,343
Biennial Change in Expenditures				224,620		(226,699)
Biennial % Change in Expenditures				667		(88)
Full-Time Equivalents	6.84	9.03	9.29	10.16	8.51	6.51

2002 - Climate and Economic Dev

Balance Forward In				389,963	189,061	103,684
Receipts				21,561	4,623	1,255
Transfers In			680,000			
Transfers Out			290,000	2,500		
Balance Forward Out			389,963	189,061	103,684	27,439
Expenditures			37	219,963	90,000	77,500
Biennial Change in Expenditures				220,000		(52,500)
Biennial % Change in Expenditures						(24)
Full-Time Equivalents			0.02	0.02	0.02	0.02

2340 - Renewable Development

Balance Forward In	357					
Direct Appropriation	8,000					
Cancellations	5					
Expenditures	8,353					
Biennial Change in Expenditures				(8,353)		0
Biennial % Change in Expenditures						
Full-Time Equivalents	0.34	0.03				

2350 - Petroleum Tank Release Cleanup

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

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base	
	FY22	FY23	FY24	FY25	FY26	FY27

2390 - Workforce Development

Balance Forward In	2,677	1,973	2,754	68		
Direct Appropriation	39,759	39,489	30,277	42,434	23,277	23,277
Open Appropriation	15,698	21,803	23,559	40,000	40,000	40,000
Transfers Out				697		
Cancellations	844	1,696	947			
Balance Forward Out	668	738	69			
Expenditures	56,623	60,830	55,574	81,805	63,277	63,277
Biennial Change in Expenditures				19,926		(10,825)
Biennial % Change in Expenditures				17		(8)
Full-Time Equivalents	12.37	11.69	11.42	11.46	11.41	11.41

2403 - Gift

Balance Forward In	715	660	537	346	261	253
Receipts	223	275	192	412	412	412
Balance Forward Out	657	519	346	261	253	243
Expenditures	281	416	383	497	420	422
Biennial Change in Expenditures				183		(38)
Biennial % Change in Expenditures				26		(4)
Full-Time Equivalents	1.00	1.04	1.00	1.00	1.00	1.00

2801 - Remediation

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

3000 - Federal

Balance Forward In	3,611	17,279	43,908	22,948	1,704	852
Receipts	322,152	364,829	333,207	411,977	365,235	370,077

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
Net Loan Activity		4,876	(5,212)	(14,998)		
Balance Forward Out	2,891	24,946	22,947	1,704	852	
Expenditures	322,872	362,037	348,955	418,223	366,087	370,929
Biennial Change in Expenditures				82,269		(30,162)
Biennial % Change in Expenditures				12		(4)
Full-Time Equivalents	1,019.43	1,065.62	1,039.30	1,208.36	1,208.48	1,208.48

3010 - Coronavirus Relief

Direct Appropriation	12,822		
Expenditures	12,822		
Biennial Change in Expenditures		(12,822)	0
Biennial % Change in Expenditures			

3015 - ARP-State Fiscal Recovery

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

4925 - Family and Medical Benefit Ins

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

Employment and Economic Development

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base	
	FY22	FY23	FY24	FY25	FY26	FY27
8200 - Clean Water Revolving						
Balance Forward In	228	276	289	293	293	293
Receipts	0	0	0			
Net Loan Activity	48	13	4			
Balance Forward Out	276	289	293	293	293	293
8350 - Ag & Econ Development Board						
Balance Forward In	875	873	860	886		
Receipts	6	27	248	3	3	3
Balance Forward Out	870	857	886			
Expenditures	11	43	221	889	3	3
Biennial Change in Expenditures			1,056		(1,104)	
Biennial % Change in Expenditures			1,957		(99)	
Full-Time Equivalents	0.04	0.21	0.32	0.32	0.32	0.32

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	355,169	341,169	341,169	682,338
Base Adjustments				
All Other One-Time Appropriations		(1,500)	(1,500)	(3,000)
Current Law Base Change		(231,540)	(231,540)	(463,080)
Allocated Reduction	(249)	(249)	(249)	(498)
Minnesota Paid Leave Allocation		57	57	114
Forecast Base	354,920	107,937	107,937	215,874
Fund: 2350 - Petroleum Tank Release Cleanup				
FY2025 Appropriations	225	225	225	450
Base Adjustments				
Current Law Base Change		4,090	4,775	8,865
Forecast Base	225	4,315	5,000	9,315
Fund: 2390 - Workforce Development				
FY2025 Appropriations	42,434	42,434	42,434	84,868
Base Adjustments				
Current Law Base Change		(19,157)	(19,157)	(38,314)
Forecast Base	42,434	23,277	23,277	46,554
Fund: 2801 - Remediation				
FY2025 Appropriations	700	700	700	1,400
Forecast Base	700	700	700	1,400
Fund: 4925 - Family and Medical Benefit Ins				
FY2025 Appropriations	71,357	71,357	71,357	142,714
Base Adjustments				
Current Law Base Change		(30,813)	(66,357)	(97,170)
Forecast Base	71,357	40,544	5,000	45,544
Open				
Fund: 1000 - General				
FY2025 Appropriations	37,500	37,500	37,500	75,000
Base Adjustments				
Forecast Open Appropriation Adjustment		(11,313)	(18,639)	(29,952)
November Forecast Adjustment		2,420	484	2,904
Forecast Base	37,500	28,607	19,345	47,952

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Fund: 2390 - Workforce Development				
FY2025 Appropriations	40,000	40,000	40,000	80,000
Forecast Base	40,000	40,000	40,000	80,000
Fund: 4925 - Family and Medical Benefit Ins				
Base Adjustments				
Forecast Open Appropriation Adjustment		782,650	1,592,700	2,375,350
Forecast Base		782,650	1,592,700	2,375,350
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	74,077	52,832	53,123	105,955
Forecast Base	74,077	52,832	53,123	105,955
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	174,530	16,275	15,343	31,618
Forecast Base	174,530	16,275	15,343	31,618
Fund: 2002 - Climate and Economic Dev				
Planned Spending	219,963	90,000	77,500	167,500
Forecast Base	219,963	90,000	77,500	167,500
Fund: 2403 - Gift				
Planned Spending	497	420	422	842
Forecast Base	497	420	422	842
Fund: 3000 - Federal				
Planned Spending	418,223	366,087	370,929	737,016
Forecast Base	418,223	366,087	370,929	737,016
Fund: 8350 - Ag & Econ Development Board				
Planned Spending	889	3	3	6
Forecast Base	889	3	3	6
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	49,248	50,660	51,425	102,085

Employment and Economic Development

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	12,043	10,097	10,609	20,706
Fund: 2002 - Climate and Economic Dev				
Forecast Revenues	21,561	4,623	1,255	5,878
Fund: 2403 - Gift				
Forecast Revenues	412	412	412	824
Fund: 3000 - Federal				
Forecast Revenues	411,977	365,235	370,077	735,312
Fund: 8350 - Ag & Econ Development Board				
Forecast Revenues	3	3	3	6
<i>Non-Dedicated</i>				
Fund: 2390 - Workforce Development				
Forecast Revenues	80,000	80,000	80,000	160,000
Fund: 4925 - Family and Medical Benefit Ins				
Forecast Revenues	65,626	785,569	1,579,999	2,365,568

Program: Business and Community Development

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

AT A GLANCE

- Serves businesses and communities in every region of the State of Minnesota.
- Administers financing programs to help businesses retain existing and create new high-quality jobs.
- Administers financing programs and special appropriations to support community development.
- Provides information and access to resources to help entrepreneurs and small businesses.
- Funds cooperative training projects involving partnerships between businesses and educational institutions that build the skills of new employees and/or retrain existing employees.
- In SFY 2023 and 2024, BCD was assigned over \$330 million in state general fund, over \$300 million in capital investment funding and, received over \$50 million from federal sources.
- In SFY 2023 and 2024, across all programs both federal and state, BCD awarded 1,079 grants, loans and tax credits totaling over \$475 million.
- Collects, analyzes, and disseminates key labor market indicators, information, and analysis on the economy, workforce, industry base, and job market in Minnesota to support informed decision-making. Completed more than 2,000 data, training, and briefing requests in SFY2023.

