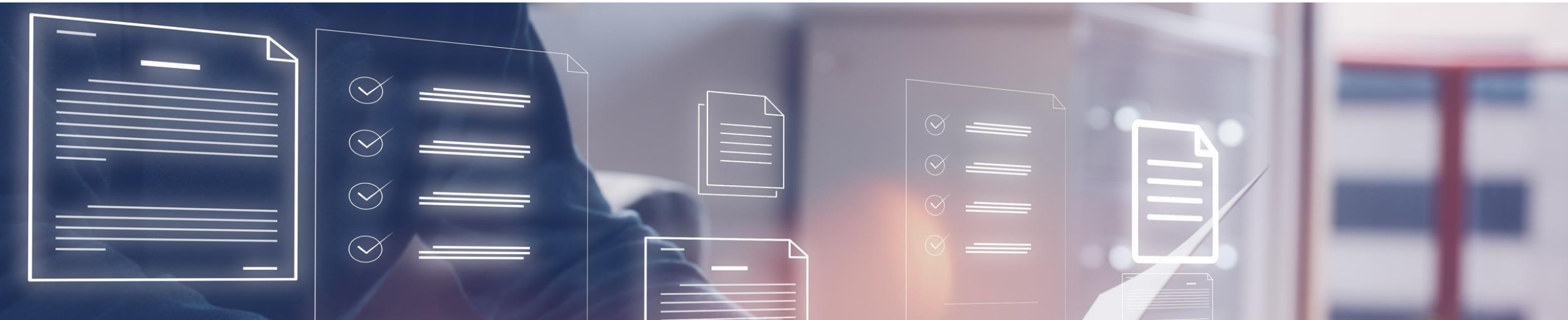




DEED 2024 Proposals

Commissioner Matt Varilek

April 17, 2024



2024 Legislative Policy Proposals

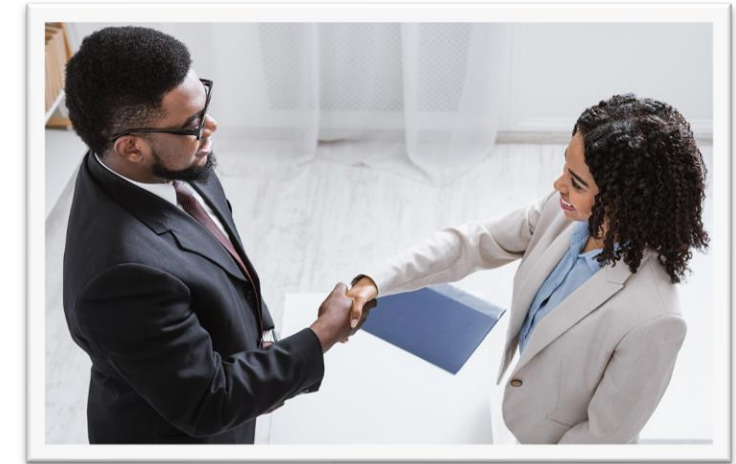
HF3450 - Enhance Flexibility within the Job Creation Fund

Proposed changes to the Job Creation Fund (JCF) (116J.8748) would measure job creation in **full-time equivalents** to better reflect modern jobs.

Add language to the definition of full-time employee to include:

“has expected work hours of at least 2,080 hours annually **or the equivalent of annualized expected hours of work equal to 2,080 hours of one or more employees.**”

This change is responsive to employment differences across industries and will create consistency between the JCF and the Minnesota Investment Fund (MIF), a similar business financing program.



CNBC America's Top States for Business 2023: The full rankings

AMERICA'S TOP STATES FOR BUSINESS 2023

OVERALL RANK ↓	STATE ↓	WORK-FORCE ↓	INFRA-STRUCTURE ↓	ECONOMY ↓	LIFE, HEALTH & INCLUSION ↓
1	North Carolina	1	16	3	34
2	Virginia	7	10	13	16
3	Tennessee	9	3	5	43
4	Georgia	8	1	4	39
5	Minnesota	17	3	24	4

HF3451 - Dislocated Worker Program Customer Expansion

In response to the state's workforce shortage, DEED proposes expanding the eligible populations who can access state dislocated worker services (116L.17).

