



# DEED Overview House Workforce & Business Development Finance and Policy Committee

Steve Grove | Commissioner

January 13, 2021

# Our Mission

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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



# DEED At A Glance



- DEED is the state's principal economic development and workforce development agency.
- We work to attract, retain, and expand businesses and create jobs for all Minnesotans.
- We work to connect workers to jobs, prepare individuals for jobs in high-demand industries, and help people to live independently.

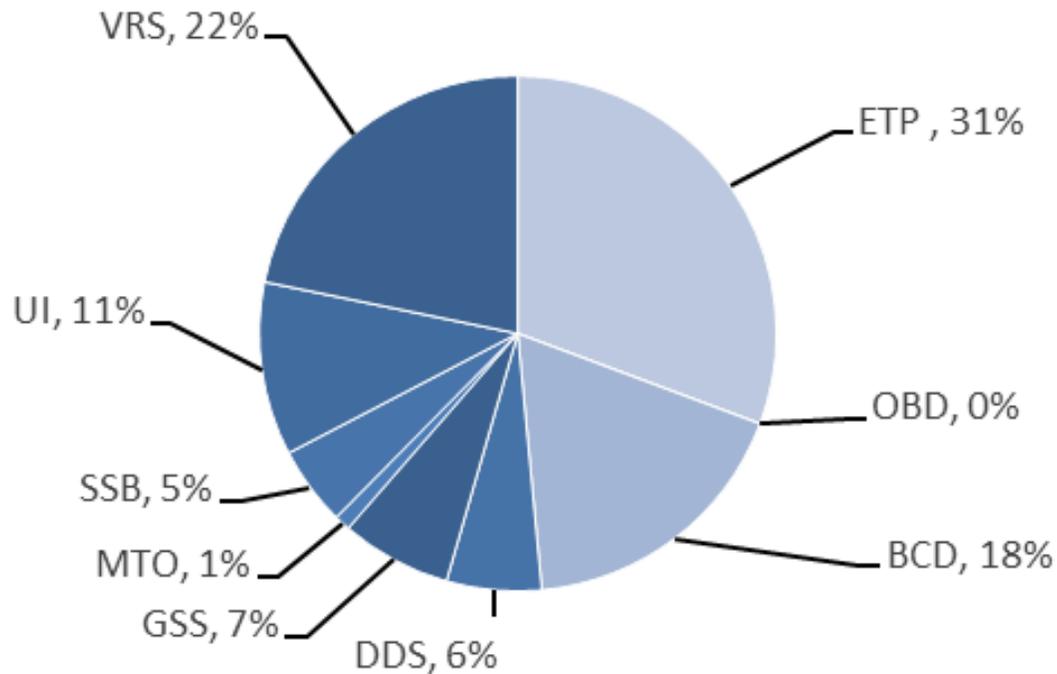
# DEED Divisions

- Workforce Development
- Economic Development
- Workforce Services
- General Support Services



# DEED: Budget

Spending by Program  
FY 2019 Actual



- ETP:** Employment & Training Programs
- VRS:** Vocational Rehabilitation Services
- BCD:** Business and Community Development
- UI:** Unemployment Insurance
- GSS:** General Support Services
- DDS:** Disability Determination Services
- SSB:** State Services for the Blind
- MTO:** Minnesota Trade Office
- OBD:** Office of Broadband Development

*Source: Budget Planning & Analysis System (BPAS)*

# 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 2021 Objectives and Key Results

- **Equity:** Radically increase DEED's economic impact for individuals and businesses that face systematic barriers to growth.
- **Economic Revitalization:** Galvanize an economic recovery that advances Minnesota's labor market, businesses, and communities for the next Minnesota economy.
- **Culture:** Build a positive internal culture that makes DEED an extraordinary place to work.