PURPOSE AND CONTEXT

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

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

SERVICES PROVIDED

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

- **Business Finance:** BCD administer over 25 financing programs that provide capital to growing businesses in Minnesota. Some key programs include:
 - *Minnesota Job Creation Fund*, which provides performance-based awards to new and expanding businesses after they meet job creation and capital investment targets.
 - *Minnesota Investment Fund*, which provides upfront financing that targets job creation in industrial, manufacturing and high-tech industries.
 - *The Emerging Entrepreneur Program*, which provides loans targeted toward Minnesota small businesses owned by women, veterans, people with disabilities, and people from communities of color and/or low-income individuals.
 - *The Minnesota Angel Tax Credit and Launch MN Grants*, provides a 25% tax credit to investors who invest in emerging and small technology related business and grants of up to \$35,000 to start-ups looking to raise capital.
 - *State Small Business Credit Initiative*, \$100 million in funding from the U.S. Department of Treasury to increase capital access through five different programs.
 - *Various finance programs*, several special appropriations such as Promise Act Loans, Expanding Opportunity Fund, Military and Reservists Loan Program, Native American Loan Fund.

- **Business Development:** Regional business development managers (BDM's) assist businesses and communities to access DEED services and other available resources to support the growth, retention and attraction of workforce and businesses. The office also promotes specific industry sectors where Minnesota has strength and/or potential for growth. Other business units include:
 - *Workforce Strategy Consultants:* Through a partnership with the Employment and Training Division, the network of Workforce Development Strategy Consultants provide employers with a front-door to all workforce development programs available through the department and partners to assist growing and expanding businesses. Like the BDM's, this office also works in specific industry sectors such as manufacturing and healthcare to build pipelines of talent.
 - *Minnesota Job Skills Partnership (MJSP):* The Minnesota Job Skills Partnership program provides funding for cooperative training projects that build the skills of new employees and/or retrain a company's existing employees. These grants are awarded to educational institutions with businesses as partners. This program can also provide training to low-income individuals to help them advance their career, achieving higher paying jobs and economic self-sufficiency.
 - *Energy Transition Office (ETO):* The Energy Transition Office was established by the 2021 legislature to advise the Governor and the Legislature on energy transition issues and to establish transition programs, economic initiatives, and transition policy. For communities and workers impacted by fossil fuel-based power plant closures in Minnesota, the office aims to help them successfully transition into alternatives that minimize the negative consequences from closures and maximize opportunities for future economic growth and community wellbeing.
- **Community Finance:** BCD administers programs that assist local governments in attracting and retaining businesses and jobs and to position communities for future economic growth. Key programs include the Business Development Public Infrastructure Program, Innovative Business Development Public Infrastructure Program, the Airport Infrastructure Renewal Program, and the Transportation Economic Development Infrastructure Program. The office also manages a variety of special appropriations to local units of government and non-profits (over 120 assigned in 2023) and bond projects across the state in addition to large projects such as the Destination Medical Center and the Duluth Regional Exchange District. Other programs include:
 - *Brownfields and Redevelopment:* The program assists local units of government with investigation and cleanup of contamination and the redevelopment of underutilized properties. The Contamination Cleanup and Investigation Grant Program helps pay for assessing and cleaning contaminated sites for private or public redevelopment. The Redevelopment Grant Program assists with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use. The Demolition Loan Program assists with costs of demolishing blighted buildings that have future development potential but no current plans.
 - *Small Cities Development Program:* The program assists cities and counties with funding for housing, public infrastructure and commercial rehabilitation projects. Funding for the program is received through the U.S. Department of Housing and Urban Development. Projects must meet federal objectives such as removal of blight, benefit low and moderate-income individuals and/or eliminate a public health threat or safety.
- **Small Business:** BCD administers programs and services that provide information and resources to entrepreneurs and small businesses. The office also manages a variety of special appropriations and other programs that work with communities and non-profits. Programs within the office include:
 - *Launch Minnesota:* Launch MN aims to catalyze and connect the entrepreneurial ecosystem to better prepare technology-based businesses for success. The initiative has established a variety of partners across the state to assist technology companies with education and capital connections. The office is also responsible for the Launch MN Advisory Board consisting of professionals from across the state interested in building a more robust network and ecosystem for growing technology businesses.

- *Small Business Assistance Office (SBAO)*: The SBAO works to reduce costs for small businesses by providing timely, accurate, and comprehensive information and technical assistance on all aspects of the start-up, operation, or expansion of a small business. The Office produces a variety of publications and manages transactional activities through a phone and email contact center.
- *Small Business Development Center*: SBDC's aid in the development of new and existing businesses through a statewide network of offices offering entrepreneurs no-cost business consulting, training services and assistance in locating and securing capital. DEED serves as the Lead Center and primary liaison with the U.S. Small Business Administration that provides approximately 40% of the funding for the program. Nine regional centers across the state deliver the services to businesses.
- *Office of Small Business Partnerships*: The mission of this unit is to partner with community-based organizations, foundations and local governments to empower the success of small businesses and support vibrant main streets through the deployment of competitive grant opportunities such as the Promise Act, Small Business Assistance Partnership Competitive Grant, the newly established Office of Child Care Partnerships, Child Care Economic Development Grants, and the Main Street Economic Revitalization Program. The Office also manages tens of special appropriations to various non-profit service providers for the provision of technical services to businesses.
- *Research*: BCD provides research services to internal and external customers.
- Programs include:
 - *Economic Analysis*: The Economic Analysis team provides research, analysis, database management, program evaluation, client surveys, and library services. Primary customers are DEED management and DEED internal customers making operational decisions.
 - *Labor Market Information*: Labor Market Information collects, analyzes, and disseminates key labor market indicators, information and analysis on the economy, workforce, industry base and job market in Minnesota to support informed decision-making. All publicly releasable data are available on the DEED website for query and download, along with data tools and publications. Services include consultation, training seminars, public education, presentations, and briefings. Customers include businesses, job seekers, students, economic developers, education and training planners, workforce development professionals, policymakers, government entities, media, and the general public.
 - Bureau of Labor Statistics programs include monthly employment and unemployment estimates (<https://mn.gov/deed/data/data-tools/laus/index.jsp>); quarterly statistics on employment and wages by area and industry (QCEW <https://mn.gov/deed/data/current-econ-highlights/qcew-econ-highlights.jsp>); occupational employment and wage estimates (OEWS <https://mn.gov/deed/data/data-tools/oes/index.jsp>);
 - DOL Employment and Training Administration projects include job vacancy estimates (<https://mn.gov/deed/data/data-tools/job-vacancy/>); alternative measures of unemployment (<https://mn.gov/deed/data/current-econ-highlights/alternative-unemployment.jsp>); employment projections by occupation and industry (<https://mn.gov/deed/data/data-tools/employment-outlook/index.jsp>); Regional Profiles. (<https://mn.gov/deed/data/regional-lmi/index.jsp>); The Career and Education Explorer (<https://mn.gov/deed/data/data-tools/career-education-explorer/index.jsp>) is our comprehensive job seeker tool. Publications include our quarterly Minnesota Economic Trends (<https://mn.gov/deed/newscenter/publications/trends/index.jsp>); monthly Minnesota Employment Review, (<https://mn.gov/deed/newscenter/publications/review/index.jsp>); ongoing regional blogs (<https://mn.gov/deed/data/locallook/central/central-blog.jsp>) and various topical reports (<https://mn.gov/deed/data/lmi-reports/index.jsp>). CareerOneStop (<https://www.careeronestop.org/>) is a national career information website. Analyst

