

Department of Employment and Economic Development (DEED) Grants Management

Program Evaluation



Grants OLA Reviewed

Grant Program	Main Purpose
Workforce Grants	Provide employment and training services for Minnesota adults
Broadband Grants	Expand broadband service in areas where broadband service is not available or does not meet certain speed thresholds

Key Findings

- The performance metrics that DEED reports for its workforce programs are not useful for measuring program success.
- Broadband grants largely met the goals we reviewed.
- DEED has not complied with some state grant oversight and reporting requirements.

DEED Grants Overview



Spent \$354 million in Fiscal Year 2024



Local units of government, nonprofit organizations, private businesses



Subject to requirements law, including state grant management requirements

Workforce Grants (pp. 11-16)

Fiscal Years 2022-2023

- Pathways to Prosperity competitive grants
 - \$13 million to 32 grantees
- Legislatively named workforce grants
 - \$19 million to 18 grantees

Workforce Grants: Program Outcomes (pp. 16-18)

- The performance metrics that state law requires DEED to report for its workforce programs are not useful for measuring program success.

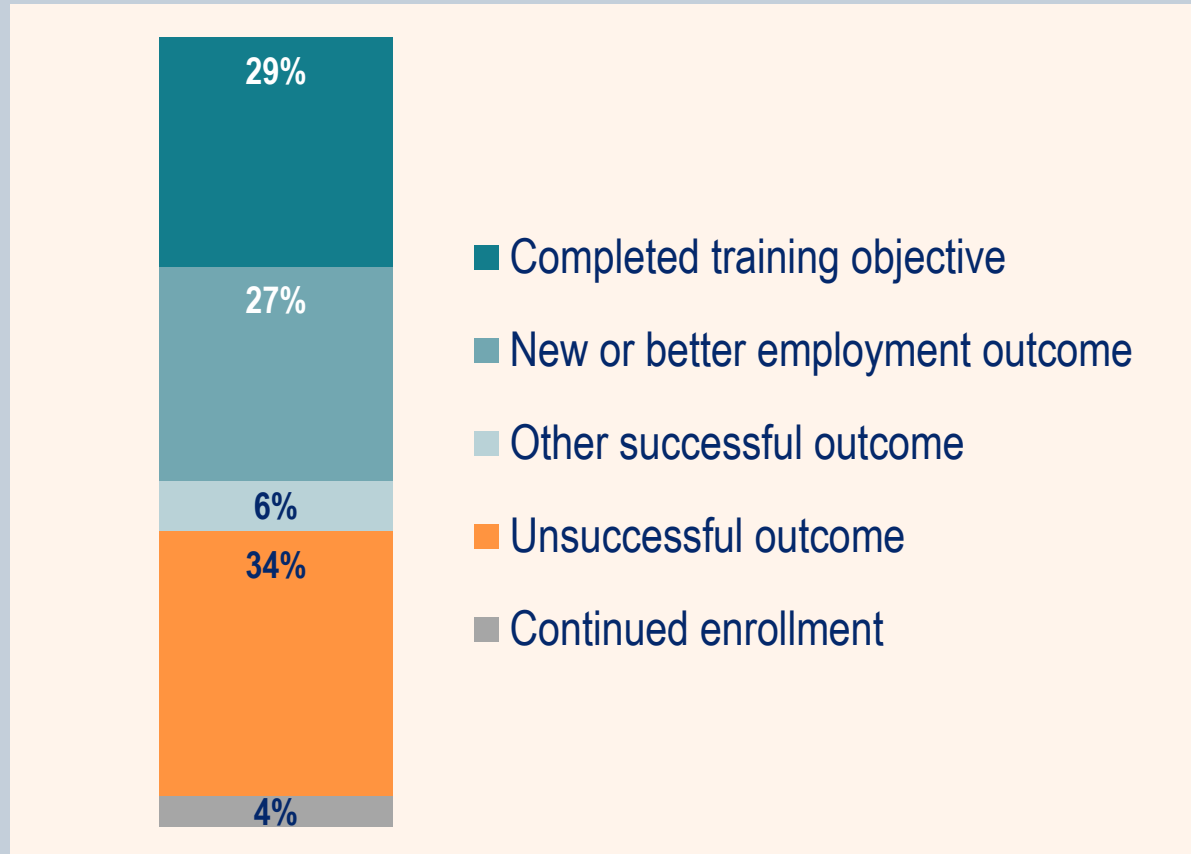


Examples of Required Performance Metrics for State-Funded Workforce Programs

- Total number of participants who enrolled
- Total number of participants who completed training
- Total number of participants who attained a credential
- Median wages before enrollment and at certain times after leaving the program
- Total cost of the program

