



DEED Updates House Workforce and Business Development Finance and Policy Committee

Steve Grove | Commissioner

February 2, 2022

Our Mission

To empower the growth of the Minnesota economy, for everyone.



Our Values

- Focus on the customer
- Communicate early and often
- Seek solutions
- Create inclusion
- Encourage new ideas
- Be gracious



How We Run the Agency

- Objectives and Key Results (OKRs)
- System developed to track progress quarterly on key goals, scored annually
- Set aspirational goals, measure with quantifiable results
- Every department at the agency sets unique goals around three broad themes



DEED's 2022 Objectives and Key Results

- **Customer Service:** Build a new customer experience in our CareerForce system, rooted in a proactive approach to serve the customers that need us most.
- **Economic Recovery:** Successfully implement all new economic recovery grant programs that come from the 2021-22 legislative sessions.
- **Sell Minnesota:** Land a dynamic new communications & marketing campaign to promote Minnesota's economy to the country and the world.
- **Strengthen Collaborations:** Create more opportunity for job-seekers and businesses by significantly strengthening the relationship between DEED's workforce and economic development systems.
- **Culture:** Build a positive internal culture that makes DEED an extraordinary place to work.



New Initiatives

Good Jobs Now Campaign

- The Good Jobs Now campaign reaches out to **unemployed Minnesotans** and **connect them with employers** hiring now. Many Minnesotans are currently searching for jobs, and DEED is reaching out to help.
- DEED has reoriented its Job Service team to proactively connect with those most impacted by the pandemic. DEED staff have made over **107,000 phone calls** to Minnesotans receiving unemployment benefits and delivered over **37,000 1-on-1 sessions**.



Build What Matters

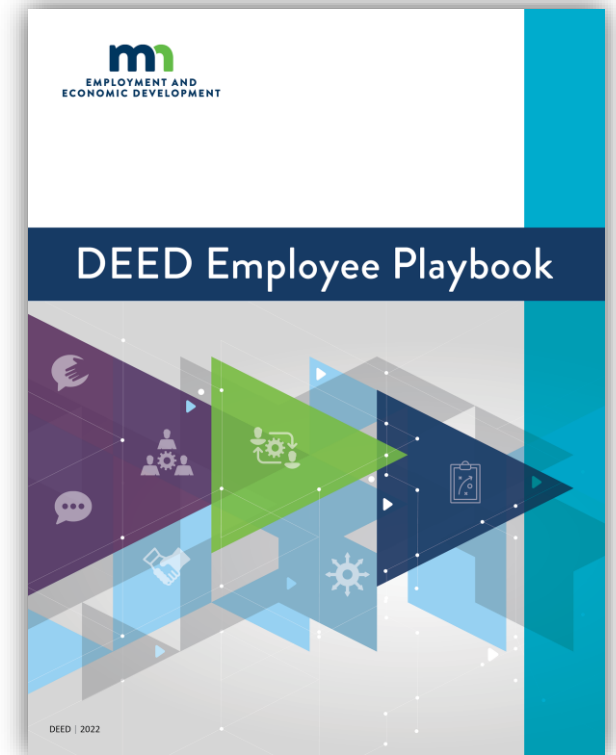
- Launched a new effort including a new economic development website, JoinUsMN.com, which highlights what makes Minnesota great across a variety of themes, industries, geographies and opportunities.
- The new platform was created in consultation with dozens of business leaders and talent recruiters across the state, as well as through work done with the Minnesota Marketing Partnership, a collection of regionally focused economic development organizations across the state.



DEED's Culture

The goal is to build a positive internal culture that makes DEED an extraordinary place to work.

- We launched an annual employee engagement survey in 2019 with a consistent over 80% response rate. Some 2021 results include:
 - Net Promoter Score **increased 22 points** since 2019 when asked "How likely would you be to recommend DEED as a place to work to a friend or colleague?"
 - **83% of employees said they believe DEED is making progress** to build a more inclusive agency
- Some key initiatives:
 - Relunched our employee-led **Diversity, Equity & Inclusion** Committee
 - Revamped **New Employee Orientation**
 - Launched **professional development** for people leaders
 - Launched an **Innovation Lab**
 - Created an annual **employee recognition awards program** to recognize great work

