

Agency Purpose

The Department of Employment and Economic Development (DEED) facilitates an economic environment to produce jobs and improves the quality of the state's workforce. These actions support the economic success of Minnesota individuals, businesses, and communities by providing opportunities for growth.

Most of the statutory authority for this agency resides in M.S. Chapters 116J, 116L, 248, 268A, 446A, and 469. Federal law also provides authority for multiple specific programs; see program and budget activity narratives for specific citations.

Core Functions

The agency has three major functions:

- ◆ to support business creation, expansion, relocation, and retention in Minnesota through the resources and programs of the **Business & Community Development** division;
- ◆ to stabilize and stimulate the economy in times of downturn and help business retain an available skilled workforce through the benefit payments administered by the **Unemployment Insurance** division; and
- ◆ to support the workforce needs of Minnesota's businesses, workers, and communities through the activities of the **Workforce Partnerships** and **Workforce Services** divisions.

Operations

The agency's diverse programs directly serve Minnesota's businesses, communities, and workers. In addition, DEED works with a wide range of partners on the federal, state, and local level to ensure the highest levels of program coordination and quality.

Business & Community Development programs help companies expand in or relocate to Minnesota, promote international trade, finance business expansions, and help companies find and train employees. In addition, Minnesota communities can tap into the division's financial and technical assistance programs to help spur business growth while addressing important revitalization issues – for example, through tax-exempt Job Opportunity Building Zones. DEED offers grants, loans, and technical assistance for redevelopment projects and activities, including housing and commercial rehabilitation, wastewater treatment facilities and drinking water systems, and contaminated site cleanup.

Unemployment Insurance determines program tax rates for Minnesota businesses and collects those revenues for deposit into the Unemployment Insurance Trust Fund. This trust fund supplies weekly benefit payments to eligible individuals. Primarily through Internet and phone-based systems, staff compute benefit entitlements for applicants, pay benefits as appropriate, and provide impartial due process hearings for applicants and employers

At A Glance

Operating Environment. Through economic peaks and valleys, Minnesota continues to be a strong performer, with a broad industry base:

- ◆ Minnesota's 19 Fortune 500 firms represent a variety of industries, including but not limited to health care, banking, food processing, and industrial products.
- ◆ From 1994 to 2003, jobs in Minnesota's goods-producing industries *grew* six percent. This overall number compares to a four percent *decrease* in goods-producing industry employment nationally. A significant part of this growth comes from the medical equipment and supplies industry, which grew 23% between 1996 and 2003.
- ◆ As the U.S. continued economic recovery in 2003, Minneapolis-St. Paul ranked sixth nationwide in the number of new and expanded corporate facilities.

Performance. DEED continually monitors its programs for impact, effectiveness, and efficiency.

- ◆ As of July 2004, Job Opportunity Building Zone partners had closed 45 business deals across the 10 zones – resulting in \$35 million of projected capital investment, 905 retained jobs, and 918 projected new jobs. (For updated information, see www.deed.state.mn.us/bizdev/jobz.htm.)
- ◆ [2003 AGGREGATE DATA ON JOB PLACEMENT AND WAGE WILL BE AVAILABLE SOON.]
- ◆ As of March 2004, the business customer satisfaction index for the Minnesota WorkForce Center system was 76.3, comparable to the 73.8 average American Customer Satisfaction Index rating for private sector companies (see www.deed.state.mn.us/customersurvey/ for more info). Job seekers' rating for the system for the same period was 71.7.

who wish to appeal initial benefit determination decisions. Unemployed individuals likely to remain so for lengthy periods are identified and referred to their local WorkForce Center for appropriate services (see Workforce Partnerships and Workforce Services).

Workforce Services and **Workforce Partnerships** work closely together to support Minnesota's workforce needs. The Workforce Services division contains those budget activities and programs where DEED is the major direct provider of workforce development services. Among five major subdivisions – Employment Programs, Labor Market Information, Rehabilitation Services, Services for the Blind, and Disability Determination – this division serves customer populations stretching from businesses to job seekers to persons with disabilities. The Workforce Partnerships division manages those workforce development programs not operated directly by the agency itself (i.e., services are provided through contracts with local service providers). State-level oversight remains for purposes of policy, grant management, and accountability.

The major service delivery mechanism for both divisions is the WorkForce Center System. More than 50 WorkForce Centers and affiliates represent a unique partnership of employment and training organizations reflecting the needs of each community. In addition to the wide range of specific services offered to workers, businesses, students, and those looking for work, each WorkForce Center also houses a resource area (similar to a public library) staffed with computers, fax machines, literature, and other aids that will assist job seekers minimize the time they remain unemployed.

Budget

Approximately 65% of the agency's FY 2005 base budget comes from federal sources, and another 20% from Special Revenue funds. Only about 15% comes from the state General Fund.

The agency's base budget does not include Unemployment Insurance Trust Fund transactions (FY 2005 benefits estimated at \$695 million), nor the grants and contracts established by the Public Facilities Authority (FY 2005 activity estimated at \$165 million).

As of June 2004, DEED employed approximately 1,800 FTEs.

Contact

Matt Kramer, Commissioner
Department of Employment & Economic Development
(651) 297-4336
<http://www.deed.state.mn.us/index.htm>

