

MINNESOTA'S



COVID-19 RECOVERY BUDGET

DEED Revised Budget Priorities

March 22, 2021

Steve Grove | Commissioner
Department of Employment and Economic Development



Overview of Budget Request

Governor's Budget Requests

- Unemployment Insurance Changes - \$41.760 million; FY22-23
- Emergency COVID-19 Support Fund - \$50 million; FY21
- Assistance to Small Businesses - \$6 million FY22-23
- Broadband Grant Program - \$50 million; FY22
- Launch MN - \$5 million, FY22-23
- Angel Tax Credit - \$7 million; FY22
- Small Business Development Center (SBDC) Program Funding - \$1 million; FY22-23
- Redevelopment Appropriation Bonds - \$150 million; FY22

Governor's Budget Requests

- Child Care Economic Development Grants - \$750,000; FY22
- Paid Family Medical Leave – \$11.416 million; FY22
- Labor Market Information Office - \$250,000; FY22-23
- Expanded Job Training Incentive Program - \$500,000; FY22-23
- Budget Reductions - (\$11,040 million); FY22-23
- Operating Adjustment – (1.022 million); FY21 & \$1.5 million FY22-23
- Allow Donations for SSB Deposited in Foundation – cost neutral
- Petrofund Sunset Date Repeal - \$12.400 million; FY22-23

Supplemental Budget Requests

\$7.1 million FY22-23

Supplemental Budget Requests

- Revised – Realign Workforce Development Fund
- Nonprofit Assistance Grant Fund - \$2 million; FY22-23
- Eliminate Funding Shift for Extended Employment - \$5 million; FY22-23
- Administrative Support for AP Bonds Proposal - \$100,000; FY22-23

Realign Workforce Development Fund

Policy Change

What are we seeking to achieve?

- Principles and funding allocations all **rooted in equity**
- Simple, streamlined **metrics for success** for all adult & youth programs
- A grant-making model that tracks **performance** and **equity measures**
- A funding track for new, **innovative approaches**
- An approach that considers the **whole person** and includes “adjacent” issues such as housing, transportation, childcare, health, etc.
- An **efficient fund** that doesn't leave dollars on the table

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WORKFORCE DEVELOPMENT FUND CHANGES FLOW CHART



3 Competitive Grant Programs

Workforce Competitive Grants

- MN Family Resiliency Partnership Program (Displaced Homemaker)
- Pathways to Prosperity (revised)
- Bridge to Success On-Ramp (new)
- Youth workforce grants

Workforce Innovation Grants

- New ideas/projects/organizations with focus on capacity building/WFD trainings with an equity lens

Workforce Support Services

- Childcare
- Bridging the Digital Divide—NEW supporting hardware/software & tech support
- Other General Service



A north star for performance evaluation

3 key performance metrics for **Workforce Competitive Grants**:

1. Job placement and retention
2. Wage rate
3. Credential

Making room for innovative approaches

Funding for innovative proposals

- Encourage **new ideas**, especially in response to the pandemic
- Offer an "**on-ramp**" for projects without a proven track record
- Expand access to funding for training to meet **new needs/challenges** for economic recovery
- Designate \$10 million through a competitive RFP process
- In stakeholder sessions, lots of interest in this new funding

Focus on Equity

- **Equity benchmarks** set for all programs
- Directing **more funding** towards BIPOC communities
- Building a competitive model that **prioritizes equity at every turn**
- **Shifting funds from Dislocated Worker program** will increase the funds available for training and services to BIPOC communities
- Using **data in the grant review process** to ensure that communities who have been left behind can be competitive for the funds.
- **Community review process** that brings stakeholders into RFP & scoring

Nonprofit Assistance Grant Fund

\$2 million FY2022-23 - base

Nonprofit Assistance Grant Program

- \$1 million in FY2022 and \$1 million in FY2023; added to base funding
- .5 FTEs
- This program is intended to support the infrastructure of small nonprofit organizations that serve historically underserved cultural communities.

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Eliminate Funding Shift

Eliminate \$5 million funding shift

Budget Reductions and Funding Shift



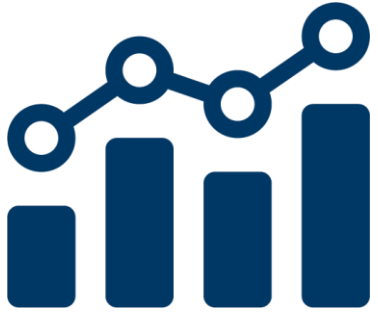
Eliminate Extended Employment Shift to Workforce Development Fund

- The Governor recommends **eliminating** his proposed funding shift of \$5 million of the current General Fund funding for the Extended Employment program for FY 2022 and FY 2023 to the Workforce Development Fund.
- This change is budget neutral to the entirety of the Extended Employment program.

Administrative Support

\$100,000 FY22-23; FY24-25

Administrative Support



- The Governor recommends an additional \$50,000 in FY 22-23 and FY24-25 to ensure there is appropriate administrative support for the \$150 million in Redevelopment Appropriations bonds that have been requested.
- This funding supports .5 FTE.

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Thank you!