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

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

RESULTS

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

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

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

Business and Community Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
<u>Expenditures by Fund</u>						
1000 - General	187,853	126,631	233,076	223,170	73,011	63,749
2000 - Restrict Misc Special Revenue	818	213	570	3,457	942	1,026
2001 - Other Misc Special Revenue	(930)	5,950	4,666	116,268	14,666	15,166
2002 - Climate and Economic Dev			37	219,963	90,000	77,500
2340 - Renewable Development	5,853					
2350 - Petroleum Tank Release Cleanup	3,582	3,859	5,731	6,759	4,315	5,000
2390 - Workforce Development	1,957	1,298	1,107	1,350	1,350	1,350
2403 - Gift	40	54	101	192	105	105
2801 - Remediation		1,914	572	2,035	700	700
3000 - Federal	71,139	44,392	32,501	27,003	23,408	23,408
3010 - Coronavirus Relief	12,822					
3015 - ARP-State Fiscal Recovery	3,798					
8350 - Ag & Econ Development Board	11	43	221	889	3	3
Total	286,944	184,354	278,581	601,086	208,500	188,007
Biennial Change				408,369		(483,160)
Biennial % Change				87		(55)

Expenditures by Activity

Business Development	5,425	2,448	4,746	171,720	71,041	58,541
Community Finance	98,173	69,491	101,034	98,020	64,507	55,930
Small Business and Innovation	119,872	56,006	25,621	23,890	8,321	8,321
Business Finance	41,440	44,227	131,830	290,842	53,589	54,173
Job Skills Partnership	7,857	5,879	6,987	6,023	5,560	5,560
Economic Analysis and Information	11,692	4,007	4,832	7,235	5,482	5,482
Launch Minnesota-Admin	2,484	2,295	3,531	3,356		
Total	286,944	184,354	278,581	601,086	208,500	188,007

Expenditures by Category

Compensation	8,128	9,010	11,516	12,101	8,604	8,618
Operating Expenses	6,448	16,827	5,581	41,928	27,147	27,217
Grants, Aids and Subsidies	274,883	154,377	259,073	544,369	171,197	150,120
Capital Outlay-Real Property		0				

Business and Community Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
Other Financial Transaction	(2,515)	4,140	2,411	2,688	1,552	2,052
Total	286,944	184,354	278,581	601,086	208,500	188,007

Total Agency Expenditures	286,944	184,354	278,581	601,086	208,500	188,007
Internal Billing Expenditures	1,228	1,323	1,726	1,847	1,411	1,413
Expenditures Less Internal Billing	285,715	183,031	276,854	599,239	207,089	186,594

<u>Full-Time Equivalents</u>	74.39	82.06	93.63	88.96	74.03	74.03
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Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
1000 - General						
Balance Forward In	44,304	88,221	50,319	48,728		
Direct Appropriation	205,385	55,291	207,041	151,143	48,404	48,404
Open Appropriation	24,940	29,206	37,500	37,500	28,607	19,345
Transfers In	661	1,160	3,394	6,599		
Transfers Out	1,301	2,642	13,095	12,000	4,000	4,000
Net Loan Activity	(449)	(117)	(1,623)	(8,800)		
Cancellations	2,626	831	1,731			
Balance Forward Out	83,060	43,657	48,729			
Expenditures	187,853	126,631	233,076	223,170	73,011	63,749
Biennial Change in Expenditures				141,762		(319,486)
Biennial % Change in Expenditures				45		(70)
Full-Time Equivalents	44.09	48.39	56.89	53.01	38.08	38.08

2000 - Restrict Misc Special Revenue

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

2001 - Other Misc Special Revenue

Balance Forward In	71,656	74,851	98,909	122,152	16,145	14,445
Receipts	8,673	11,404	14,480	9,892	9,932	10,432
Transfers In	9,584	21,817	11,000	7,000	4,000	4,000
Transfers Out	22,750	5,000	38			
Net Loan Activity	6,758	2,427	2,467	(6,631)	(966)	(966)
Balance Forward Out	74,851	99,549	122,152	16,145	14,445	12,745
Expenditures	(930)	5,950	4,666	116,268	14,666	15,166
Biennial Change in Expenditures				115,914		(91,102)

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
Biennial % Change in Expenditures				2,309		(75)
Full-Time Equivalents	3.89	6.04	5.90	5.90	5.90	5.90

2002 - Climate and Economic Dev

Balance Forward In				389,963	189,061	103,684
Receipts				21,561	4,623	1,255
Transfers In			680,000			
Transfers Out			290,000	2,500		
Balance Forward Out			389,963	189,061	103,684	27,439
Expenditures			37	219,963	90,000	77,500
Biennial Change in Expenditures				220,000		(52,500)
Biennial % Change in Expenditures						(24)
Full-Time Equivalents			0.02	0.02	0.02	0.02

2340 - Renewable Development

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

2350 - Petroleum Tank Release Cleanup

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

2390 - Workforce Development

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
Direct Appropriation	2,100	2,100	1,350	1,350	1,350	1,350
Cancellations	143	802	243			
Expenditures	1,957	1,298	1,107	1,350	1,350	1,350
Biennial Change in Expenditures				(798)		243
Biennial % Change in Expenditures				(25)		10

2403 - Gift

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

2801 - Remediation

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

3000 - Federal

Balance Forward In	12	38	23,052	17,248		
Receipts	71,127	62,292	31,908	24,753	23,408	23,408
Net Loan Activity		4,876	(5,212)	(14,998)		
Balance Forward Out		22,814	17,248			
Expenditures	71,139	44,392	32,501	27,003	23,408	23,408
Biennial Change in Expenditures				(56,027)		(12,688)
Biennial % Change in Expenditures				(49)		(21)
Full-Time Equivalents	23.01	24.55	26.52	25.76	25.76	25.76

3010 - Coronavirus Relief

Business and Community Development

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27	
Direct Appropriation	12,822					
Expenditures	12,822					
Biennial Change in Expenditures				(12,822)		0
Biennial % Change in Expenditures						

3015 - ARP-State Fiscal Recovery

Direct Appropriation	3,798					
Expenditures	3,798					
Biennial Change in Expenditures				(3,798)		0
Biennial % Change in Expenditures						

8200 - Clean Water Revolving

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

8350 - Ag & Econ Development Board

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

Program: Unemployment Insurance

<https://www.uimn.org/uimn/>

AT A GLANCE

- Pays eligible workers up to 50 percent of their average weekly wage (subject to a state maximum) for up to 26 weeks.
- Collaborates with CareerForce locations to ensure workers have the assistance they need to quickly return to employment.
- In fiscal year 2023, the program paid roughly \$1.127 billion to 172,000 Minnesotans.
- Minnesota UI regularly ranks among the top 5 states in the country in achieving federal performance standards.