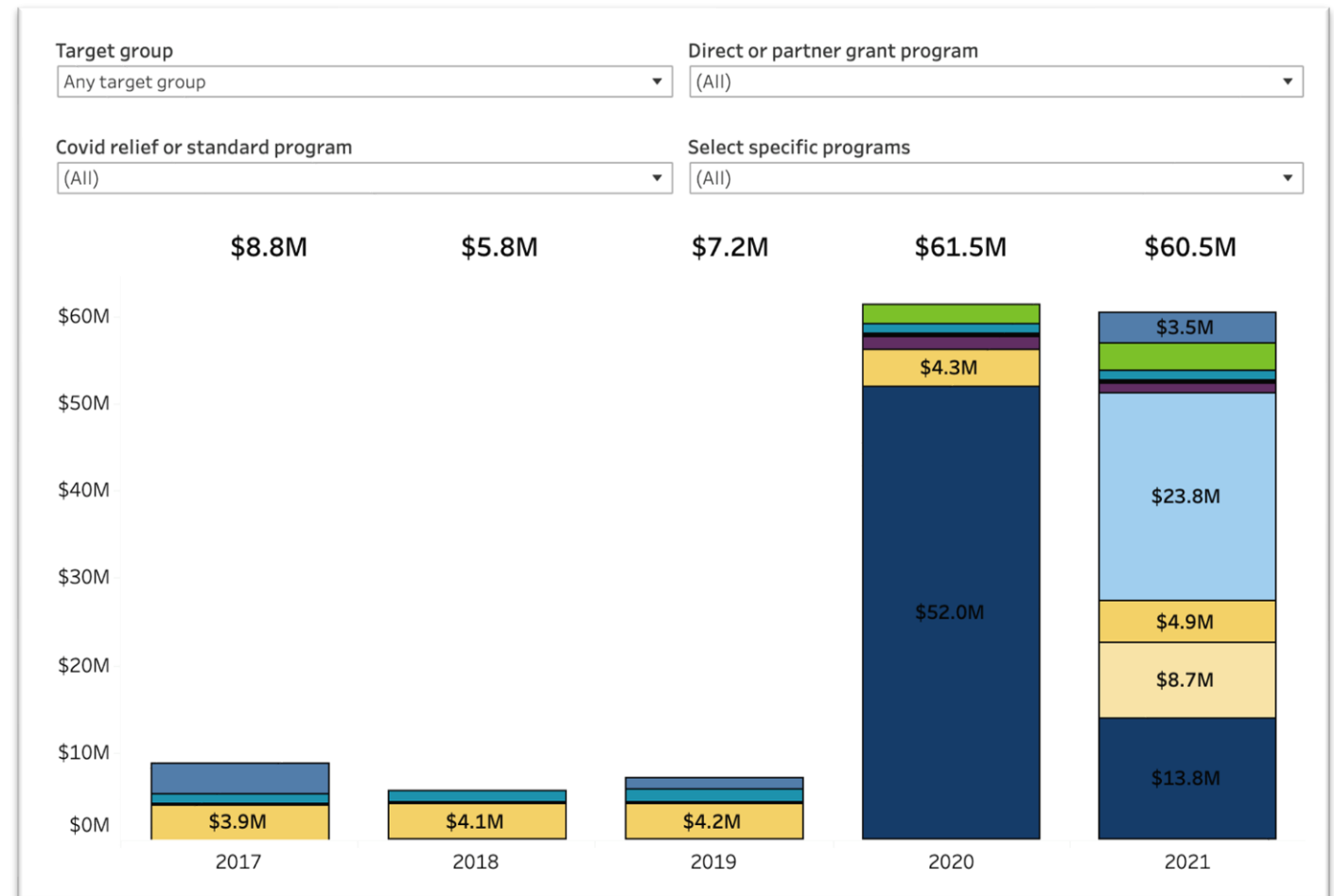




Program Updates – Economic Development

Records amounts of funding deployed

- Deployed **9 times more funding** in the last 2 years than in the previous 2 years – to targeted groups
- In the last 2.5 years, DEED has made **2,600 agreements for \$550M** deployed, compared to the prior **6 years in which we did 2,300 awards, \$600M** deployed.



Main Street Economic Revitalization Program - \$80 million

Provides statewide grants and loan guarantees to address the greatest economic development and redevelopment needs that have developed over the past year.