# Building a More Effective Agency for Minnesotans

- The DEED Innovation Lab
- Focusing on clear performance metrics to manage decision-making
- Re-inventing our Office of Economic Opportunity to build strong outreach pipelines across Minnesota
- Streamlining our processes to make our work faster, more transparent, less bureaucratic



# What Makes Minnesota's Economy Unique?

- 1<sup>st</sup> in nation in 5-year business survival rate
- 1<sup>st</sup> in Fortune 500 companies per capita among top 30 metro areas (Twin Cities) and 4th per capita (Minnesota)
- Best state for families and least-stressed state (WalletHub, 2020)
- 4<sup>th</sup> best state for education (Intelligent, 2019)
- 4<sup>th</sup> in total labor force participation
- 10<sup>th</sup> most economically diverse state (Bloomberg, 2019)

# Economic Recovery from COVID-19

- **Start with Equity.** The COVID-19 crisis has hit BIPOC communities the hardest – so our recovery must start with helping these communities rebuild strongly. Everything we do must be looked at through an equity lens.
- **Safely Reopen Minnesota.** For the first half of the year, we will remain focused on thoughtfully navigating the reopening of our economy as vaccine distribution grows.
- **Reskill our Workforce.** We've lost hundreds of thousands of jobs in sectors that won't come back in the same way – we need to train Minnesota's workforce for the next chapter of the global economy.
- **Create Good Jobs.** The jobs we create in Minnesota will define the next chapter of our growth, we need to make sure these jobs are family-sustaining and follow economic trends that have long-term potential.
- **Strengthen the Social Safety Net.** This pandemic has revealed how important it is to have modern social safety nets in place for when disaster strikes, both for society and for individual families.



# Workforce Development

Hamse Warfa | Deputy Commissioner



# Workforce Development Overview

# ETP Services Provided

**Employment and Training Programs:** Are designed to reach diverse communities across the state to ensure that all Minnesotans have access to our services. Many feature partnerships with local workforce development boards, nonprofit service providers, educational institutions, businesses and other stakeholders.

- **Laid-Off Workers/ Dislocated Workers**
  - Dislocated Worker Program
  - Trade Adjustment Assistance Program
- **Adult Employment and Training**
  - Career Pathways programs
- **Youth Employment and Training**
  - Youthbuild
  - Minnesota Youth at Work Competitive Grants
  - Minnesota Youth Program