Dollars in Thousands

	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	56,919	54,849	46,790	46,790	93,580
Forecast Base	56,919	54,849	45,736	45,736	91,472
Change		0	(1,054)	(1,054)	(2,108)
% Biennial Change from 2004-05					-18.2%
Petroleum Tank Release Cleanup					
Current Appropriation	750	0	0	0	0
Forecast Base	750	0	0	0	0
Change		0	0	0	0
% Biennial Change from 2004-05					-100%
Workforce Development					
Current Appropriation	8,750	8,670	8,670	8,670	17,340
Forecast Base	8,750	8,670	8,570	8,570	17,140
Change		0	(100)	(100)	(200)
% Biennial Change from 2004-05					-1.6%
Remediation					
Current Appropriation	700	700	700	700	1,400
Forecast Base	700	700	700	700	1,400
Change		0	0	0	0
% Biennial Change from 2004-05					0%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	61,638	49,266	45,736	45,736	91,472
Petroleum Tank Release Cleanup	750	0	0	0	0
Workforce Development	8,901	8,787	8,570	8,570	17,140
Remediation	700	700	700	700	1,400
Open Appropriations					
General	0	0	250	250	500
Petroleum Tank Release Cleanup	6,248	6,515	6,200	6,200	12,400
Statutory Appropriations					
Public Facilities Authority	192,860	280,318	209,238	211,626	420,864
Drinking Water Revolving Fund	50,327	95,350	79,614	80,014	159,628
General	498	503	422	422	844
Special Revenue	9,480	38,361	33,207	7,834	41,041
Workforce Development	47,796	36,214	29,033	23,194	52,227
Transportation Revolving Fund	4,786	32,893	13,415	11,076	24,491
Federal	40,558	79,161	42,350	41,498	83,848
Workforce Federal	190,984	202,392	195,404	198,555	393,959
Federal Tanf	559	544	0	0	0
Gift	125	705	1,041	221	1,262
Total	616,210	831,709	665,180	635,896	1,301,076
<u>Expenditures by Category</u>					
Total Compensation	114,979	111,353	112,284	112,281	224,565
Other Operating Expenses	56,214	67,715	58,874	53,463	112,337
Payments To Individuals	36,749	39,322	40,348	40,513	80,861
Local Assistance	157,773	181,547	134,849	125,566	260,415
Other Financial Transactions	250,480	431,757	318,810	304,058	622,868
Transfers	15	15	15	15	30
Total	616,210	831,709	665,180	635,896	1,301,076

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<i>Expenditures by Program</i>					
Business & Community Developmt	296,457	497,847	348,791	351,809	700,600
Workforce Partnerships	114,158	108,825	91,430	85,358	176,788
Workforce Services	136,013	147,657	149,813	147,083	296,896
Unemployment Insurance	56,512	72,725	71,425	47,925	119,350
State Funded Administration	4,341	4,655	3,721	3,721	7,442
Tourism History	8,729	0	0	0	0
Total	616,210	831,709	665,180	635,896	1,301,076
<i>Full-Time Equivalent (FTE)</i>	1,810.5	1,735.7	1,722.6	1,713.1	

Program Description

The Business and Community Development Division provides technical and financial assistance to Minnesota businesses and communities to increase jobs and economic opportunities.

Budget Activities Included:

- ⇒ Business Development Office
- ⇒ Business Finance
- ⇒ Community Finance
- ⇒ Minnesota Trade Office

EMPLOYMENT & ECONOMIC DEV DEPT

Program: BUSINESS & COMMUNITY DEVELOPMT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	11,576	9,501	9,233	9,233	18,466
Technical Adjustments					
One-time Appropriations			(1,000)	(1,000)	(2,000)
Forecast Base	11,576	9,501	8,233	8,233	16,466
Petroleum Tank Release Cleanup					
Current Appropriation	750	0	0	0	0
Forecast Base	750	0	0	0	0
Remediation					
Current Appropriation	700	700	700	700	1,400
Forecast Base	700	700	700	700	1,400
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	12,265	10,173	8,233	8,233	16,466
Petroleum Tank Release Cleanup	750	0	0	0	0
Remediation	700	700	700	700	1,400
Open Appropriations					
General	0	0	250	250	500
Petroleum Tank Release Cleanup	6,248	6,515	6,200	6,200	12,400
Statutory Appropriations					
Public Facilities Authority	192,860	280,318	209,238	211,626	420,864
Drinking Water Revolving Fund	50,327	95,350	79,614	80,014	159,628
General	0	2	1	1	2
Special Revenue	2,238	13,004	3,444	6,460	9,904
Transportation Revolving Fund	4,786	32,893	13,415	11,076	24,491
Federal	26,277	58,853	27,671	27,249	54,920
Gift	6	39	25	0	25
Total	296,457	497,847	348,791	351,809	700,600
<u>Expenditures by Category</u>					
Total Compensation	5,031	5,338	5,658	5,661	11,319
Other Operating Expenses	3,397	3,230	2,330	2,676	5,006
Local Assistance	41,252	71,122	39,793	39,611	79,404
Other Financial Transactions	246,777	418,157	301,010	303,861	604,871
Total	296,457	497,847	348,791	351,809	700,600
<u>Expenditures by Activity</u>					
Business Development	3,653	5,303	4,147	4,109	8,256
Business/Community Finance	290,650	489,800	342,785	345,831	688,616
Trade	2,154	2,744	1,859	1,869	3,728
Total	296,457	497,847	348,791	351,809	700,600
Full-Time Equivalents (FTE)	71.0	70.7	73.8	73.8	

EMPLOYMENT & ECONOMIC DEV DEPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

Activity: MARKETING & BUSINESS DEV

Narrative

Activity Description

The Business Development Office works to attract and retain high-quality jobs and businesses. The focus of the office is three-fold: direct business assistance and coordination of resources provided; facilitate the start-up and growth of small businesses; and support the efforts of communities and regions to market themselves to new businesses. Statutory authority comes from M.S. 116J.011; 116J.66 through 116J.86; M.S. 116C.22 M.S. 116C.34; and the United States Federal Code, Title 15, Section 648.

Population Served

This office's primary customers are businesses, including small businesses, as well as communities who choose to participate in the Positively Minnesota initiative (below).

Services Provided

The office contains a wide range of activities specially designed to assist Minnesota businesses:

Business Development Specialists assist businesses interested in expanding or relocating in Minnesota. Services include promoting Minnesota's business assets and advantages; providing information on business financing, training, and sites specific information; serving as a liaison with other state agencies; and assisting companies with other business development needs as requested. Special emphasis is placed on the Job Opportunity Building Zone (JOBZ) program in greater Minnesota. Nine business development specialists have regional responsibilities as well as responsibility for specific industry sectors identified as high-growth, high-wage areas: medical devices and health, biosciences, industrial machinery, business services, computer software, and electronics.

Specific Business Initiatives include: *Minnesota Manufacturers' Advocate* which connects state government to the multiple manufacturing trade associations and their initiatives to insure competitiveness; *Biosciences Development* which coordinates state support for these emerging industries including support for the Minnesota Biosciences Council; *Positively Minnesota BizNice* which assists businesses through the permitting process (in conjunction with the Minnesota Pollution Control Agency); and *Bio-Fiber Task Force* which is looking for new ways to use Minnesota's home-grown agricultural and natural resources for business development.