PURPOSE AND CONTEXT

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

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

SERVICES PROVIDED

UI accomplishes DEED's mission through a variety of advanced technological and management approaches, including:

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

UI achieves these goals through several different activities:

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

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</i>	<i>SFY 2020</i>	<i>SFY 2021</i>	<i>SFY 2022</i>	<i>SFY 2023</i>
Quantity	# New initial applications (new and reactivated) for benefits	Internal Application Data	993,258	618,884	301,322	266,868
Quantity	Number of telephone calls taken	Internal Data	628,258	957,284	584,638	523,347

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

Unemployment Insurance

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27

Expenditures by Fund

1000 - General	405,825					
2000 - Restrict Misc Special Revenue	36,353	27,949	43,318	29,302	11,975	12,572
3000 - Federal	77,496	78,578	51,320	70,594	73,899	77,372
3015 - ARP-State Fiscal Recovery	2,094,175	230,000				
Total	2,613,850	336,527	94,638	99,896	85,874	89,944
Biennial Change				(2,755,843)		(18,716)
Biennial % Change				(93)		(10)

Expenditures by Activity

Unemployment Insurance	2,613,850	336,527	94,638	99,896	85,874	89,944
Total	2,613,850	336,527	94,638	99,896	85,874	89,944

Expenditures by Category

Compensation	30,072	26,546	28,015	32,530	32,696	33,522
Operating Expenses	66,536	64,505	54,956	67,005	53,128	56,370
Grants, Aids and Subsidies	(23)	6,279	(14)			
Capital Outlay-Real Property	677	114	32	30	32	33
Other Financial Transaction	2,516,588	239,084	11,648	331	18	19
Total	2,613,850	336,527	94,638	99,896	85,874	89,944

Total Agency Expenditures	2,613,850	336,527	94,638	99,896	85,874	89,944
Internal Billing Expenditures	4,733	4,122	4,450	5,215	5,476	5,750
Expenditures Less Internal Billing	2,609,117	332,405	90,188	94,681	80,398	84,194

Full-Time Equivalents

	353.62	306.62	286.66	286.66	286.66	286.66
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Unemployment Insurance

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26FY27	
1000 - General						
Direct Appropriation	405,825					
Expenditures	405,825					
Biennial Change in Expenditures				(405,825)		0
Biennial % Change in Expenditures						

2000 - Restrict Misc Special Revenue

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

3000 - Federal

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

3015 - ARP-State Fiscal Recovery

Balance Forward In		230,000				
Direct Appropriation	2,324,175					
Balance Forward Out	230,000					
Expenditures	2,094,175	230,000				
Biennial Change in Expenditures				(2,324,175)		0
Biennial % Change in Expenditures				(100)		

Program: Workforce Development Services

AT A GLANCE

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

PURPOSE AND CONTEXT

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

SERVICES PROVIDED

DEED is committed to providing high quality workforce development services, solutions, and expertise for diverse populations through Employment and Training Programs to advance Minnesota's economy. From laid-off workers to at-risk youth, Workforce Development Services are designed to intentionally reach diverse communities across the state to ensure that all Minnesotans have access to DEED's services. Many of these programs include partnerships with Local Workforce Development Boards, nonprofit service providers, educational institutions, businesses, and other stakeholders; a full list of services can be found on the DEED website (<https://mn.gov/deed/job-seekers>). All programs are offered with a goal of assisting all Minnesotans individuals who have not had full access to education and robust career pathways.

- **Laid-Off Workers/ Dislocated Workers:** Workers who lost their jobs or those looking to re-enter the workforce such as displaced homemakers, veterans and the long-term unemployed, can receive assistance to find a new career. The Dislocated Worker Program, funded jointly by the federal government and the State, assists unemployed and underemployed workers in returning to work with comparable wages and benefits. Individuals enrolled in the program can access career planning and counseling; job search and placement services; short-term training upon counselor approval; and support services for expenses upon counselor approval. The related federal Trade Adjustment Assistance Program (TAA) assists workers who lose their jobs, hours, or income specifically as a result of increased foreign trade activity. Available benefits may include special extensions to unemployment insurance, assistance with training costs, job search allowances, relocation allowances, and similar costs for finding a new job.
- **Adult Employment and Training:** Adults who face any number of barriers to employment can access services to help them succeed in well-paying careers. The Adult Employment Training Programs, funded jointly through federal and state government fund include Career Pathway programs that integrate basic skills education, career-specific training, support services, and employment placement and retention to meet the needs of customers. DEED administers state funded grants along with direct legislative appropriations, such as: Pathways to Prosperity, Southeast Asian Economic relief, African Immigrant

Community, Support Services, Women in High-wage, High-demand, Nontraditional Jobs, and several other adult competitive grant programs focused on meeting the needs of different communities across the state.

- **Youth Employment and Training:** The youth and young adults who are eligible for DEED services come from low-income families, have severe barriers to employment, and are under-represented in the workforce. The Youth Employment Training Programs, funded jointly by the federal government and the State, assist Minnesota youth with career counseling and exploration, mentoring, skills development, work experiences and other career awareness and engagement services.
- The state funded **Youthbuild** program offers a construction career pathway for at-risk youth and young adults who have dropped out of school or experienced repeated failure in school. It provides youth with industry-recognized credentials and pre-apprenticeship training in residential construction; and contextual basic skills and soft skills in work readiness, career counseling, and leadership skills.
- The state funded **Minnesota Youth at Work Competitive Grants** provide funding to organizations offering workforce development and training opportunities to economically disadvantaged or at-risk youth, ages 14-24, with special consideration to youth from communities of color and youth with disabilities. Services include connecting classroom skills to work-based settings, exposing youth to work settings that offer direct employer/supervisor feedback, and youth engagement while exploring interests and abilities.
- The state funded **Minnesota Youth Program (MYP)** provides summer and year-round employment and training services to low-income and at-risk youth, ages 14 to 24, through a partnership with the Local Workforce Development Boards (LWDBs) and Youth Committees. This program reaches every single county in Minnesota. At-risk youth can earn academic credit for their participation; and worksite supervisors evaluate (pre and post) work readiness skill attainment on the worksite.
- The **Senior Community Service Employment Program (SCSEP)** is a community service and work-based job training program for older Americans. Authorized by the Older Americans Act, the program provides training for low-income, unemployed seniors. Participants also have access to employment assistance through Careerforce. Participants work an average of 20 hours a week and are paid the highest of federal, state, or local minimum wage. This training serves as a bridge to unsubsidized employment opportunities for participants.
- The primary goal of the **Minnesota Retaining Employment and Talent After Injury/Illness Network (MN RETAIN)** is to provide early intervention strategies for workers to stay at work or return to work as soon as medically possible after an injury or illness, occurring on or off-the-job, impacts their employment. Minnesota RETAIN is different than many other stay at work/return to work programs because the Return-to-Work Case Manager is an integrated member of the worker's medical team. Minnesota RETAIN also assists workers that cannot be accommodated in their regular job by working with a Career Navigator to create an individualized employment plan for the participant. MN RETAIN is fully federally funded by the U.S. Department of Labor and the Social Security Administration.
- **Governor's Workforce Development Board (GWDB):** The GWDB has statutory responsibility under the federal Workforce Innovation and Opportunity Act (WIOA), which provides leadership on opportunities and key workforce strategies for the state. The Board represents key leaders from business, education, labor, community-based organizations, and government. The Board provides a venue for workforce stakeholders to create a shared vision for the state's workforce strategies.
- **Office of New Americans:** The Office provides targeted outreach and engagement efforts on DEED's programs. In particular, it connects with populations in Minnesota hit hardest by racial and other disparities in employment – including gender, sexual orientation, geography, and race or ethnicity. DEED is committed to helping create equitable communities and economic opportunities and tailors statewide outreach and engagement efforts based on different needs across the state. The Office of Public Engagement works with agency leaders to make programs more accessible to all Minnesotans. The Office was launched at a critical inflection point for Minnesota's economy - the opportunity to increase outreach and engagement, in particular to communities of color, has an economic as well as moral urgency.