# CareerForce

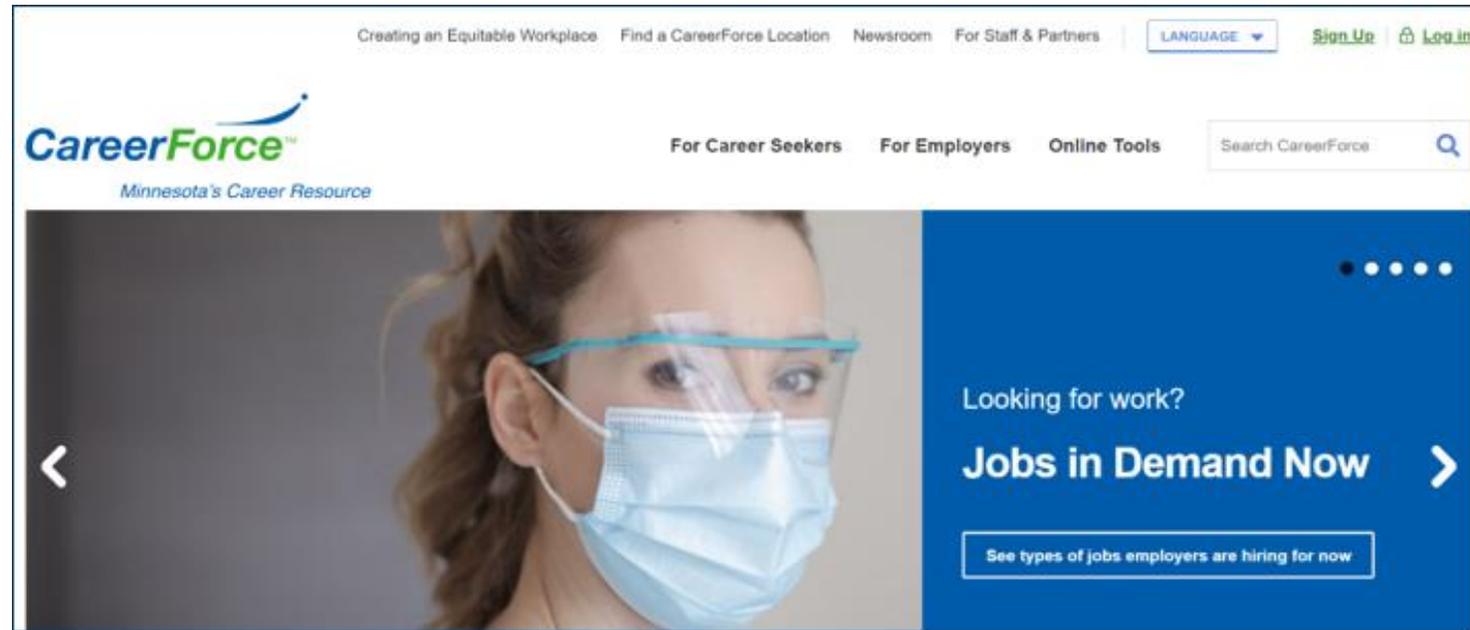
**CareerForce:** Oversees delivery of services to career seekers and employers throughout Minnesota through a network of 50 CareerForce locations in 16 workforce development areas, as well as virtual services.

- **Employment Services Unit**

- **Job Service Team**
- **CareerForce Helpdesk**
- **Employer Services Team**

- **Veteran Services Unit**

- **Veteran Career Services**
  - **Disabled Veterans Outreach Program**
- **Employer Services**



# Governor's Workforce Development Board (GWDB)

- **Governor's Workforce Development Board:** Has statutory responsibility under the federal Workforce Innovation and Opportunity Act (WIOA). Provides leadership on key workforce strategies for the state. Represents leaders from business, education, labor, community-based organizations and government.