- **First Round** – Awarded \$39,850,000 in grants to organizations across Minnesota:
 - African Career, Education & Resource (ACER), INC, Brooklyn Center, \$312,000
 - Destination Medical Center Economic Development Agency, Rochester, \$3,120,000
 - Duluth Local Initiatives Support Corporation Inc., Duluth, \$1,235,100
 - Heartland Lakes Development Commission, Park Rapids, \$208,000
 - The Minneapolis Foundation, Minneapolis, \$20,800,000
 - Saint Paul and Minnesota Foundation, Saint Paul, \$8,960,000
 - Southwest Initiative Foundation, Hutchinson, \$2,232,400
 - Virginia Community Foundation, Virginia, \$1,794,100
- **Second Round** – Launched January 27. Up to \$41 million in economic redevelopment funds will be available to partner organizations.

Main Street COVID Relief Grants - \$70 million one-time

Direct Relief to Small Business COVID-19 Recovery

- \$70 million for businesses impacted by COVID-19, with \$10 million set aside for BIPOC-owned businesses.



Small Business Relief Grants: 18,578 Applications Received

- **Total Applications (selected thus far) 6,744**
 - Approved: 3,082
 - Ineligible: 1,059
 - Under Review: 2,603
 - Total Awarded Funds: \$32,945,000 so far
 - Have already hit targets for women-owned businesses and micro-businesses (under 6 employees)
 - On track to hit and exceed BIPOC owned and veteran owned targets.
- **Cultural Mall Grants:** Grants ranging from \$20,000 to \$300,000 awarded to 12 cultural mall operators across Minnesota, whose facilities lease space to a combined total of over 1,178 Black, Indigenous and People of Color business owners.

Small Business Partnership Grants - \$9.85 million

- Program was increased by \$7M to \$9.85M by the legislature to provide funding for organizations that provide technical assistance to small businesses.
- **37 organizations** who do work across the state were awarded funding ranging from \$65,000 to \$600,000.
- Over half the funding is being directed towards organizations and projects that will focus almost exclusively on Black, Indigenous and People of Color (**BIPOC**) business owners and entrepreneurs.



Broadband - \$70 million

Broadband Infrastructure – \$70 million (federal ARPA Capital Projects Fund)

- Expect to launch **FY22 grant round** in Feb. **\$35 million** and **FY23 grant round** in July **\$35 million**.



Angel Tax Credit - \$15 million

Angel Tax Credit – the Angel Tax Credit was funded at \$15 million (\$10 million in CY21 and \$5 million in CY 22). The Angel Tax Credit provides a credit of 25% of a qualified investment in a qualified small business.

- During calendar year 2021:
 - 145 businesses, 503 investors, and 22 funds were certified for Angel Tax Credit participation
 - 88 businesses raised \$39.3 million in private capital
 - DEED issued \$9.8 million in tax credits