The Business Development Office also serves businesses through its **Small Business Assistance Office** with timely, accurate, comprehensive, and free information on small business startup, expansion, and operation. The office has three main activities: (1) publications, including the *Guide to Starting a Business in Minnesota*; (2) one-to-one free counseling, assistance, and direction on business management, operations, and permitting through 19 small business development centers around the state; and (3) training seminars conducted around Minnesota.

The **Positively Minnesota Marketing Initiative** partners with other economic development entities to market Minnesota outside our borders. With minimal state investment, the funds of non-state partners are leveraged to support ongoing marketing of Minnesota to national and international business leaders looking for locations to grow. The initiative showcases Minnesota's assets at international events attended by corporate site selectors and industry leaders.

The **MNPRO Data Base** is an electronic resource that supports the work of the business development office, Positively Minnesota marketing, and the JOBZ program. This database is an integrated, data-intensive website (www.mnpro.com) within the DEED site, which combines a commercial property tracking system with Minnesota community profiles. It is a free, one-stop place to get detailed information on available land and buildings, and on the communities in which they are located. It is also the primary source for locating all tax-free properties designated through the JOBZ program (See Business & Community Finance for more on JOBZ).

Activity at a Glance

In FY 2004, the Marketing & Business Development office:

- ◆ made over 1000 direct contacts with companies to encourage growth and expansion;
- ◆ provided over 38,000 hours of counseling to small businesses; and
- ◆ recruited over 40 economic development groups to contribute financially to Positively Minnesota marketing events.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

Activity: MARKETING & BUSINESS DEV

Narrative

The office conducts other business development support activities, including an annual Manufacturers Week recognition; an annual Development Conference; marketing of DEED programs at trade shows and conferences; maintenance of the Business Expansion database to track and report Minnesota expansions for national marketing; and the E-Commerce Certification Program which recognizes communities that have implemented plans for support of electronic commerce (M.S. 116J.037).

The office also administers grants for **WomenVenture** and the **Metropolitan Economic Development Association**. These Twin Cities-based nonprofit organizations provide business customers with resources and assistance to help them grow.

Key Measures

Measures are based on a state fiscal year (July-June), except for small business measures which are measured on a calendar year. Job creation in business expansions is estimated for 2004.

	2002	2003	2004
Number of business expansions assisted	115	120	150
Number of jobs created in those expansions	4,385	4,850	6,500
Percentage of those expansions in Greater Minnesota	68%	70%	75%
Customers (and hours) of Small Business Development Centers	3,695 (43,780 hrs.)	3,587 (38,121 hrs.)	NA
Percentage of customers who report positive outcomes as a result of SBDC counseling	80.6%	80.9%	NA
Customers contacting Small Business Assistance Office (total transactions)	49,600	48,300	NA
Copies of SBAO publications distributed digitally (and in print)	107,440 (58,300 in print)	114,964 (63,540 in print)	NA
Number of completed community profiles on MNPRO	395	400	417
Number of MNPRO building and property listings	1,800	1,900	2,387

Activity Funding

Approximately 60% of activity funding comes from the state General Fund, and 40% federal sources.

Contact

Mark Lofthus, Director, Business Development Office
(651) 297-4567 or 1-800-657-3858
Mark.Lofthus@state.mn.us
www.PositivelyMinnesota.com

Charles Schaffer, Director, Small Business Assistance Office
(651) 282-2103 or 1-800-657-3858
Charles.Schaffer@state.mn.us
www.mnsbao.com and www.mnsbdc.com

EMPLOYMENT & ECONOMIC DEV DEPT
 Program: BUSINESS & COMMUNITY DEVELOPMT
 Activity: BUSINESS DEVELOPMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,354	2,434	2,457	2,457	4,914
Statutory Appropriations					
Public Facilities Authority	63	150	150	150	300
Special Revenue	154	198	148	135	283
Federal	1,076	2,482	1,367	1,367	2,734
Gift	6	39	25	0	25
Total	3,653	5,303	4,147	4,109	8,256
<u>Expenditures by Category</u>					
Total Compensation	1,540	1,624	1,718	1,710	3,428
Other Operating Expenses	480	424	362	332	694
Local Assistance	1,570	3,105	1,917	1,917	3,834
Other Financial Transactions	63	150	150	150	300
Total	3,653	5,303	4,147	4,109	8,256
Full-Time Equivalent (FTE)	20.8	21.2	21.2	21.2	

EMPLOYMENT & ECONOMIC DEV DEPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

Activity: BUSINESS & COMMUNITY FINANCE

Narrative

Activity Description

The Business & Community Finance office offers financial assistance to local areas and businesses in order to support sustainable business development and expansion. Financing activities seek to help create high-quality jobs, through statewide and specifically targeted programs. In addition to job creation, specifically targeted programs also leverage private investment, increase tax base, and enhance business development projects.

Statutory authority comes from M.S. 41A.022 (Agricultural & Economic Development Program), 116J.423 (21st Century Minerals Fund), 116J.431 (public infrastructure grants), 116J.551 through 116J.558 (contamination clean-up grants), 116J.571 through 116J.575 (greater Minnesota redevelopment grants), 116J.8731 (Minnesota Investment Fund), 116J.980 (small cities development grants), 116M (Urban Initiative), 116J.64 (Indian Business Loans), chapter 446A (Public Facilities Authority), and 469.310 through 469.320 (Job Opportunity Building Zones).

Population Served

The office serves businesses and communities, directly and through partnerships with economic development agencies, utilities, banks, local governments, and others.

The office also indirectly serves those communities' residents through (1) construction and renovation of affordable infrastructure, (2) creation of additional tax base through business and housing development, (3) removal of public health threats through contaminated site cleanup, and (4) creation of tax-free business development properties through the Job Opportunity Building Zones (JOBZ) initiative.

Services Provided

Services are designed to assist in the creation of high-quality jobs. Specifically:

JOBZ stimulates economic development activity in rural areas of Minnesota by providing local and state tax exemptions (including corporate franchise tax, income tax, sales tax, property tax for improvements, and wind energy production tax). In early 2004, 10 zones with 325 subzones (as well as one Agricultural Processing Facility Zone) were created until 2016.

Contamination Clean-Up Grants provides grants to local governments and local development agencies to clean up soil and groundwater contamination so a site can serve as a housing or business location.