# Office of Economic Opportunity (OEO)

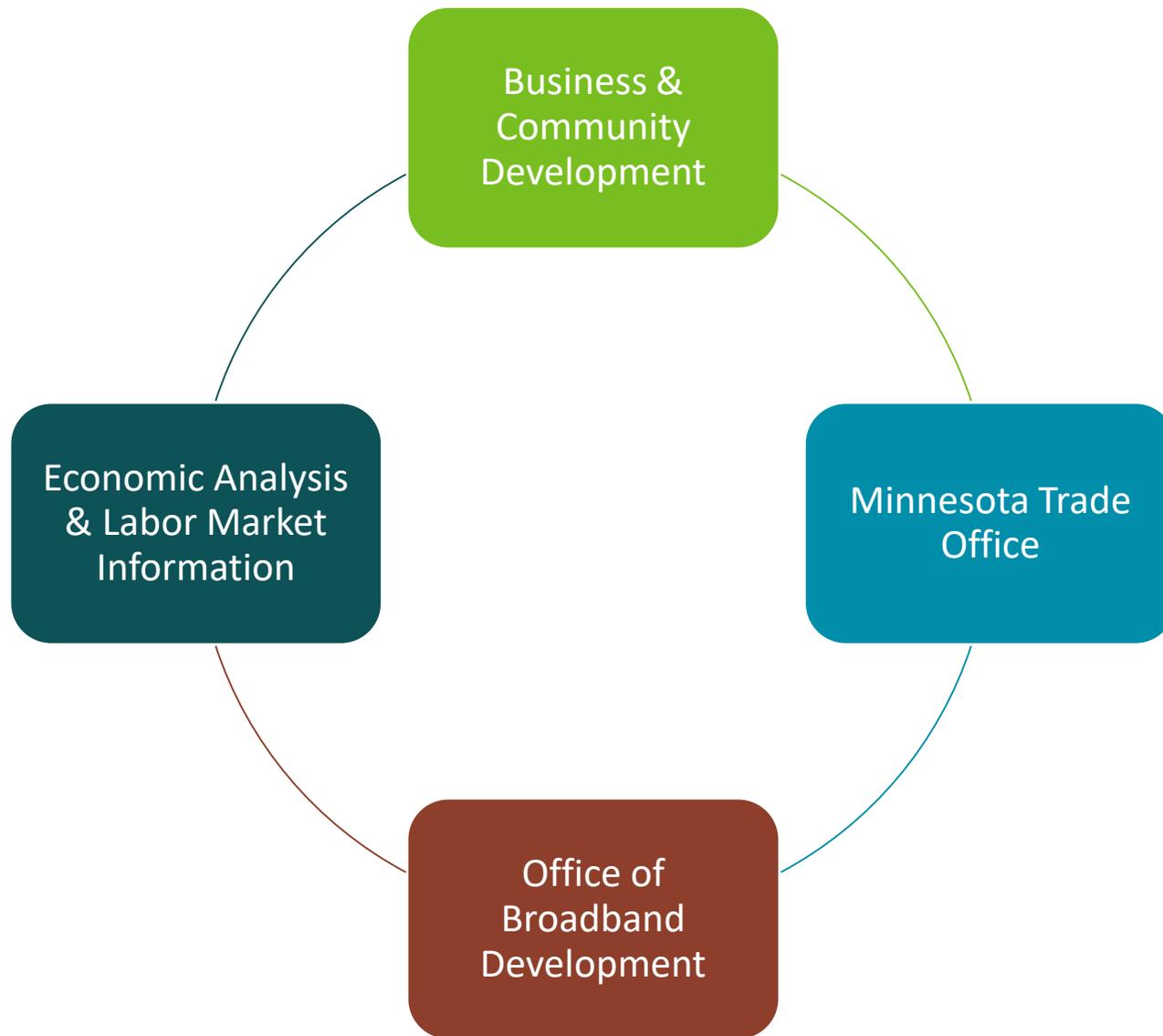
- **Office of Economic Opportunity:** Leads internal DEED efforts and external community engagement to reduce the disparities faced by populations with barriers to employment.





# Economic Development

Kevin McKinnon | Deputy Commissioner



# Economic Development Overview

# BCD Services Provided: Business Development



**Business Development:** Assists businesses and communities in accessing DEED services and other resources to support growth, retention and attraction of workforce and businesses. Also promotes specific industry sectors where Minnesota has strength/potential for growth.

Other units help employers build a pipeline of talent and provide grants for specialized employee training.

- **Business Development Managers**
- **Workforce Strategy Consultants**
- **Minnesota Job Skills Partnership**

# BCD Services Provided: Business Finance

**Business Finance:** Administers over 20 financing programs that provide capital to growing businesses in Minnesota. Some key programs include:

- **Minnesota Job Creation Fund**
- **Minnesota Investment Fund**
- **Emerging Entrepreneur Program**
- **Minnesota Angel Tax Credit**
- **Launch Minnesota Grants**



# Launch Minnesota – New!



- Awarded 77 unique startups over \$2.4 million in funding since program began in fall 2019.
  - 56% went to innovators in targeted populations.
  - Prioritize communities that usually lack access to capital, such as women, POC, veterans, Greater MN.
- Developed Launch Minnesota Network, a first-of-its-kind hub-and-spoke model, working with 6 regions, 7 hubs and over 60 program partners.
- Incentivized well over \$40M in private investment through Angel Tax Credits.
- Partnered to provide lean startup training to 380+ people since April – and are developing MN Expert Exchange.