Launch Minnesota - \$5 million FY22-23

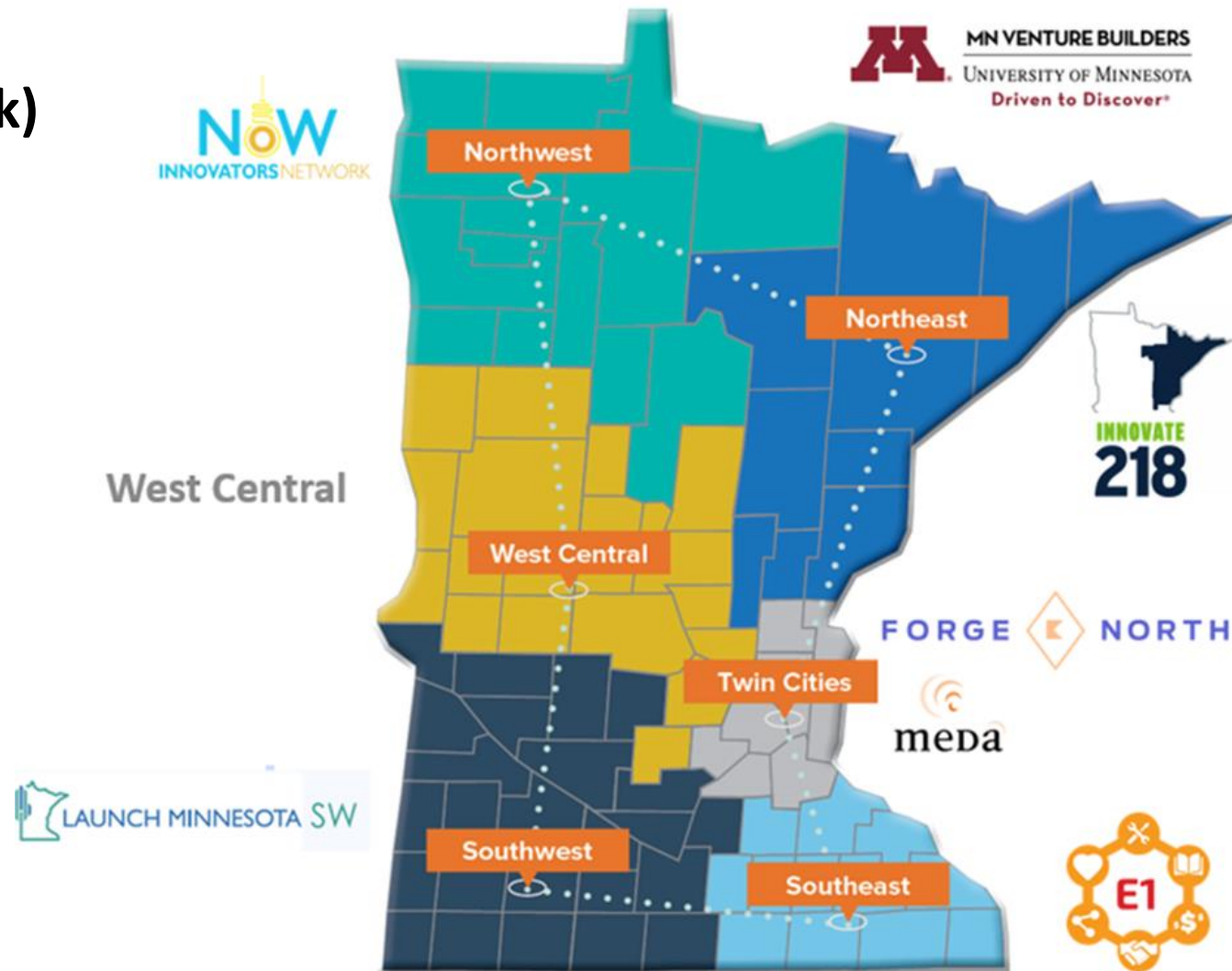
Launch Minnesota makes investments and provides support to innovative startup businesses.

- **Innovation Grants:** Fully allocated \$1.5M in Launch Minnesota innovation grants to 40 businesses with another 18 being finalized.
 - About 65% of grantees are targeted founders and over 30% are BIPOC founders.



Launch Minnesota - \$5 million FY22-23

Entrepreneur Education Grants (Launch MN Network)



Child Care Grants - \$8 million FY22-23

- **\$5 million was appropriated for child care grants** to local communities to increase the supply of quality child care providers. At least 50% of grant funds must go to communities outside of the seven-county metro area.
- In December, DEED awarded **14 grants** to Minnesota communities to increase the supply of child care. Grants will add **2,300 new childcare slots**, with majority of funding going to Greater Minnesota.
- A second round of funding will be available before June 2022.



Child Care Grants - Minnesota Investment Foundations - \$3 million

Organization	% of Greater MN Population	SFY 2022	SFY 2023	Total
Initiative Foundation	30.3%	\$360,000	\$340,000	\$700,000
Northland Foundation	13.0%	\$220,000	\$210,000	\$430,000
Northwest Initiative	6.8%	\$170,000	\$170,000	\$340,000
Southern Minnesota Initiative	29.6%	\$350,000	\$330,000	\$680,000
Southwest Initiative	11.0%	\$210,000	\$200,000	\$410,000
West Central Initiative	9.2%	\$190,000	\$190,000	\$380,000
Total	-	\$1,500,000	\$1,440,000	\$2,940,000



Program Updates – Workforce Development

Record amount of funding deployed

- Workforce Development has **increased the funding for workforce training by \$130 million** over the least three years - **\$73 million** in state funding and **\$57 million** in federal funding.
- Unemployment insurance paid **\$14,852,874,935** in payments during the pandemic. That's **17 times more** than in the usual rate.