Small Cities Development Grants channel federal Community Development Block Grant funds for the rehabilitation or construction of housing or municipal infrastructure, as well as downtown revitalization projects.

Greater Minnesota Business Development Public Infrastructure Grants provide funds to local governments for infrastructure extension projects in support of business development.

The **Minnesota Investment Fund** helps local units of government improve and strengthen their business and economic base by providing financing for business expansions and relocations. At least 50% of total project costs must be privately financed through owner equity and other lending sources. Awards may not exceed \$500,000. Most applications selected for funding have at least 70% private financing.

Activity at a Glance

The Business and Community Finance office uses a variety of financing options to spur job creation and economic growth. In FY 2004, the office's Minnesota Investment Fund and Urban Initiative program combined \$2.3 million to leverage \$49.6 million in private investment. In addition, the office provided 77 community finance grants worth \$28 million for business development infrastructure in greater Minnesota, clean up of contaminated sites, and development of small cities.

The Public Facilities Authority funded 46 public infrastructure improvement projects for \$261 million in FY 2004.

Finally, this office operates the Job Opportunity Building Zones (JOBZ) initiative, one of the governor's key strategies for economic growth in Minnesota. As of early November 2004, JOBZ partners had closed over 90 business deals across the 10 zones, resulting in 1,466 retained jobs and 1,307 projected new jobs.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

Activity: BUSINESS & COMMUNITY FINANCE

Narrative

The **Urban Initiative Program** assists businesses in creating jobs in low-income areas of the Twin Cities.

The **Agricultural and Economic Development Program** makes small business development loans through guarantees and issues tax-exempt revenue bonds for business expansion.

Indian Business Loans support the development of Indian-owned and operated businesses and promote economic opportunities for Native American people throughout Minnesota. (Applications are submitted to the Department of Employment and Economic Development, and then forwarded to the appropriate Tribal Council for further consideration and approval.)

The **21st Century Minerals Fund** makes strategic investments in value-added mineral processing to assist the state's mining industry in the global economy.

Within the Business & Community Finance office are the administrative staff for the **Public Facilities Authority (PFA)**. The PFA consists of the commissioners of six agencies (departments of Employment and Economic Development (DEED), Finance, Agriculture, Health, Transportation, and the Pollution Control Agency) and issues bonds to finance loans for community development projects. These bonds have AAA or AA ratings from all three major rating agencies. (All wastewater and drinking water bonds have AAA ratings.) The PFA manages the following programs:

Water Pollution Control Revolving Fund. The Authority in conjunction with the Minnesota Pollution Control Agency (MPCA) provides loans to municipalities for construction of wastewater infrastructure projects. It also provides funding for the Department of Agriculture's Best Management Loan Program, MPCA's Clean Water Partnership Loan Program, and DEED's Tourism Septic Loan Program.

Drinking Water Revolving Fund. The Authority in conjunction with the Department of Health provides loans to municipalities for construction of drinking water infrastructure projects. The fund is also used to address several federal mandates with regards to operator training, technical assistance to small communities, and well head protection.

Transportation Revolving Loan Fund. In conjunction with the Department of Transportation, the Authority makes loans for eligible transportation projects.

County Credit Enhancement Program. Counties can apply to the PFA for credit enhancement for their General Obligation Bonds issued to fund construction of buildings related to social service or criminal justice.

Key Measures

Measures are based on a state fiscal year (July-June). JOBZ data is January through November 2004 only.

	2002	2003	2004
JOBZ deals completed (January-November 2004)	NA	NA	91
JOBZ projected job creation (January-November 2004)	NA	NA	1,466
JOBZ projected job retention (January-November 2004)	NA	NA	1,306
Small Cities Development Grant projects	31	35	32
SCDG total project amounts	\$21.9M	\$21.0M	\$20.2M
Contamination Clean-up projects	21	20	20
Contamination Clean-up grant amounts	\$9.7M	\$7.6M	\$8.1M
Greater MN Public Infrastructure Grant projects	NA	NA	25
GMPI Grant projected jobs created	NA	NA	462
Minnesota Investment Fund and Urban Initiative Program awards	\$4.2M	\$2.6M	\$2.3M
Jobs created by MIF and UIP	1,097	544	393
Percent of those jobs paying more than \$12/hour	70%	56%	68%

EMPLOYMENT & ECONOMIC DEV DEPT**Program: BUSINESS & COMMUNITY DEVELOPMENT****Activity: BUSINESS & COMMUNITY FINANCE**

Narrative

Private investment leveraged	\$60.0M	\$22.6M	\$49.6M
Public Facilities Authority	2002	2003	2004
Clean Water State Revolving Loan Fund projects	18	19	20
Clean Water project totals	\$126.7M	\$175.0M	\$191.1M
Drinking Water State Revolving Loan Fund projects	17	26	24
Drinking Water project totals	\$17.4M	\$52.9M	\$69.8M
Wastewater Infrastructure Financing projects	8	4	2
Wastewater Infrastructure project totals	\$10.4M	\$2.7M	\$557,000
Transportation Revolving Loan Fund projects	8	0	0
Transportation project totals	\$29.6M	NA	NA

Activity Funding

The FY 2005 base budget for office activities comes from federal sources such as the U.S. Department of Housing and Urban Development, as well as state General Fund and Special Revenue funds.

The Special Revenue funds are revolving loan funds, where new loans are funded from the repayments of old loans' principal and interest. The Minnesota Investment Fund is also a revolving fund, with an appropriation from the General Fund.

This activity's budget does *not* include the tax exemptions from JOBZ; the Department of Revenue maintains those projections. Also beyond the formal office budget is the anticipated \$166 million in Public Facilities Authority contracts for FY 2005; the PFA's unique structure and bonding authority requires a separate accounting structure from the normal state budget (see M.S. 446A.04, 446A.12, 446A.16, and 446A.20). PFA manages assets in excess of \$1.5 billion.