# BCD Services Provided: Small Business



**Small Business:** Administers programs and services that provide information and resources to entrepreneurs and small businesses.

- **Small Business Assistance Office**
- **Small Business Development Centers**
- **Competitive Grants**

# BCD Services Provided: Community Finance

**Community Finance:** Administers programs that assist local governments in attracting and retaining businesses and jobs and to position communities for future economic growth. Key programs include:

- **Infrastructure Financing**
  - Business Development Public Infrastructure Program (BDPI & IBDPI)
  - Transportation Economic Development Infrastructure Program (TEDI)
- **Brownfields and Redevelopment**
- **Small Cities Development Program**
- **Special Appropriations**

Redevelopment Project Completed in 2020 - Moorhead, MN



Moorhead site - Before



Moorhead site - After

# Minnesota Trade Office

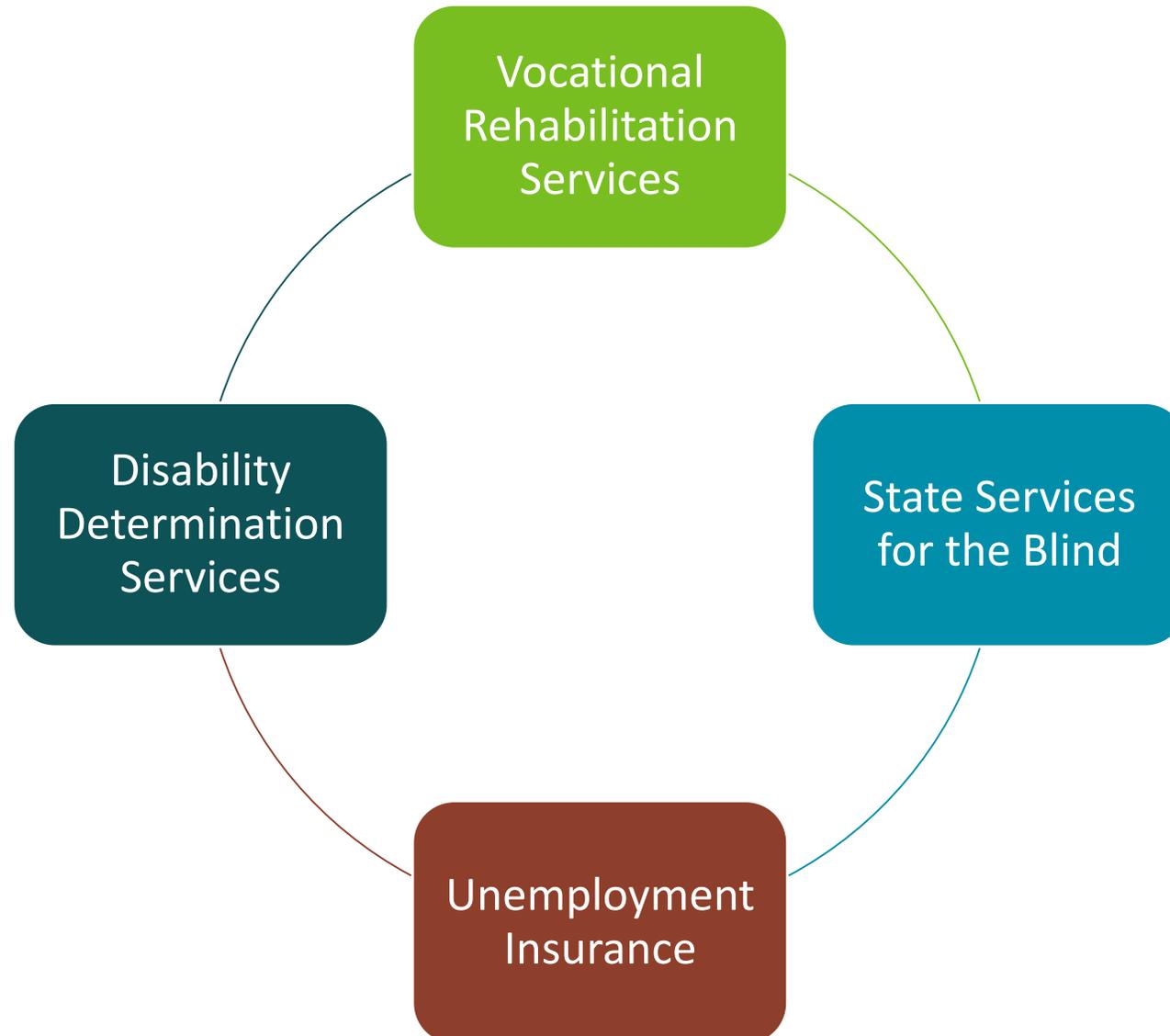
- **Minnesota Trade Office:** Works to increase the number of Minnesota companies exporting into foreign markets and helps foreign companies explore the advantages of expanding or relocating in Minnesota.
- **Sponsors and coordinates trade missions**
- **Contract with partners in Canada, EU, UK/Ireland, Japan, Association of Southeast Asian Nations (ASEAN) and China**
- **Export financing, counseling and assistance**
- **Foreign direct investment assistance**
- **Protocol Office for the State**