RESULTS

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

Workforce Development Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
<u>Expenditures by Fund</u>						
1000 - General	7,420	7,358	67,543	99,440	10,746	10,746
2000 - Restrict Misc Special Revenue	2,179	2,455	3,184	3,597	1,864	1,864
2340 - Renewable Development	2,500					
2390 - Workforce Development	44,840	51,069	44,360	72,474	54,002	54,002
3000 - Federal	51,819	45,502	50,863	69,011	69,011	69,011
Total	108,758	106,385	165,949	244,522	135,623	135,623
Biennial Change				195,329		(139,225)
Biennial % Change				91		(34)

Expenditures by Activity

ETP Adult Services	77,485	75,052	118,551	199,532	112,914	112,914
ETP Youth Programs	23,841	23,904	39,207	37,560	15,279	15,279
CareerOneStop	7,432	7,428	8,191	7,430	7,430	7,430
Total	108,758	106,385	165,949	244,522	135,623	135,623

Expenditures by Category

Compensation	8,372	8,673	10,422	12,371	9,678	9,709
Operating Expenses	10,428	11,604	15,545	90,352	71,009	70,978
Grants, Aids and Subsidies	89,962	86,108	139,963	141,786	54,924	54,924
Other Financial Transaction	(5)	0	19	13	12	12
Total	108,758	106,385	165,949	244,522	135,623	135,623

Total Agency Expenditures	108,758	106,385	165,949	244,522	135,623	135,623
Internal Billing Expenditures	1,275	1,277	1,487	1,201	802	802
Expenditures Less Internal Billing	107,483	105,107	164,462	243,321	134,821	134,821

Full-Time Equivalents

80.39	83.40	82.44	82.44	82.18	82.18
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Workforce Development Services

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base	
	FY22	FY23	FY24	FY25	FY26	FY27
1000 - General						
Balance Forward In				4,893		
Direct Appropriation	7,421	7,421	93,036	94,547	10,746	10,746
Cancellations	1	63	20,601			
Balance Forward Out			4,892			
Expenditures	7,420	7,358	67,543	99,440	10,746	10,746
Biennial Change in Expenditures				152,204		(145,491)
Biennial % Change in Expenditures				1,030		(87)
Full-Time Equivalents	2.17	2.30	3.62	3.62	3.41	3.41

2000 - Restrict Misc Special Revenue

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

2340 - Renewable Development

Direct Appropriation	2,500					
Expenditures	2,500					
Biennial Change in Expenditures				(2,500)		0
Biennial % Change in Expenditures						

2390 - Workforce Development

Balance Forward In	21	27	21	12		
Direct Appropriation	29,764	29,514	21,002	33,159	14,002	14,002
Open Appropriation	15,698	21,803	23,559	40,000	40,000	40,000
Transfers Out				697		
Cancellations	623	253	211			
Balance Forward Out	21	21	12			
Expenditures	44,840	51,069	44,360	72,474	54,002	54,002

Workforce Development Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
Biennial Change in Expenditures				20,925		(8,830)
Biennial % Change in Expenditures				22		(8)
Full-Time Equivalents	12.25	11.52	11.41	11.41	11.36	11.36

3000 - Federal

Balance Forward In	297	1,040	73			
Receipts	52,438	44,462	50,790	69,011	69,011	69,011
Balance Forward Out	915					
Expenditures	51,819	45,502	50,863	69,011	69,011	69,011
Biennial Change in Expenditures				22,553		18,148
Biennial % Change in Expenditures				23		15
Full-Time Equivalents	59.08	62.00	57.38	57.38	57.38	57.38

Program: CareerForce Systems<http://www.careerforcemn.com>**AT A GLANCE**

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

PURPOSE AND CONTEXT

CareerForce works to empower the growth of the Minnesota economy for everyone by working with businesses to recruit, hire, and train the workforce they need now, and for tomorrow. To accomplish this, CareerForce engages with career seekers and employers in 55 CareerForce Locations across the state, online and through outreach to people and populations who have experienced greater challenges accessing the workforce development system. These populations include career seekers who are communities of color Veterans are a priority population within the CareerForce system. CareerForce works hard to make sure no Minnesotan is left on the economic sidelines.

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

SERVICES PROVIDED

CareerForce oversees the inclusive delivery of basic career services to career seekers and employers throughout Minnesota. CareerForce supports employment services delivery across a statewide network of 55 one-stop American Job Centers, known as CareerForce Locations located in sixteen Minnesota local workforce development areas, as well as online services that are providing new ways to deliver virtual assistance. CareerForce works closely with the Minnesota Association of Workforce Boards (MAWB), the Governor's Workforce Development Board (GWDB), DEED's Employment and Training Programs, Unemployment Insurance, and local leadership in each workforce development area to ensure an integrated approach to service delivery.

CareerForce units include the Employment Services unit and the Veteran Employment Services unit. Employment Services oversees Job Service, the Employment Service Program, Migrant Seasonal Farmworker Services, Work Opportunity Tax Credits (WOTC), Foreign Labor Certification, the Federal Bonding Program, CareerForce digital resources, and the state's labor exchange (MinnesotaWorks.net). Veteran Employment Services provides priority services to qualified military veterans and assists employers with recruiting military veterans.

- **Employment Services Unit:** Oversees the administration of Wagner-Peyser funding to deliver services to career seekers and employers statewide. This unit also operates programming with other state agencies,

oversees CareerForceMN.com and MinnesotaWorks.Net, operates employer programs, and manages a helpdesk to support CareerForce Systems.

- **Job Service Team:** Provides basic career services directly to career seekers and employers. These services are provided directly in person, over the phone or online in every workforce development area via Wagner-Peyser Act funding and in collaboration with partners of CareerForce as identified in WIOA. In some areas, Job Service delivers local programming, such as Dislocated Worker, Youth Programs, Adult Services, Pathways to Prosperity, or MFIP. Staff work out of each of the 16 local workforce development areas across the state. Supervisors represent Wagner-Peyser on each of the 16 local Workforce Development Boards.

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

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

- **CareerForce Information and Assistance Line (helpdesk) and Employer Services Team:** Provides services and programs directly to career seekers, employers and CareerForce partners. This team assists employers with creating vetted accounts to post job vacancies and search for resumes. They also assist career seekers with posting their resumes, accessing programs and services, and delivering basic career services over the phone and online.

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

- **Veterans Services Unit:** DEED administers the federally funded Jobs for Veterans State Grant program that provides employment and training services for eligible current and former military members. All DEED employees on the Veterans Employment Services team are military veterans. Primary customers are Minnesota veterans of all service eras and all ages—including the Minnesota National Guard and Reserves who meet the state statute definition of an eligible veteran. The Veterans Employment Specialists provide individualized career services and facilitate job placement to veterans with significant barriers to employment.

- **Veteran career services** include comprehensive assessment interviews, career guidance services, individual employment plans, staff-assisted job search activities, and job placement assistance.
- **Employer Services** are provided by Local Veterans Employment Representatives who reach out to the employer community to promote the advantages of hiring veterans. Promoting the advantages of hiring veterans served by CareerForce to businesses, and other community-based organizations is carried out through hosting career fairs, apprenticeship programs, and the business community to promote and secure employment and training for veterans and informing federal contractors of the process to recruit qualified veterans.

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

RESULTS

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

Minn. Stat. § 116L (<https://www.revisor.mn.gov/statutes/?id=116L>), Minn. Stat. § 116J (<https://www.revisor.mn.gov/statutes/?id=116J>), and the Workforce Investment Act, the Workforce Investment Act (Public Law 113 – 128, <https://www.congress.gov/bill/113th-congress/house-bill/803/text>) <https://www.gpo.gov/fdsys/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf>, 29 U.S.C. Sec. 3101, et. seq. provides the legal authority for DEED's Employment and Training Programs Division

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27

Expenditures by Fund

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

Expenditures by Activity

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

Expenditures by Category

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

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

Full-Time Equivalents

	140.40	148.94	142.61	142.07	142.07	142.07
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(Dollars in Thousands)

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

3000 - Federal

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

Program: Disability Determination Services (DDS)

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

AT A GLANCE

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

PURPOSE AND CONTEXT

Disability Determination Services (DDS) evaluates claims for disability benefits using Social Security Administration (SSA) guidelines and Federal Regulations. The Social Security program provides benefits to persons with disabilities who are not able to work. When Social Security added protection for individuals with disabilities in 1954, the law included a requirement that the disability decision for an individual must be made by a state agency and not a federal office. The federal government, through SSA, funds DDS.