Contact

Paul A. Moe, Director
 Business and Community Finance
 (651) 297-1391 or 1 (800) 657-3858
Paul.A.Moe@state.mn.us
<http://www.positivelyminnesota.com>

Terry Kuhlman, Executive Director
 Public Facilities Authority
 (651) 296-3562 or 1-800-657-3858
Terry.Kuhlman@state.mn.us

EMPLOYMENT & ECONOMIC DEV DEPT
Program: BUSINESS & COMMUNITY DEVELOPMT
Activity: BUSINESS/COMMUNITY FINANCE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	7,991	5,257	4,077	4,077	8,154
Petroleum Tank Release Cleanup	750	0	0	0	0
Remediation	700	700	700	700	1,400
Open Appropriations					
General	0	0	250	250	500
Petroleum Tank Release Cleanup	6,248	6,515	6,200	6,200	12,400
Statutory Appropriations					
Public Facilities Authority	192,797	280,168	209,088	211,476	420,564
Drinking Water Revolving Fund	50,327	95,350	79,614	80,014	159,628
General	0	2	1	1	2
Special Revenue	1,850	12,544	3,136	6,155	9,291
Transportation Revolving Fund	4,786	32,893	13,415	11,076	24,491
Federal	25,201	56,371	26,304	25,882	52,186
Total	290,650	489,800	342,785	345,831	688,616
<u>Expenditures by Category</u>					
Total Compensation	2,172	2,397	2,579	2,590	5,169
Other Operating Expenses	2,124	1,379	1,522	1,888	3,410
Local Assistance	39,640	68,017	37,824	37,642	75,466
Other Financial Transactions	246,714	418,007	300,860	303,711	604,571
Total	290,650	489,800	342,785	345,831	688,616
Full-Time Equivalent (FTE)	31.2	33.3	36.4	36.4	

Activity Description

The Minnesota Trade Office (MTO) supports business development and expansion by promoting exports and foreign direct investments that contribute to the growth of the state's economy. Specific statutory authority stems from Minnesota Statutes 116J.966.

Population Served

While any business may take advantage of MTO services, the agency primarily helps small and medium-sized companies export their goods and/or services.

Services Provided

MTO services are divided into five broad categories:

Export counseling and technical assistance. International trade representatives help guide companies through the challenges of conducting international business. Assistance in evaluating export readiness, market research and intelligence, planning, market entry strategies, requirements, shipping and tariff information, networking, and referrals are all part of this activity.

Export promotion services. The MTO arranges many export promotional events to help companies explore market opportunities firsthand with potential distributors, partners, buyers, and agents. Inbound buyer's missions and outbound trade missions (including those led by the Governor) fall under this category, as do domestic and international trade shows and individually arranged meetings with potential foreign buyers. The MTO also advises Minnesota companies of promotional events organized by trade associations.

Export education and training services. In partnership with other organizations, the MTO provides cutting-edge training seminars and workshops for new and experienced exporters. Education programs include fundamentals for beginners, how-to's on international market research, topical seminars on specific and technical aspects of exporting, daylong "immersion" courses focused on the business climate and requirements of specific countries (such as our China and Japan Practicum seminars), and detailed market and industry briefings. The MTO offers education and training programs in St. Paul and at select locations throughout Minnesota.

International Resource Center. To ensure Minnesota companies have access to the very latest market intelligence, the MTO maintains an extensive collection of information on foreign markets and contacts. The International Resource Center is open to the public during normal business hours, has professional researchers on staff, and contains a wide variety of critical information for operating in a global economy.

Electronic Resources. The MTO's Web site www.exportminnesota.com offers a searchable international business services directory, the ExportMinnesota newsletter offering trade leads and other timely market information, a monthly calendar of MTO events, quarterly and annual statistics on Minnesota's manufactured exports, and international trade links to other useful Web pages.

Key Measures

Measures are based on a calendar year. For the past three years, Minnesota has consistently outperformed the U.S. in terms of export growth rates. While not reflected on the chart below, 2003 export growth rates were 9.8 percent over 2002 for Minnesota, compared to 3.7 percent nationwide.

Activity at a Glance

In 2003, the Minnesota Trade Office:

- ◆ Supplied services to more than 1,000 businesses and organizations, 41 percent of whom were in greater Minnesota.
- ◆ Organized 43 seminars and business roundtables.
- ◆ Put on four foreign trade shows with 34 participating Minnesota companies.
- ◆ Received 42 foreign dignitaries.
- ◆ Organized Governor Pawlenty's Trade Mission to Canada.

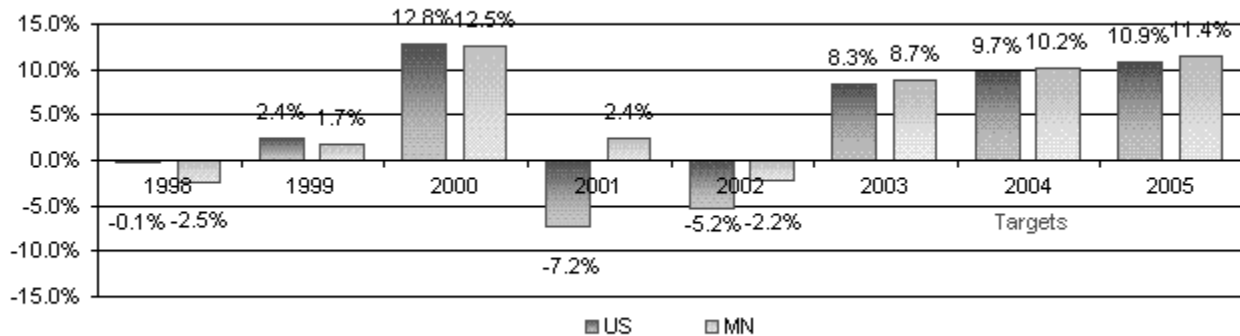
EMPLOYMENT & ECONOMIC DEV DEPT

Program: BUSINESS & COMMUNITY DEVELOPMENT

Activity: TRADE

Narrative

Minnesota and US manufacturing export growth rates



Source: Analysis of data from Massachusetts Institute for Social and Economic Research (MISER) at the University of Massachusetts (Amherst) and Congressional Budget Office projections of US export growth rates.

Activity Funding

The MTO receives approximately \$2 million annually from the General Fund.