## Workforce Services

Blake Chaffee | Deputy Commissioner



## Workforce Services Overview

# Vocational Rehabilitation Services (VRS)

**Vocational Rehabilitation Services:** Provides individualized assessments, evaluations, counseling, training, assistive technologies, job placement and retention services.

- **Vocational Rehabilitation Program**
- **Extended Employment**
- **Centers for Independent Living**
- **Individual Placement and Supports**
- **Deaf, Deafblind, and Hard of Hearing**



# State Services for the Blind (SSB)



**State Services for the Blind:** Assists Minnesotans who are blind, DeafBlind, losing vision, or who have a disability that makes it difficult to read print.

- **Workforce Development**
  - Vocational Rehabilitation
  - Business Enterprises
- **Senior Services**
- **Communications Center**

# Unemployment Insurance (UI)

- Pays eligible workers up to 50% of their average weekly wage (subject to a state maximum) for up to 26 weeks.
- Collaborates with CareerForce to ensure workers have the assistance they need to quickly return to employment.
- Minnesota UI regularly ranks among the top 5 states in the country in federal performance standards.





## General Support Services

Evan Rowe | Assistant Commissioner, Operations

Commissioner's  
Office

Communications  
Office

Office of Diversity  
& Equal  
Opportunity

Office of the  
General Counsel

Administrative &  
Financial Services

Human Resources