SERVICES PROVIDED

Disability Determination Services (DDS) accomplishes the mission by making eligibility decisions regarding disability and blindness applications on behalf of the federal SSA. The program's activities include:

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

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

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</i>	<i>FFY 2021</i>	<i>FFY 2022</i>
Quantity	# of new determinations reviewed	Internal Program Data	42,031	43,562
Quality	Days in decision-making	Internal Data	94.5	92.4
Quality	Accuracy of determination decisions (Initial Claims only as reported by SSA.)	SSA Data	96.1%	96.2%

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

Disability Determination Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
<u>Expenditures by Fund</u>						
3000 - Federal	27,345	29,773	36,090	33,263	36,152	37,521
Total	27,345	29,773	36,090	33,263	36,152	37,521
Biennial Change				12,236		4,320
Biennial % Change				21		6
<u>Expenditures by Activity</u>						
Disability Determination Services	27,345	29,773	36,090	33,263	36,152	37,521
Total	27,345	29,773	36,090	33,263	36,152	37,521
<u>Expenditures by Category</u>						
Compensation	13,454	14,758	15,918	16,836	18,903	19,411
Operating Expenses	8,248	8,429	10,729	9,274	9,738	10,224
Grants, Aids and Subsidies	5,618	6,586	7,427	7,153	7,511	7,886
Capital Outlay-Real Property	17		0			
Other Financial Transaction	7	0	2,016			
Total	27,345	29,773	36,090	33,263	36,152	37,521
Total Agency Expenditures	27,345	29,773	36,090	33,263	36,152	37,521
Internal Billing Expenditures	2,049	2,182	2,417	2,699	2,834	2,976
Expenditures Less Internal Billing	25,295	27,590	33,674	30,564	33,318	34,545
<u>Full-Time Equivalents</u>						
	161.07	175.49	167.44	167.44	167.44	167.44

Disability Determination Services

Program Financing by Fund

(Dollars in Thousands)

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

Program: General Support Services

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

AT A GLANCE

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

PURPOSE AND CONTEXT

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

SERVICES PROVIDED

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

- *Commissioner's Office*: provides executive leadership through appointment by Office of the Governor of Minnesota. In addition to supervising all DEED programs, the Commissioner's Office oversees two quasi-independent agencies:
 - The *Public Facilities Authority* (PFA) is a multi-agency authority that provides municipal financing expertise and infrastructure financing programs to enhance the environmental and economic vitality of the State. The Commissioner of DEED serves as the chair and chief executive officer of the authority while day-to-day operations are managed by an executive director and staff.
 - *Explore Minnesota Tourism* is the state's tourism marketing entity and is an office in the executive branch. The director of that agency reports directly to the Commissioner of DEED.
- *Administrative and Financial Services*: Administers all financial policies and activities (including financial planning and analysis, accounting, payroll, procurement, contracting, granting, continuity of operations, emergency preparedness, and other administrative functions) as well as managing DEED facilities.
- *Communications*: Publicizes DEED services for customers, partners, and other stakeholders while promoting Minnesota as a thriving place to live, work, and do business.
- *Customer Innovation*: Builds capacity for delivering innovative government services and supports agency objectives and key results through use of continuous improvement and human-centered design methods.
- *General Counsel*: Supports DEED's legal needs, including data requests, data privacy, ethics questions, litigation, contracts, and other items.
- *Government Relations/Policy*: Provides policy and legislative support to the agency.
- *Human Resources*: Manages agency personnel policy, supports hiring and retention, administers labor relations, and advances employee training and development.
- *MNIT DEED*: Provides at agency information technology support to DEED.
- *Office of Diversity and Equal Opportunity*: Ensures DEED's compliance with federal and state laws concerning discrimination, harassment, reasonable accommodation, retaliation, site and program access, and spearheads diversity, equity and inclusion efforts for the agency.
- *Office of Public Engagement*: Organizing and coordinating public engagement events and outreach strategies for DEED in under-served BIPOC communities.

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

RESULTS

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

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

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

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

General Support Services

Program Expenditure Overview

(Dollars in Thousands)

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

Expenditures by Activity

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

Expenditures by Category

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

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

Full-Time Equivalents

	101.30	116.58	127.59	174.23	173.13	173.13
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General Support Services

Program Financing by Fund

(Dollars in Thousands)

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

2000 - Restrict Misc Special Revenue

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

2001 - Other Misc Special Revenue

Balance Forward In	104	78	44	5		
Receipts	116	101	112	151	165	177
Balance Forward Out	66	2	5			
Expenditures	154	176	151	156	165	177
Biennial Change in Expenditures				(23)		35
Biennial % Change in Expenditures				(7)		11
Full-Time Equivalents	0.52	0.61	0.61	0.61	0.61	0.61

2390 - Workforce Development

Balance Forward In		25		56		
Direct Appropriation	55	55	95	95	95	95

General Support Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
Balance Forward Out	25		56			
Expenditures	30	80	39	151	95	95
Biennial Change in Expenditures				80		0
Biennial % Change in Expenditures				73		0

Program: Minnesota Trade Office<https://mn.gov/deed/business/exporting/>**AT A GLANCE**

- Works to increase the number of Minnesota companies exporting into foreign markets.
- Helps foreign companies explore the advantages of expanding or relocating in Minnesota and directly contracts with representative trade and investment offices in Canada, EU, UK/Ireland, and Japan, and uses a larger network for trade assistance in another 50 countries.
- Provides technical assistance and financial resources for companies seeking to expand exporting.
- Recruits new and promotes additional foreign direct investment from foreign-owned enterprises.

PURPOSE AND CONTEXT

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

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

SERVICES PROVIDED

The Minnesota Trade Office (MTO) provides:

- Export counseling and assistance: MTO's Regional Trade Managers and Regional Trade Specialists guide Minnesota companies through the challenges of conducting international business. Services include exporting guidance, market research, reviewing regulatory requirements, providing advice on international logistics, and evaluating market entry strategies. MTO utilizes an international network of trade consultants located in key markets to assist Minnesota businesses requiring hand-on aid or specific information in those markets.
- Export financing programs: Provide grants to help new and current exporters. For instance, the STEP Grant Program provides financial and technical assistance to Minnesota small businesses with an active interest in exporting products or services to foreign markets. Small businesses may apply for reimbursements of between \$500 and \$7,500 for export-training and export-development related activities. MTO also guides companies to third parties so the company may obtain public or private financial assistance like loans, working capital, credit, and insurance.
- Foreign direct investment assistance: Work with foreign companies exploring the advantages of expanding or relocating in Minnesota. MTO engages with existing foreign-owned enterprises through an annual seminar assisting foreign-owned enterprises on doing business in Minnesota. Additionally, MTO operates investment and trade offices in Canada, EU, UK/Ireland, and Japan.
- Protocol Office for the State: Provide leadership and expertise on international relations and international affairs for the State of Minnesota. MTO ensures the state's interactions with foreign delegations and dignitaries are conducted with appropriate diplomatic etiquette and cultural practices. MTO is also the state's liaison to the Minnesota Consular Corp, the state's local diplomatic community.
- Sponsor and coordinate trade missions to foreign countries with delegations of business, education, and government officials, to showcase Minnesota as a superior place to do business, raise the profile of Minnesota companies, and provide important networking opportunities to the delegates.
- Organize Minnesota's participation at summits and international conferences.