Contact

Tony Lorusso, Director, Minnesota Trade Office
(651) 297-4222 or 1-800-657-3858
mto@state.mn.us
<http://www.deed.state.mn.us/ExportTrade.htm>

EMPLOYMENT & ECONOMIC DEV DEPT
 Program: BUSINESS & COMMUNITY DEVELOPMT
 Activity: TRADE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,920	2,482	1,699	1,699	3,398
Statutory Appropriations					
Special Revenue	234	262	160	170	330
Total	2,154	2,744	1,859	1,869	3,728
<u>Expenditures by Category</u>					
Total Compensation	1,319	1,317	1,361	1,361	2,722
Other Operating Expenses	793	1,427	446	456	902
Local Assistance	42	0	52	52	104
Total	2,154	2,744	1,859	1,869	3,728
Full-Time Equivalents (FTE)	19.0	16.2	16.2	16.2	

Program Description

The Workforce Partnerships division works in concert with the Workforce Services division to support the workforce needs of Minnesota's businesses, workers, and communities. The Workforce Partnerships division manages those workforce development programs not operated directly by the agency itself (i.e., services are provided through contracts with local service providers). State-level oversight remains for purposes of policy, grant management, and accountability.

The Job Skills Partnership and Dislocated Worker programs are operated under the oversight of the Job Skills Partnership Board.

Budget Activities Included:

- ⇒ Adult Training
- ⇒ Dislocated Worker
- ⇒ Employment Transition Services
- ⇒ Job Skills Partnership
- ⇒ Youth Services

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE PARTNERSHIPS

Program Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	13,069	13,469	13,469	13,469	26,938
Technical Adjustments					
Current Law Base Change			189	189	378
Transfers Between Agencies			(41)	(41)	(82)
Forecast Base	13,069	13,469	13,617	13,617	27,234
Workforce Development					
Current Appropriation	1,725	1,725	1,725	1,725	3,450
Technical Adjustments					
One-time Appropriations			(100)	(100)	(200)
Forecast Base	1,725	1,725	1,625	1,625	3,250
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	17,660	14,596	13,617	13,617	27,234
Workforce Development	1,725	1,725	1,625	1,625	3,250
Statutory Appropriations					
General	472	421	421	421	842
Special Revenue	465	3,531	200	397	597
Workforce Development	47,796	36,214	29,033	23,194	52,227
Federal	14,201	20,308	14,679	14,249	28,928
Workforce Federal	31,280	31,476	31,855	31,855	63,710
Federal Tanf	559	544	0	0	0
Gift	0	10	0	0	0
Total	114,158	108,825	91,430	85,358	176,788
<u>Expenditures by Category</u>					
Total Compensation	5,619	6,364	6,077	5,691	11,768
Other Operating Expenses	2,111	3,143	2,770	2,665	5,435
Payments To Individuals	7,168	9,100	9,100	9,100	18,200
Local Assistance	99,260	90,218	73,483	67,705	141,188
Other Financial Transactions	0	0	0	197	197
Total	114,158	108,825	91,430	85,358	176,788
<u>Expenditures by Activity</u>					
Job Skills Partnership	12,634	12,147	7,035	7,232	14,267
Dislocated Worker	70,469	66,827	53,912	47,643	101,555
Youth Services	16,445	16,464	17,082	17,082	34,164
Adult Training	11,084	11,141	11,155	11,155	22,310
Employment Transition Services	3,526	2,246	2,246	2,246	4,492
Total	114,158	108,825	91,430	85,358	176,788
Full-Time Equivalents (FTE)	80.9	72.3	73.1	73.1	

Activity Description

The Job Skills Partnership (JSP) program is the state's primary vehicle for upgrading the skills of the incumbent workforce. It acts as a catalyst between businesses and educational institutions to develop cooperative training projects. The training in these projects may be for either new jobs or retention and skills upgrade for existing employees. Statutory authority comes from M.S. 116L. The JSP program, and all programs in M.S. 116L, are accountable to the Job Skills Partnership Board.

Activity at a Glance

The Job Skills Partnership awards between 30 and 50 grants each year, totalling \$7 million to \$11 million, to business-education partnerships across the state.

JSP tailors itself to the specific workforce needs of Minnesota businesses. Those businesses, and about ten thousand workers they employ, reap the benefits annually.

Population Served

There are three sets of primary customers for JSP – the businesses looking for the right skills in their workforce, the workers who can gain those skills with the right training, and the education institution that can provide that training. JSP must maintain its focus on all three sets of customers in order to ensure the economic viability of Minnesota's businesses, the economic self-sufficiency of Minnesota's workers, and the responsiveness of Minnesota's higher education system.

Services Provided

The JSP Board awards grants of up to \$400,000 to educational institutions partnered with business. These grants are to help those partnerships develop training programs specific to business needs. Preference is given to (1) non-profit institutions that serve economically disadvantaged people, minorities, or those who are victims of economic dislocation; and (2) businesses located in rural areas. Applicants may use funds for educational infrastructure improvements necessary to support businesses located or intending to locate in Minnesota. (Requests for wage subsidies and tuition reimbursements are ineligible.) A cash or in-kind contribution from the contributing business must match Partnership funds on at least a one-to-one ratio. Funding from other sources is also allowable. Projects average 12 months to three years in duration.

Included within this budget activity are the Job Skills Partnership grant program, the Job Skills Partnership Short Form program (designed to help small businesses with training), the Pathways grant program, the Hire Education Loan program, the Health Care and Human Services Worker program, and the Distance Work grant program. All of these involve business-education partnerships looking to upgrade worker skills.

Historical Perspective

Because the JSP budget activity is responsive to changing market conditions, grants reflect the most current business needs and industry trends. Even in tough economic times, the aging of the workforce as "baby boomers" approach retirement age has forced businesses to face a structural worker shortage. JSP is a critical strategy for the business and education communities to retool their workforce and curricula, respectively, so that Minnesota can continue to face both long- and short-term economic trends.

Key Measures

Measures are based on a state fiscal year (July-June).