Pathways to Prosperity

- \$13.5M awarded to 32 different organizations
- Three grant programs:
 - On-Ramp to Career Pathways
 - Bridge to Career Pathways
 - Individualized Training Pathway
- 28 Metro and 16 Greater MN organizations
- New grantees: 1
 - American Indian OIC
 - Anoka County Job Training Center
 - Avivo
 - CAPI USA
 - Career Solutions
 - Central Minnesota Jobs and Training Services, Inc.
 - City of Duluth
 - City of Minneapolis
 - CLUES
 - East Side Neighborhood Services
 - EMERGE Community Development
 - Goodwill Easter Seals of Minnesota
 - Hiawatha Valley Adult Education
 - HIRED
 - International Institute of Minnesota
 - Jewish Family and Children's Services
 - Karen Organization of Minnesota
 - Lutheran Social Services
 - Minnesota Computers for Schools
 - Minnesota Valley Action Council
 - Northfield Health Community Initiative
 - Project for Pride in Living
 - Roseville Adult Learning Center
 - Rural Minnesota CEP, Inc.
 - Saint Paul Public Schools
 - Southwest Minnesota PIC
 - Twin Cities R!SE
 - Washington County Community Services
 - White Earth Tribal and Community College
 - Workforce Development, Inc.
 - YWCA Minneapolis
 - YWCA Saint Paul

Youth at Work Competitive Grant

The Youth at Work program provides summer and/or year-round work experience and introduction to career pathways for economically disadvantaged or at-risk youth ages 14 – 24.

- Percent of projects with:
 - Metro focus: 71.7%
 - Rural focus: 24.4%
 - Metro + rural focus: 2.6%
- New grantees: 8



- 180 Degrees
- Afro-American Development Association
- Achieve Minneapolis
- African Community Services
- American Indian OIC
- Anoka County Job Training Center
- Banyan Community
- BrookLynk Youth Employment Program (City of Brooklyn Park)
- Career Solutions
- Central Minnesota Jobs and Training Services, Inc.
- City of Duluth
- City of Minneapolis
- City of Saint Paul Parks and Recreation
- Comunidades Latinas Unidas En Servicio, Inc. (CLUES)
- Conservation Corps Minnesota
- Cookie Cart
- Cristo Rey Jesuit High School
- East Side Neighborhood Services
- Elpis Enterprises

- EMERGE Community Development
- Evergreen Youth & Family Services, Inc
- Greater Bemidji
- HIRED
- Ka Joog
- Karen Organization of Minnesota
- Keystone Community Services
- MAHUBE-OTWA Community Action Partnership, Inc.
- Minneapolis Park and Recreation Board
- Minnesota Computers for Schools
- NEMOJT
- Pillsbury United Communities
- Project for Pride in Living (PPL)
- Rural Minnesota Concentrated Employment Program, Inc. (RMCEP)
- RWDA 5 (SWMNPIC/WDA 6)
- Somali Community Resettlement Services of Olmsted County
- South Sudanese Foundation
- UpTurnships
- Urban Roots
- Workforce Development, Inc.
- Youthprise

Youth Support Services Competitive Grant

- \$475,000 in both SFY 2022 and 2023
- Grants focus on individuals from low-income communities and/or young adults (ages 14-24) from families with a history of intergenerational poverty, and/or communities of color.
- Services provided in one or more of the following areas:
 - Job training, employment preparation, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, youth intervention activities
- Percent of project funds with:
 - Metro focus: 72%
 - Greater Minnesota focus: 22%
 - Statewide focus: 6%
- New grantees: 7
 - Hennepin Healthcare System
 - YMCA of the North
 - Workforce Development, Inc
 - Hired
 - Tree Trust
 - BrookLynk Youth Employment Program
 - Karen Organization of Minnesota
 - AchieveMpls
 - Central Minnesota Jobs and Training Services
 - Center for Leadership and Neighborhood Engagement
 - Comunidades Organizando el Poder y la Acción Latina
 - African Immigrants Community Services
 - Duluth Workforce Development

Youth Focused Direct Appropriations

- Big Brothers Big Sisters of the Greater Twin Cities
- Construction Careers Foundation
- Minnesota Technology Association
- Minnesota Grocer's Association Foundation
- CLUES
- Ujamaa Place
- Youthprise
- MN Alliance of Boys and Girls Clubs (new)
- Hospitality Minnesota Education Foundation – ProStart and Hospitality Tourism Management Program (new)
- 30,000 Feet (new)
- Juxtaposition Arts (new)
- EMERGE Community Development (new)
- Pillsbury United Communities (new)