Performance &  
Technical  
Management

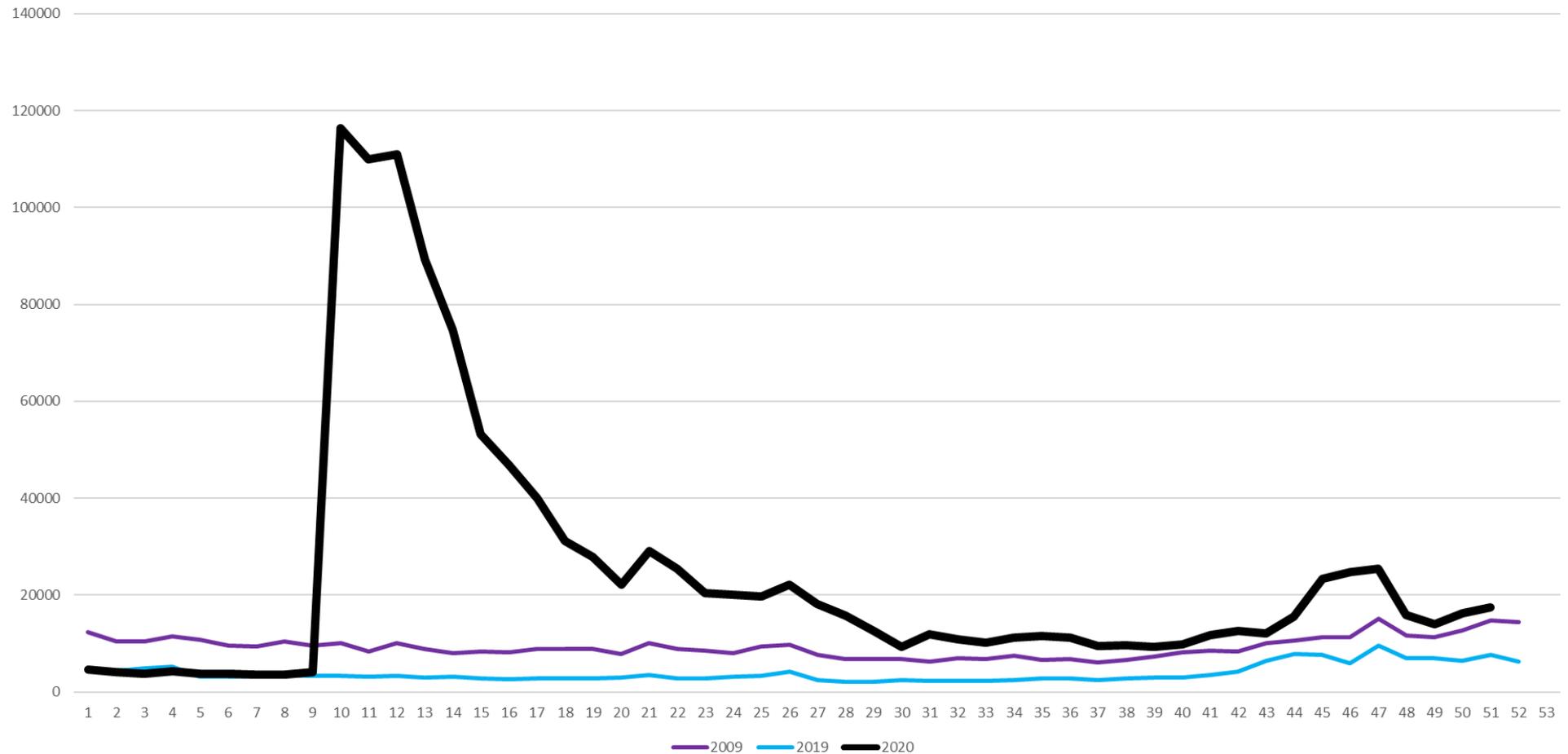
General Support Services

# DEED COVID Response

# UI Program Statistics

- Including regular UI and new federal programs, the UI program has paid out a total of **\$9,680,185,156**
- This represents **23,010,049** actual payments
  - If laid end to end, they'd stretch 3,087 miles
- **814,726** individuals have received at least one payment since 3-15-2020
- More than **90%** of these individuals were paid within a few days of applying
- More than **6.8 million** issues have been logged by applicants and employers since in 2020
  - **98%** have been resolved, normally we have about 900,000 issues in a year

# The Great Recession with the Pandemic Initial Claims



# DEED's Response to COVID-19



## **Small Business Emergency Loan program – \$30M**

- Uses DEED's lender network to provide 50% forgivable loans to businesses impacted by specific Executive Orders.

## **Small Business Loan Guarantee program – \$10M**

- Uses a statewide lender network to provide an 80% loan guarantee to businesses with the equivalent of 250 employees, maximum of \$200,000.

## **Small Business Relief Grants – \$72.5 million**

- The legislature appropriated a package of \$60 million from the state's CARES Act funds and \$2.5 million from the SBLG to provide grant funds to small businesses in the Second Special Session. An additional \$10 million was allocated from the LCRC in November.