	2002	2003	2004
Number of grants awarded	49	42	31
Total amount of grants awarded	\$10.8M	\$8.4M	\$7.0M
Number of workers trained	14,597	9,507	10,124
Private dollars leveraged	\$21.0M	\$15.1M	\$14.7M

Activity Funding

Funding for this activity comes entirely from the state General Fund.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE PARTNERSHIPS

Activity: JOB SKILLS PARTNERSHIP

Narrative

Contact

Paul D. Moe, Director, Minnesota Job Skills Partnership
(651) 296-2953 or 1-800-657-3858

Paul.D.Moe@state.mn.us

<http://www.deed.state.mn.us/programs/mjisp.htm>

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE PARTNERSHIPS

Activity: JOB SKILLS PARTNERSHIP

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	11,704	8,172	7,035	7,035	14,070
Workforce Development	100	100	0	0	0
Statutory Appropriations					
Special Revenue	271	3,331	0	197	197
Federal Tanf	559	544	0	0	0
Total	12,634	12,147	7,035	7,232	14,267
<u>Expenditures by Category</u>					
Total Compensation	347	515	520	520	1,040
Other Operating Expenses	44	138	138	138	276
Local Assistance	12,243	11,494	6,377	6,377	12,754
Other Financial Transactions	0	0	0	197	197
Total	12,634	12,147	7,035	7,232	14,267
Full-Time Equivalent (FTE)	5.0	6.0	6.0	6.0	

Activity Description

The Dislocated Worker (DW) budget activity minimizes the economic impact of layoffs and plant closings through services enabling the unemployed to return to work quickly at the highest skill and wage possible. Statutory authority comes from the Workforce Investment Act of 1998 and M.S. 116L.17. The DW program is under the authority of the Job Skills Partnership Board. The activity also integrates programming under the Trade Adjustment Act, and a pass-through grant to Twin Cities RISE!

Population Served

The DW program serves two primary sets of customers: laid off workers and the businesses that hire them. There is a priority of service for those laid off workers who do not have easily transferable skills.

Services Provided

When a layoff/closing occurs or may occur, a Rapid Response team contacts the business to assess the situation. The team arranges for meetings with the laid off workers to inform them of services available.

Program participants receive assessment, testing, job counseling, job search, and related services. Training in job readiness, job search, and basic computer skills is available. If the laid off worker does not have easily transferrable skills and is unlikely to find employment in the same industry, he or she may receive more intensive training options. In addition, limited support services may be available, such as assistance in paying health insurance, child care, transportation, and other one-time emergency needs.

DEED has integrated *Trade Adjustment Assistance (TAA)* activities with Dislocated Worker services. Incumbent workers who have lost their jobs as a result of foreign trade are eligible for training, job search allowances, relocation allowances, and cash benefits (paid to eligible workers after exhaustion of Unemployment Insurance benefits). Integration of TAA with the Dislocated Worker program would provide specific TAA customers with appropriate, complementary Dislocated Worker services.

This budget activity also includes a pass-through grant to *Twin Cities RISE!*, a market-driven job training program that provides employers with skilled workers – primarily men from communities of color in the Twin Cities area – by training under- and unemployed adults for skilled jobs that pay a living wage of at least \$20,000 per year with full benefits.

Key Measures

Dislocated Worker measures combine state and federal programs and are calculated on a state fiscal year (July-June). Program data for 2004 is preliminary. TAA measures are calculated on a federal fiscal year (October – September); 2004 measures are not available at the time of this writing. Customer satisfaction data is based on the American Customer Satisfaction Index; more information is available at <http://www.mnwfc.org/customersurvey/>.

Activity at a Glance

The Dislocated Worker budget activity contains the state's primary strategies to help Minnesota businesses and workers adjust to the realities of a global economy. Whether occurring in single, large events (such as the economic aftermath of 9/11) or through the normal cycles of the labor market, businesses in one industry are often looking for skilled workers at the same time another industry is contracting.

The Dislocated Worker program tends to be counter-cyclical – that is, when the economy is in recession, demand is higher. During FY 2004, the program provided services to over 25,000 individuals.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE PARTNERSHIPS

Activity: DISLOCATED WORKER

Narrative

	2002	2003	2004 (Preliminary)
Total dislocated workers served during the year	26,067	30,011	25,407
Dislocated workers exiting the program during the year	11,701	14,995	13,831
Number (and percentage) of exiting dislocated workers entering employment	9,871 (84%)	12,376 (83%)	11,637 (84%)
Wage of dislocated workers at hire (and earnings replacement rate)	\$15.30 (88%)	\$16.43 (85%)	\$16.67 (84%)
Dislocated Worker customer satisfaction index rating (scale 1-100)	NA	73.6	72.9
TAA customers receiving weekly benefits	1,050	2,200	NA
TAA customers enrolled in training	800	2,500*	NA

TAA training numbers may exceed the numbers receiving weekly benefits when customers receive Unemployment Insurance (UI) or other extended benefits prior to program eligibility. In 2003, many former employees of the LTV Mining were active in training; many of those received extended UI and other benefits.

Activity Funding

The DW program is funded by the Workforce Development Fund and federal Workforce Investment Act funds. The TAA program is funded entirely by federal funds. Twin Cities RISE! is a pass-through grant from the state General Fund.

Budget history for this activity also reflects National Emergency Grants.

Contact

Rick Caligiuri, Director, Dislocated Worker
(651) 296-0388 or 1-800-657-3858
Rick.Caligiuri@state.mn.us
<http://www.deed.state.mn.us/dw/index.htm>

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE PARTNERSHIPS

Activity: DISLOCATED WORKER

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Workforce Development	47,796	36,214	29,033	23,194	52,227
Federal	14,201	20,308	14,679	14,249	28,928
Workforce Federal	8,472	10,295	10,200	10,200	20,400
Gift	0	10	0	0	0
Total	70,469	66,827	53,912	47,643	101,555
<u>Expenditures by Category</u>					
Total Compensation	1,938	2,871	2,500	2,114	4,614
Other Operating Expenses	1,441	2,391	1,802	1,697	3,499
Payments To Individuals	7,276	9,100	9,100	9,100	18,200
Local Assistance	59,814	52,465	40,510	34,732	75,242
Total	70,469	66,827	53,912	47,643	101,555
Full-Time Equivalents (FTE)	28.3	26.3	26.3	26.3	

Activity Description

The Youth Programs budget activity provides economically disadvantaged and at-risk youth with employment and training and youth development services. Statutory authority comes from the federal Workforce Investment Act (WIA) and Minnesota Statutes 268.30, 268.361, 268.362, 268.56, and 268.561.

Population Served

While specific age limits and eligibility criteria differ by program, this budget activity generally serves those youth in or just out of their teenage years who are economically disadvantaged and/or at risk of not completing their high school education. These youth often face hurdles such as homelessness, pregnancy or parenting, trouble with the law, abuse at home, basic skills deficiency, chemical abuse, and/or limited English proficiency.