— **Minnesota Statutes 2024,
116L.98, subd. 3(a)**

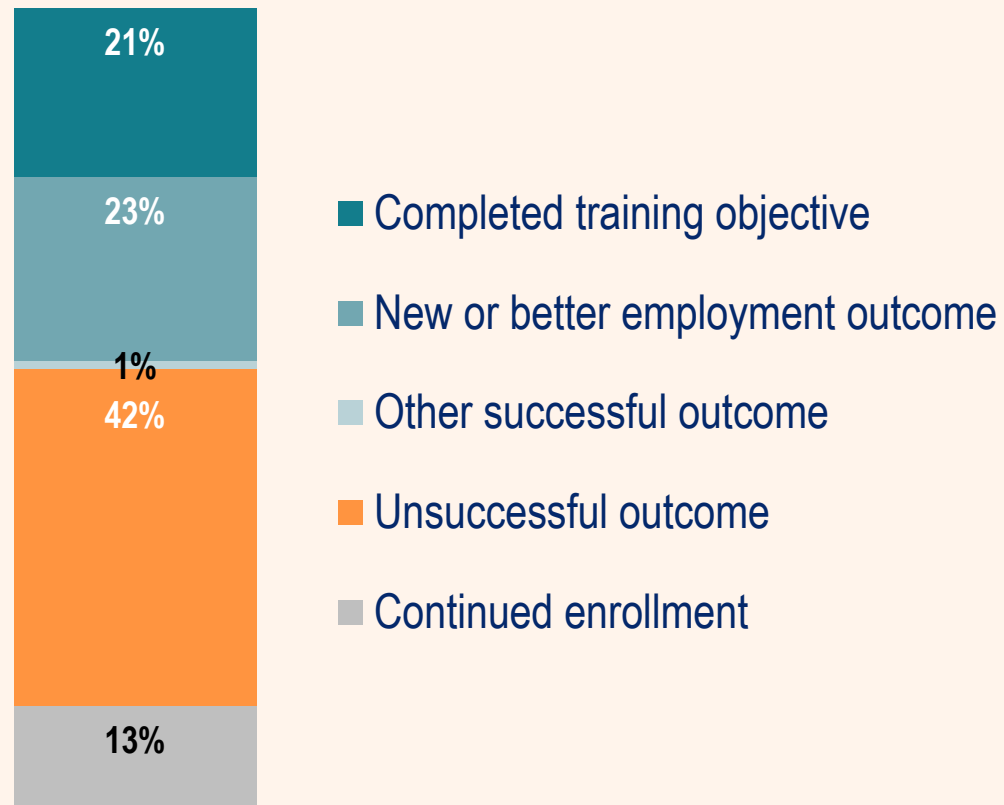
Pathways to Prosperity: Participant Outcomes (p. 20)



[The training program] helped me immensely in furthering my career and gaining new skills with the support provided and it likely would have taken me years to get to [where] this program helped me get in a short few months.

— Pathways to Prosperity participant

Legislatively Named Workforce Grants: Participant Outcomes (pp. 21-22)



The training program enabled me to change career paths. I am now working with the certification attained and pursuing a nursing degree. I could not have done that without this certification.

**— Legislatively named
grant program participant**

Recommendations

- The Legislature should direct DEED to establish measurable performance goals for the workforce grant programs we reviewed.
- DEED should use program data to establish measurable performance goals for these programs.
(p. 18)

Program Impact (p. 19)

DEED required to publish a net impact analysis of certain workforce programs

- Compares participants to nonparticipants
- Can help determine whether the program was the cause of certain outcomes

Program Impact (continued)

DEED has not complied with the statutory requirement to analyze the impact of its workforce programs. (pp.19-20)

Recommendation

DEED should complete the workforce program net impact analysis report as required by law. (p. 20)

Broadband Grants (pp. 24-25)

Fiscal Year 2021-2023:
\$73 million to 37 grantees



Underserved refers to areas in which households and businesses lack access to wire-line broadband services at speeds of at least 100 megabits per second download and at least 20 megabits per second upload.

Unserved refers to areas in which households or businesses lack access to wire-line broadband service as defined by the Federal Communications Commission.

— ***Minnesota Statutes 2024,***
116J.394(h)-(i)

Border-to-Border Grants: Program Outcomes

All broadband grantees in our review built broadband infrastructure that met goals outlined in the grant contracts. (pp. 26-27)

Grants Oversight

Active Stage

- Grantees must submit progress reports.
- DEED must conduct monitoring visits.
- DEED must withhold payments if progress reports are past-due.



Closeout

- DEED must evaluate grantee performance.

Grantee Support (pp. 31-32)

Over 88 percent of survey respondents:

- Provided **timely** responses to questions and/or concerns
- Provided **helpful** responses to questions and/or concerns
- DEED's communication was **clear**

Compliance with OGM Requirements (pp. 33-38)

- Collected only about one-half of progress reports as required
- Paid at least \$5 million, in violation of OGM policy
- Did not monitor broadband grants of over \$250,000 annually
- Did not complete closeout evaluations for many of the grants in our review

Recommendation

DEED should ensure its program staff comply with all OGM requirements. (p. 40)

DEED Grants Management

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