Adding the following with an intent to increase labor force participation of individuals from underserved populations (and to make the program more responsive to the needs of employers):

- A **spouse of a member of the United States armed forces** who has lost employment due to a service member relocation, is unemployed or underemployed
- Individuals with **non-work-related injuries or illnesses** who need support to re-enter or remain in the workforce
- Adults with a **low income**, are a recipient of **public assistance** or are **basic skills deficient**



HF3452 - Improve State Dislocated Worker Program Services

- The cost category limitations for the state Dislocated Worker program **no longer reflect the needs of dislocated workers.**
- The current cost categories require significantly more resources to be made available for “career services” rather than “training services” – **making it harder for the program to serve more challenged individuals.**
- Eliminating strict cost categories for this program will allow **local areas to tailor their programs** to best **meet the needs** of their participants. This change will also better align the state Dislocated Worker program with the federal, which does not have cost category limitations.





DEED DELIVERS
for Minnesota

m EMPLOYMENT AND
ECONOMIC DEVELOPMENT

2024 Supplemental Budget Proposals - HF 5205

Sec. 1 Targeted Populations Workforce Grant Program

Change

- Remove the requirement that a community-based organization have an annual budget of no more than \$1,000,000.

Purpose of Change

- Removing this eligibility requirement enhances flexibility to ensure the funds are awarded to an organization best suited to realize the objective of providing, “skills training that leads to employment or business development in high-growth industries.”
- The program will continue to emphasize smaller organizations in its awards

Example of benefit

- In Greater Minnesota, due to the economics of community-based organizations, there are fewer organizations that have the expertise and capacity to effectively administer the program and often have budgets larger than \$1,000,000. Awards to these organizations will result in the best possible outcomes to ensure efficient and impactful use of taxpayer funds.

Sec. 2 SFY 2026-27 Appropriation

	2024	2025	2026
General Fund	17,950,000	7,950,000	5,950,000
Workforce Development Fund	95,000	95,000	95,000

Purpose:

Aligns FY26-27 funding with agreed-upon spreadsheet for General Support Services – which is represented in the FY26 column.

Appropriation Change for Vocational Rehabilitation

Funding Change

One-time funding of \$5.055 million each year was appropriated from the general fund for FY24-25. Grantees have asked to spread the funding through FY27 so they can make better use of one-time funds.

- To comply with the budget agreements, Sec. 3 strikes the FY25 funds but Sec. 6 reappropriates \$5.055 million that can be spent through FY27 to satisfy grantee needs.
- This is a budget neutral change.

Sec. 4 Removing End Date for Transfers between Funds

Change

Removes end-date of June 30, 2027, to allow money transfers between the following funds:

- Minnesota Forward Fund account
- Minnesota Climate Innovation Authority account
- State Competitiveness Fund account



Benefit of change

- Provides flexibility to ensure optimal utilization of the funds and fluctuations in demand.

Sec. 5 Cancellation of the Appropriation to 2027 Expo Project

Change

Requires the money appropriated for the 2027 Expo Project in Laws 2023, Chapter 53, Article 20, Section 2, Subdivision 2 to cancel to the general fund.

Justification for Change

- The Bureau International des Expositions did not select Minnesota to host Expo 2027. Belgrade, Serbia was chosen as the host of Expo 2027.



Sec. 8 Repeal of Airport Infrastructure Renewal (Air) Grant Program

Change

- Repeal Minnesota Statutes 2022, section 116J.439 – the Airport Infrastructure Renewal Grant Program.

Justification for Change

- This program has consistently low to no utilization.
- The program has not had an application since 2021 when it received a single application and awarded \$250,000 to Rochester.
- This work can instead be done under the BDPI program.



Thank you!

We welcome your questions