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

RESULTS

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

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

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27

Expenditures by Fund

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

Expenditures by Activity

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

Expenditures by Category

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

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

Full-Time Equivalents

10.53	9.18	10.12	10.12	10.12	10.12
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(Dollars in Thousands)

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

2000 - Restrict Misc Special Revenue

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

3000 - Federal

Receipts	38	310	43			
Expenditures	38	310	43			
Biennial Change in Expenditures				(305)		(43)
Biennial % Change in Expenditures				(88)		

Program: Vocational Rehabilitation Services

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

AT A GLANCE

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

PURPOSE AND CONTEXT

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

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

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

SERVICES PROVIDED

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

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

- Vocational Rehabilitation Program (VR): the program works with people with disabilities to explore employment choices, find and maintain jobs, and advance in their careers through services such as job counseling, job search assistance, education and training and job placement services. Staff provide individualized assessments, evaluations, counseling, training, assistive technologies, job placement and retention services.
 - Through coordinated partnerships, the program works closely with nonprofit community rehabilitation providers, county service agencies, regional centers for independent living, secondary and post-secondary educational institutions, businesses, and other public and private organizations. A particular service focus is on Pre-Employment Transition Services (Pre-ETS) to

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

help students with disabilities plan the journey from school to what comes next. Specifically, Pre-ETS helps students discover career and postsecondary education possibilities, how to gain work skills, work experiences, and assistance for students to make their plans happen.

- Go MN! is a new demonstration project funded by a Disability Innovation Fund federal grant that helps people working in subminimum wage or contemplating working in subminimum wage transition to competitive integrated employment. Go MN! utilizes the Progressive Employment model to help participants explore opportunities and find employment in the high-growth transportation industry.
- **Extended Employment (EE):** EE provides individuals with significant disabilities long-term supports to assist them with retaining their employment and advancing their careers by providing long-term employment support services. Supports can include assistance in training or retraining job tasks, schedule changes, adjusting to new supervisors, advancement to new job tasks or positions, and managing changes in life activities that may impact work performance.
- **Centers for Independent Living:** Provide state and federal funding to Minnesota's eight Centers for Independent Living whose missions are to empower Minnesotans with disabilities to live and function independently at home, at work and in their communities.
- **Individual Placement and Supports:** Provides state funding through grants to Minnesota's Individual Placement and Supports (IPS) projects that assist people with serious mental illnesses achieve steady competitive, integrated employment by providing a full range of employment services and supports. IPS services emphasize a rapid engagement approach to competitive job searches consistent with the individual's goals, interests and experience, and are available to anyone who wants to work regardless of mental health diagnosis, substance use, past work history or assessment of work readiness.
- **Deaf, Deafblind, and Hard of Hearing:** The Deaf, Deafblind, and Hard of Hearing grants provide funding to community partners to offer long-term, ongoing employment support services to persons who are deaf, deafblind or hard of hearing as well as school-based communication, access, and employment services for transition-aged youth who are deaf, deafblind or hard of hearing.

RESULTS – EXTENDED EMPLOYMENT PROGRAM

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

RESULTS – INDIVIDUAL PLACEMENT AND SUPPORTS GRANTS

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

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

RESULTS – INDEPENDENT LIVING GRANTS

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

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

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

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

Vocational Rehabilitation Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
<u>Expenditures by Fund</u>						
1000 - General	31,612	32,067	38,552	40,529	31,361	31,361
2390 - Workforce Development	9,796	8,383	10,069	7,830	7,830	7,830
2403 - Gift	14				2	2
3000 - Federal	64,077	63,294	85,398	107,451	99,428	99,428
Total	105,499	103,745	134,019	155,810	138,621	138,621
Biennial Change				80,586		(12,587)
Biennial % Change				39		(4)

Expenditures by Activity

Vocational Rehabilitation Services	77,625	76,003	98,104	112,277	112,306	112,306
Extended Employment	23,205	22,722	27,926	24,992	20,880	20,880
Independent Living	4,669	5,019	7,990	18,541	5,435	5,435
Total	105,499	103,745	134,019	155,810	138,621	138,621

Expenditures by Category

Compensation	34,257	38,406	45,067	48,212	49,051	50,130
Operating Expenses	14,615	13,723	19,113	25,831	26,273	21,874
Grants, Aids and Subsidies	56,602	51,525	69,442	81,485	63,015	66,335
Capital Outlay-Real Property	0	12	1	1	1	1
Other Financial Transaction	25	78	396	281	281	281
Total	105,499	103,745	134,019	155,810	138,621	138,621

Total Agency Expenditures	105,499	103,745	134,019	155,810	138,621	138,621
Internal Billing Expenditures	5,303	5,683	7,439	7,928	7,862	8,034
Expenditures Less Internal Billing	100,196	98,062	126,580	147,882	130,759	130,587

Full-Time Equivalent

357.09	392.05	419.79	434.92	437.21	437.21
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Vocational Rehabilitation Services

Program Financing by Fund

(Dollars in Thousands)

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

2000 - Restrict Misc Special Revenue

Balance Forward In	0			
Receipts	0			

2390 - Workforce Development

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

2403 - Gift

Balance Forward In	38	24	25	26	28	28
Receipts	0	1	1	2	2	2
Balance Forward Out	24	25	26	28	28	28
Expenditures	14				2	2
Biennial Change in Expenditures				(14)		4
Biennial % Change in Expenditures						

Vocational Rehabilitation Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
3000 - Federal						
Balance Forward In	621	7,220	14,539	4,119		
Receipts	64,068	57,745	74,978	103,332	99,428	99,428
Balance Forward Out	612	1,670	4,119			
Expenditures	64,077	63,294	85,398	107,451	99,428	99,428
Biennial Change in Expenditures				65,478		6,007
Biennial % Change in Expenditures				51		3
Full-Time Equivalents	233.71	292.94	311.07	320.49	320.49	320.49

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

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

PURPOSE AND CONTEXT

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

SERVICES PROVIDED**Workforce Development:**

Workforce Development receives 78.7 percent of its funding through a federal grant from the U.S. Department of Education. For Federal Fiscal Year 2023, the total amount of grant funds awarded was \$10,410,449. The remaining 21.3 percent required match of \$2,817,568 is funded by a state appropriation.

Vocational Rehabilitation: A Workforce Innovation and Opportunity Act Core Partner

SSB assists youth in preparing for life after high school by ensuring they have the skills, training, and technology necessary to be a part of a highly skilled, highly trained workforce. SSB supports individuals in choosing careers that align with today's economic trends and provide them with the necessary training and technology so they have a competitive edge in the labor market. SSB helps individuals avoid or leave sheltered workshops that pay subminimum wage and instead assist them in finding high quality, good paying jobs in the community. Employment specialists and assistive technologists partner with businesses by assisting them with recruitment, employee retention, disability training, and job accommodations.

Business Enterprises: Providing Entrepreneurial Opportunities

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

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

Many of the people served have age-related macular degeneration, diabetic retinopathy, glaucoma, or other vision-related conditions that are often a part of aging. SSB helps customers meet the challenges of vision loss based on their own particular needs and circumstances. Services range from teaching simple techniques for managing household activities to comprehensive training that can include learning to use a white cane, how to continue to use technology, and more complex personal independence skills. The Aging Eyes Initiative is an additional program within Senior Services that leverages community partnerships throughout Minnesota to reach additional seniors in need.

Communication Center: SSB supports Minnesotans with print disabilities with reading, including providing equal access to information (newspapers, books, magazines, community, religious, and family materials) through braille, audio books, podcasts, large print, and e-text. SSB partners with the Minnesota Braille and Talking Book Library and are part of the National Library Service program and provides braille school materials for Minnesota's K-12 children. SSB's radio reading service, the Radio Talking Book, broadcasts new books, magazines, and daily newspapers. RTB has an app for IOS and Android as well as an Alexa skill. NFB-NEWSLINE presents audio newspapers and magazines from around the world, as well as job postings. SSB also produces life-skill podcasts for youth in partnership with Blind Abilities. Government agencies, businesses, and schools rely on approximately 300 volunteers for their braille, audio, large print, and e-text needs.