Southeast Asian and Women's Economic Security Act

- **Southeast Asian Competitive Grants** – \$1 million in FY22-23 each for competitive grants providing services that relieve economic disparities in Southeast Asian communities through workforce recruitment, development, job creation, assistance to smaller organizations to increase capacity, and outreach.
 - Asian Economic Development Association, CAPI USA, Hmong American Partnership, Karen Organization of MN, Southeast Asian Refugee Community Home (SEARCH), and Workforce Development Inc.
 - 5 metro and 1 greater MN organizations
- **Women's Economic Security Act** – \$750,000 in FY22-23 each for competitive grants providing services that encourage and assist women to enter high-wage, high-demand, nontraditional occupations including but not limited to those in the skilled trades and STEM occupations to increase the number of women in high-wage, high-demand, and nontraditional occupations.
 - Dunwoody College of Technology, Emerge Community Development, Minnesota Training Partnerships, National Able Network, Northwest Indian Community Development Center, Somali Community Resettlement Services of Olmstead County, Stearns-Benton Employment & Training (Career Solutions), and Washington County.
 - 5 metro and 3 greater MN organizations
 - 3 new organizations

Adult Supportive Services and Direct Appropriations

Adult Supportive Services – \$500,000 in FY22-23 each for competitive grants providing services to enhance or improve an existing workforce development program within your organization for individuals such as job training, employment preparation, internships, job assistance to parents, financial literacy, and academic and behavioral for low-performing adults.

- AccessAbility, Inc., African Community Services, CAPI USA, Community Action Duluth, COPAL, Goodwill Easter Seals of MN, Hired, Hmong American Partnership, International Institute of MN, Lakes & Prairies Community Action Partnership, Merrick Community Services, Minnesota Valley Action Council, Inc., Northwest Indian Community Development Center, Project for Pride In Living, Riverside Plaza Tenants & Community Services, Somali Community Resettlement Services of Olmstead County, Summit Academy OIC, and YWCA of St Paul.
- 13 metro and 5 greater MN organizations; 5 new organizations

Direct Appropriations – \$9.8 million in FY22-23 each for directly appropriated funds to organizations to provide further workforce development services. Outcome measures are determined by legislation and Grantees are required to submit an annual report.

- American Indian OIC, Avivo, Better Futures Mn, Center for Economic Inclusion, Goodwill Easter Seals of Mn, Hmong American Partnership, Hmong Chamber of Commerce, International Institute of Mn, Minnesota Diversified Industries Inc., Project for Pride In Living, Propel Nonprofits, Summit Academy OIC, Twin Cities Rise, Workforce Development Inc., YMCA of the North, YWCA Minneapolis, and YWCA St Paul.
- 16 metro and 1 greater MN organizations

Internationally Trained Professional Program

Internationally Trained Professional Program (NEW) – \$1 million in FY22-23 each for new grants to assist internationally trained professionals in earning the professional license required to do similar work in Minnesota.

- RFP released September 27, 2021.
- DEED received two proposals which did not meet the request threshold.
- DEED will release a revised RFP in the next two weeks.



African Immigrant Community Economic Relief Grants

African Immigrant Community Economic Relief Grants (NEW) – \$1 million in FY22-23 each for competitive grants providing services to relieve economic disparities in the African immigrant community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach.

- Afro American Development Association, CAPI USA, Center for African Immigrant & Refugee Organization (CAIRO), Community Integration Center, Emerge Community Development, Ka Joog, New Vision Foundation, Riverside Plaza Tenants & Community Services, and Somali Community Resettlement Services of Olmstead County.
- 5 metro and 3 greater MN organizations
- 4 new organizations

Targeted Community Capital Project Grant Program

Targeted Community Capital Project Grant Program (NEW) – \$24 million in FY22 for a new capital project grant program that provides grants to nonprofit organizations and government entities.

Includes a carve-out of \$6 million for a meat processing plant in South St. Paul for planning, design and relocation costs.

- RFP released October 22, 2021.
- DEED received approximately 150 applications requesting \$175M.
- Applications will be reviewed and scored with community reviewers with funding award announcement expected mid-March.

Unemployment Insurance – Policy Changes

UI Policy Changes from Last Session that Support Workers

- **Reemployment Assistance Training** – allows more types of training to be pursued while still qualifying for unemployment insurance. To qualify for unemployment insurance, an applicant must be engaged in either a job search or qualified training that will increase their employment prospects. The changes would allow adult basic education to qualify as training. Effective July 3, 2022.
- **Unemployment Eligibility for High School Students** – allows high school students to qualify for unemployment insurance if they otherwise meet eligibility requirements. Effective July 3, 2022.
- **Social Security Benefits Offset Removed** – removes the Social Security old age and Social Security disability offset from unemployment benefits for applicants who otherwise qualify. Effective July 3, 2022.
- **Shared Work Plan Requirements** – shortens the length of employment requirement to participate in a shared work plan from 12 months to three months. Effective now.



Questions?