

# One Minnesota Budget

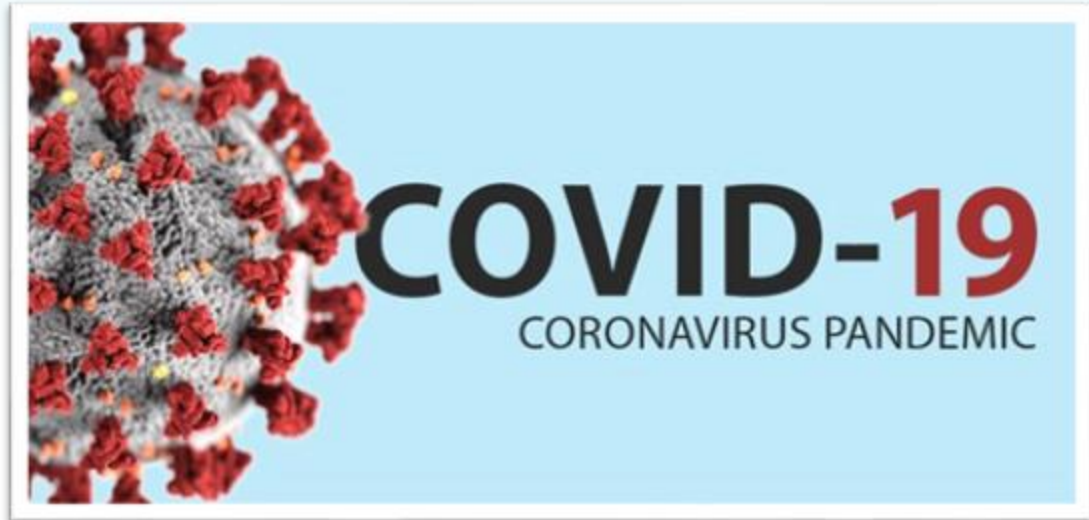


## House Workforce Development Finance and Policy Committee

Marc Majors | Deputy Commissioner Workforce

Evan Rowe | Deputy Commissioner Workforce Services

# A Time for Transformational Thinking





# Minnesota's 10 Year Economic Expansion Plan



To achieve a more equitable, inclusive, sustainable, and resilient Minnesota economy, we must all commit to take action.

- 1** Commit to our people, as Minnesota's number one strength and the key to a prosperous future.
- 2** Commit to our communities, as the nexus point of growth and opportunity.
- 3** Commit to our businesses, as the engine that will write the next chapter of the global economy.
- 4** Commit to innovation, as the central dynamic needed to adapt to an ever-changing economic landscape.
- 5** Commit to infrastructure, as the foundation of all economic progress.

# One Minnesota Budget



## Invest in Talent



## Drive for 5 Workforce Fund

- The One Minnesota Budget recommends \$30 million in the FY24-25 biennium for the **Drive for 5 Workforce Fund** to prepare the workforce to enter **five of the most critical occupational categories** in the state with high-growth jobs and family-sustaining wages:
  - Technology
  - Caring professions
  - Education
  - Manufacturing
  - Trades
- **Competitive grants** focused on **training + support services** with funding for **Trade Association sector partnerships** to engage business associations in job matching.





## Targeted Population Workforce Programs

- This One Minnesota Budget recommends investing **\$80 million** in the FY24-45 biennium and \$20 million in the FY26-27 biennium in employment services and training to **bring workers who have been overlooked for employment – particularly people of color – into the workforce at family-sustaining wages.**
- This is a critical initiative to **bring Minnesotans into the workforce**, ensure employers have the staff to help their business thrive, and move Minnesota's economy forward.







## Office of New Americans

- Minnesota's new Americans create robust businesses, offer extraordinary cultural contributions, and play a critical role in meeting labor needs throughout Minnesota. But there are **multiple barriers to getting established in Minnesota.**
- This budget proposes funding in the amount of **\$1.5 million** in each biennium to establish an Office of New Americans focused on:
  - Supporting immigrant and refugee **integration**
  - **Reducing barriers** to employment, and
  - **Improving connections** between employers and job seekers.





# Youth Workforce Development

- The Governor and Lieutenant Governor recommend **doubling** the existing funding to put **\$20 million** in the FY24-25 biennium toward youth workforce development – which would serve over 38,000 young people.
- This expands Minnesota’s results-driven Youth at Work, Minnesota Youth Program and YouthBuild programs to **prepare more Minnesota young people to enter the workforce focused and work-ready.**







## Return-to-Work Program

- During COVID-19, **Minnesota lost approximately 60,000 workers who were 55 years old+**, and the loss of older workers impacted both public and private sectors.
- The Governor and Lieutenant Governor recommend **\$10 million** in the FY24-25 biennium to create a new Return-to-Work Program for Minnesotans who have left the workforce due to retirement.