RESULTS

Workforce Development:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</i>	<i>FFY 2021</i>	<i>FFY 2022</i>
Result	Customers' average hours worked per week	Internal Program Tracking	29	31
Result	Customers' average hourly wage	Internal Program Tracking	\$21.67	\$25.02

Senior Services:

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

Communication Center:

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

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

State Services for The Blind

Program Expenditure Overview

(Dollars in Thousands)

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

Expenditures by Activity

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

Expenditures by Category

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

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

Full-Time Equivalents

107.86	115.83	120.69	268.00	274.00	272.00
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State Services for The Blind

Program Financing by Fund

(Dollars in Thousands)

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

2000 - Restrict Misc Special Revenue

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

2001 - Other Misc Special Revenue

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

2403 - Gift

Balance Forward In	587	519	376	233	233	225
Receipts	159	219	140	305	305	305
Balance Forward Out	518	375	233	233	225	215
Expenditures	227	362	282	305	313	315
Biennial Change in Expenditures				(1)		41

State Services for The Blind

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
Biennial % Change in Expenditures				(0)		7
Full-Time Equivalents	1.00	1.04	1.00	1.00	1.00	1.00

3000 - Federal

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

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

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

PURPOSE AND CONTEXT

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

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

SERVICES PROVIDED

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

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

This work is advanced through strategic approaches, including:

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

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

Paid Leave

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27

Expenditures by Fund

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

Expenditures by Activity

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

Expenditures by Category

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

Full-Time Equivalents

			3.50	300.00	405.00	407.00
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Paid Leave

Program Financing by Fund

(Dollars in Thousands)

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

4925 - Family and Medical Benefit Ins

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

Program: Broadband Development<https://mn.gov/deed/programs-services/broadband/>**AT A GLANCE**

- Works to ensure that the state's Internet service is among the nation's best and can keep pace with the growing demands of businesses and individual Minnesotans.
- Coordinates public, private, and philanthropic efforts to increase availability, speed, and use of broadband.
- Administers federal resources assigned directly to states for broadband infrastructure and digital equity.
- Administers the state competitive grant programs for broadband infrastructure, including Border to Border, Low Density Population, and Line Extension programs.
- In SFY 2023 and 2024, awarded 148 grants totaling \$225M for broadband deployment.
- Administers the state Telecommuter Forward! Community certification program.
- Conducts research, data collection, and mapping to inform policy and improve access to underserved and unserved communities.

PURPOSE AND CONTEXT

The Office of Broadband Development (OBD), created in 2013, is charged with improving broadband access and use. OBD is housed in the Economic Development and Research Division of Minnesota Department of Employment and Economic Development (DEED). OBD's purpose is to drive job creation, promote innovation and expand markets for Minnesota businesses by increasing the deployment and use of broadband technologies. OBD encourages investment in broadband infrastructure to achieve equal access to opportunities in economic development, education, healthcare, public safety, and social well-being throughout the state. The work ensures that unserved and underserved communities gain access to the broadband infrastructure they need to remain economically competitive and to advance digital adoption and skills to all Minnesotans.

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

SERVICES PROVIDED

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

- *Community Planning:* Work with communities, internet service providers, Tribal Nations, and local units of government to provide technical assistance and consultation services for broadband development and related planning. OBD works to ensure these partners are aware of both federal and state policies and programs, including financial resources.
- *Broadband Infrastructure:* Manage the competitive Border-to-Border Broadband Development Grant program, Low Density Population Grant Program, Line Extension program, and new federal funding for the Broadband Equity, Access and Deployment program to award grants to build broadband infrastructure in areas of the state where conventional business models have been unable to meet

connectivity needs. Applicants are typically one partner among several in a community initiative, such as an existing broadband provider, a cooperative, township, city, or tribe.

- *Research and Data Collection:* Through the coordination of data collection, mapping, and analysis, OBD measures progress toward state broadband goals.
- *Adoption and Use:* Study and work to improve low broadband adoption and use rates among identified population groups including the development and administration of new federal funding for Digital Equity planning and capacity grants. OBD has led the development of a statewide Digital Opportunity Plan that will guide this work. Manage the Telecommuter Forward! Community certification program to promote broadband usage and economic development.
- *Collaboration and Engagement:* Provide support and input to the Governor's Task Force on Broadband to develop, implement and promote state broadband policy, planning and initiatives to achieve State broadband needs and goals. Data and programmatic information are also used to educate and inform legislators as they consider broadband policy legislation. OBD works with the Association of Minnesota Counties, Minnesota Association of Townships, Minnesota Association of Small Cities, League of Minnesota Cities, Minnesota Cable Communications Association, Minnesota Telecom Alliance, Minnesota Rural Electric Association, and many other organizations to collaboration and engagement with communities.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</i>	<i>Year & Amount of Funding Appropriated</i>							
			<i>2014 \$20M</i>	<i>2015 \$10.5M</i>	<i>2016 \$35M</i>	<i>2017 \$20M</i>	<i>2018 \$0</i>	<i>2019 \$20M</i>	<i>2020 \$20M</i>	<i>2022 \$100M</i>
Quantity	# of Applications to Broadband Grant Program	Internal Program Tracking	40	44	57	70	0	80	64	130
Quantity	# of Grant Awards from the Broadband Grant Program	Internal Program Tracking	16	15	40	39	0	30	39	61
Quantity	# of Households, Businesses and Community Institutions Served by Broadband Grant Program	Internal Program Tracking	6,333	4,098	16,708	12,202	0	10,938	6,922	33,091

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Measure Data Source</i>	<i>Year & Amount of Funding Appropriated</i>							
			<i>2014 \$20M</i>	<i>2015 \$10.5M</i>	<i>2016 \$35M</i>	<i>2017 \$20M</i>	<i>2018 \$0</i>	<i>2019 \$20M</i>	<i>2020 \$20M</i>	<i>2022 \$100M</i>
Results	Percent of Minnesota Households with High-Speed Broadband Access (based on 2016 established goal of 25Mbps down/3Mbps upload)	Connected Nation Mapping Data	85.83% ¹	87.72% ²	87.94% ³	90.77% ⁴	92.70% ⁵	92.19% ⁶	91.86 ⁷	91.56 ⁸

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

¹ Broadband access as of 2/15

² Broadband access as of 7/16

³ Broadband access as of 4/17

⁴ Broadband access as of 3/18

⁵ Broadband access as of 4/19

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

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

⁸ Broadband access as of 10/23

Broadband Development

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
<u>Expenditures by Fund</u>						
1000 - General	283	417	325	1,026	1,001	1,001
2001 - Other Misc Special Revenue	803	27,544	78,451	56,070		
3000 - Federal		67,895	55,332	51,861	3,259	3,259
Total	1,086	95,856	134,108	108,957	4,260	4,260
Biennial Change				146,123		(234,545)
Biennial % Change				151		(96)

Expenditures by Activity

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

Expenditures by Category

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

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

Full-Time Equivalent

3.98	5.26	10.97	10.97	3.44	3.44
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Broadband Development

Program Financing by Fund

(Dollars in Thousands)

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

2001 - Other Misc Special Revenue

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

3000 - Federal

Balance Forward In					1,704	852
Receipts		67,895	55,332	53,565	2,407	2,407
Balance Forward Out				1,704	852	
Expenditures		67,895	55,332	51,861	3,259	3,259
Biennial Change in Expenditures				39,298		(100,675)
Biennial % Change in Expenditures						(94)
Full-Time Equivalents		1.21	7.92	7.92	2.04	2.04