# DEED's Response to COVID-19

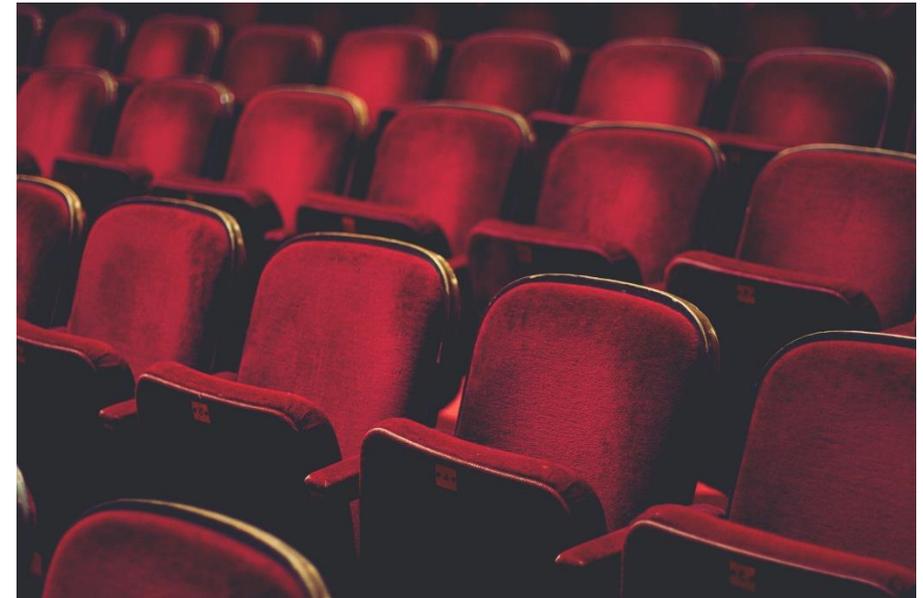
## COVID Relief Package – \$216 million package

- **DOR Business Relief Payments** – \$88 million to businesses that have seen at least a 30% decline and that provide on-site food and beverages; including bars, restaurants, breweries and wineries; bowling alleys; and fitness or sports recreation centers. Payments would be \$10,000-\$45,000 based on the number of employees.
- **DEED Movie Theater and Convention Center Relief Grants** – \$14 million for movie theaters and multipurpose convention centers with a capacity of at least 1,500 people. A per screen formula would be used to help movie theaters and several factors would be considered for convention center allocations. Convention center awards would need to be used for direct operations and facility upkeep.
- **County Relief Grants** – \$114.8 million for counties to make grants to eligible struggling businesses and nonprofits. Each county would receive the greater of \$200,000 or a per capita amount based on its 2019 population.

# DEED's Response to COVID-19

## Minnesota Movie Theater Relief Grants

- The Minnesota Department of Employment and Economic Development (DEED) will oversee the Movie Theater Relief Grant Program. This temporary program was established to provide economic relief for movie theaters adversely affected by the COVID-19 pandemic.
- This program will make grants up to \$150,000 to eligible movie theaters (drive-in movie theaters are ineligible) located in Minnesota.



# DEED's Response to COVID-19



## Convention Center Relief Grants

- The Minnesota Department of Employment and Economic Development (DEED) will oversee the Convention Center Relief Grant (CCRG) Program. This temporary program was established to provide economic relief for convention centers adversely affected by the COVID-19 pandemic.
- This program will make grants up to \$500,000 to eligible convention centers located in Minnesota.

# County Relief Grants

## County Relief Grants – \$114.8 million

Counties shall use the funds to make grants to individual businesses and nonprofits that, to the extent it is feasible for the county to determine:

- **Located in the applicable county** in the state of Minnesota or on adjacent tribal land
- Have **no current tax liens** on record with the secretary of state as of the time of application for a grant under this section; and
- Were **impacted by an executive order related to the COVID-19 pandemic**

# Thank You!

Questions?