# Minnesota Reasonable Accommodation Program

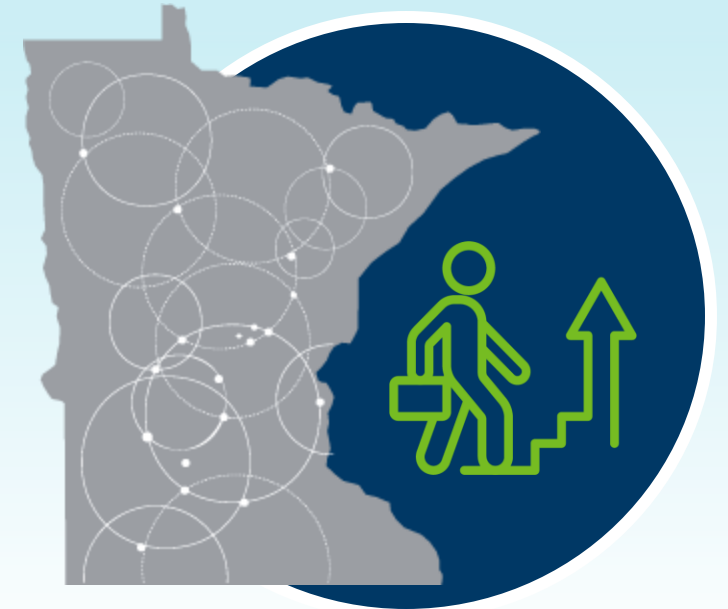
- Governor Walz and Lieutenant Governor Flanagan recommend **\$4 million** in the FY24-25 biennium to create a Minnesota Reasonable Accommodation Program.
- The program will reimburse small- to mid-sized Minnesota employers for expenses tied to **providing reasonable accommodations for employees with disabilities.**
- During this historically tight labor market, the Reasonable Accommodation Program is a **critical tool** to help Minnesota employers create disability-inclusive workplaces.





# Individual Placement and Supports (IPS) Program Increases

- Governor Walz and Lieutenant Governor Flanagan recommend an increase of **\$3.89 million** in each biennium to allow the program to provide specialized supports to almost 700 people with serious mental illnesses so they can find and maintain steady employment.
- This proposal will assist more people with serious mental illness to **achieve their goals of working in competitive, integrated employment.**





# Workforce Digital Transformation

- The pandemic has shown us **digital services for workforce development** are more essential than ever before, yet the state's existing tools are falling behind.
- The Governor and Lieutenant Governor propose a **one-time \$10 million investment** to modernize the digital tools that support workforce development initiatives across Minnesota.

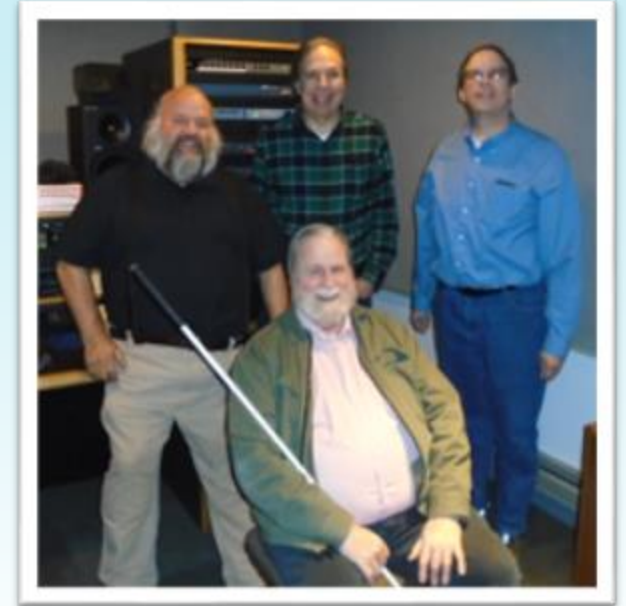






## Enhancing State Services for the Blind

- The Governor and Lieutenant Governor recommend **\$4 million** in each biennium for the State Services for the Blind program.
- These resources will maximize the program's federal match and enable the program to keep pace with operational increases due to inflation, as well as expand services to reach more **individuals who are blind, visually impaired, DeafBlind, or have a print-related disability.**



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## Growing Small Business



# Child Care Economic Development Grants

- Lack of **affordable, quality child care** is a major barrier to the participation of women, single parents, low-income parents, and rural parents in the workforce.
- Recommend **\$15 million** in the FY24-25 biennium and **\$3 million** in the FY26- 27 biennium to support child care economic development in Greater Minnesota, which will assist child care providers, create much-needed new child care slots, and increase the capacity and quality of child care across the state.





# Office of Child Care and Community Partnerships

- Governor Walz and Lieutenant Governor Flanagan recommend \$1 million in funding in each biennium to establish an **Office of Child Care and Community Partnerships** at the Department of Employment and Economic Development.
- This would serve as a central office for DEED's work partnering with the public and private sectors to **address child care as an economic and workforce development issue** across the state.







# Energy Transition Grant Program

- As power plants across Minnesota plan for closure, communities surrounding them face **economic uncertainty**.
- The Governor and Lieutenant Governor recommend **\$10 million** in new funding in the FY24-25 biennium to support impacted areas by providing resources for these communities to diversify their economies and find new opportunities for quality jobs and economic growth.





## Destination Medical Center Clarifications

- The Governor and Lieutenant Governor recommend making clarifying changes to Minn. Stat. § 496.47, subds. 3, 4 and 5 that will provide greater clarity and consistency for the Destination Medical Center Initiative (DMC). The clarifying language will expedite and increase maximum annual payments from \$4.5 million to \$7.5 million.

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Thank you!

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