Services Provided

There are four distinct programs under this budget activity:

The **WIA Title I Youth Formula Grant** serves youth between the ages of 14 and 21 who are economically disadvantaged and have one or more of the following factors: basic skills deficiency, pregnancy or parenting, homelessness, runaway, foster child, or requiring additional assistance to complete an educational program or to secure and hold employment. Local service providers design an individual service strategy based on each youth's objective assessment. Services available at the local level include: tutoring and instruction, occupational skills training, paid and unpaid work experiences, leadership development, counseling, mentoring, and support services and summer employment.

The **Minnesota Youth Program (MYP)** serves economically disadvantaged and at-risk youth between the ages of 14 and 21. MYP services are similar to and coordinated with the federal WIA program, but the state eligibility criteria offers flexibility at the local level to better serve youth and families. WIA and MYP services are provided through a network of public and private nonprofit youth service providers, WorkForce Centers, and partnerships with local educational agencies. Youth providers are held accountable to the local Workforce Council, which is responsible for strategic planning, program oversight, coordination of resources and selecting youth service providers.

The **Youthbuild Program** targets older youth between the ages of 16 and 24 who are dropouts and potential dropouts, youth at risk of involvement with the juvenile justice system, chemically dependent and disabled youth, homeless, teen parents, and public assistance recipients. At risk youth increase their basic skills, employability skills and leadership skills. Communities benefit from the highly-visible renovation and construction projects undertaken by participants. Public and private nonprofit agencies operate 10 community-based Youthbuild Programs: four programs operate in the Twin Cities metropolitan area and six serve youth in Greater Minnesota.

The **Youth Intervention Program** provides prevention and early intervention services to at risk youth, ages 14 to 17, and families. Services available include: youth development services (such as leadership development, mentoring, positive peer centered activities, follow up and support services); restorative justice services (restitution/community service supervision, family group conferencing, victim/offender mediation); pre-court diversion services; counseling services (including individual, family and group counseling); education programs related to specific offenses (such as theft, vandalism, alcohol, tobacco, and other drug offenses); and gender and/or culturally specific services.

Activity at a Glance

DEED's youth programs serve about 35,000 economically disadvantaged and at-risk youth each year. Youth are served through a network of public and private nonprofit providers, WorkForce Centers, and local educational agencies. DEED's youth programs provide quality, cost-effective services that minimize future costs involved in juvenile courts out-of-home placements and public assistance. Approximate service levels per year:

- ◆ 10,000 through coordinated WIA Youth and Minnesota Youth programming;
- ◆ 300 through YouthBuild; and
- ◆ 25,000 through the Youth Intervention Program.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE PARTNERSHIPS

Activity: YOUTH SERVICES

Narrative

Public and private nonprofit agencies operate 52 community-based youth intervention programs statewide. Twenty-nine programs operate in the Twin Cities metropolitan area and 23 serve youth in Greater Minnesota.

Key Measures

Results are based on a state fiscal year, except for Youth Intervention Program measures, which follow a calendar year. Because of federal reporting timelines and requirements, WIA youth outcomes are **estimated** for both 2003 and 2004.

	2002	2003	2004
WIA Youth Formula Grant (2003/2004 preliminary)			
Younger Youth Skill Attainment	91.3%	88.9%	91.9%
Younger Youth Diploma/Equivalent Attainment	76.8%	78.1%	78.1%
Younger Youth Placement in Post Secondary Education, Military, and Apprenticeship	74.4%	76.3%	[pending]
Older Youth Placement	72.9%	66.1%	72.3%
Older Youth Retention	83.9%	83.3%	84.2%
Older Youth Wage Gain	\$4,098	\$3,996	\$4,151
Older Youth Credential	50.0%	46.2%	[pending]
Minnesota Youth Program (MYP)			
Percentage of MYP customers increasing reading and math skill levels	80%	80%	[pending]
Percentage of MYP customers receiving academic credit	50%	59%	[pending]
Minnesota Youthbuild Program			
Percentage of Youthbuild completers who obtained a high school diploma or GED	70%	88%	[pending]
Percentage of Youthbuild completers who entered employment with a starting wage of at least \$10.00 per hour	80%	75%	[pending]
Units of affordable housing constructed or renovated by Youthbuild participants	150	72	[pending]
Youth Intervention Program			
Hours of community service performed by YIP youth participants	57,235	42,543	[pending]
Restitution dollars paid by YIP participants	\$51,361	\$25,662	[pending]
Percentage of YIP participants referred for truant behavior who improved school attendance at program completion	83%	76%	[pending]
Percentage of YIP participants referred for illegal activities who had no further involvement with the juvenile justice system six months after program completion	89%	89%	[pending]

Activity Funding

The WIA Title I Youth formula grant is funded entirely with federal dollars. The MYP, Youthbuild, and Youth Intervention programs are funded through the state General Fund.

Contact

Kay Tracy, Director, Office of Community-Based Services
(651) 296-6064
TTY: (651) 296-6064
E-mail: kay.tracy@state.mn.us
www.mnwfc.org/youth

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE PARTNERSHIPS

Activity: YOUTH SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	5,956	6,424	6,582	6,582	13,164
Statutory Appropriations					
Workforce Federal	10,489	10,040	10,500	10,500	21,000
Total	16,445	16,464	17,082	17,082	34,164
<u>Expenditures by Category</u>					
Total Compensation	1,382	1,505	1,526	1,526	3,052
Other Operating Expenses	295	325	527	527	1,054
Local Assistance	14,768	14,634	15,029	15,029	30,058
Total	16,445	16,464	17,082	17,082	34,164
Full-Time Equivalents (FTE)	18.8	20.2	20.5	20.5	

Activity Description

The Adult Training budget activity provides employment and training assistance through federal programs to increase adults' economic self-sufficiency. Statutory authority comes from Title V of the Federal Older Americans Act of 1965; Public Law 106-501 as amended by the Comprehensive Older Americans Act of 2000; U.S. Code, Chapter 42, Section 3056; the Workforce Investment Act of 1998 (WIA), Title 1B (Public Law 105-220); and Minnesota Statutes 268.60 through 268.62.

Activity at a Glance

The Adult Program provides about 6,600 adults each year with the necessary skills through on-site and classroom training to allow them to become economically and socially self-sufficient. Additionally, it provides opportunities for individuals to continually explore new career options.

Population Served

This budget activity generally serves those adults in Minnesota seeking greater participation in the workforce. The Senior Community Service Employment Program specifically serves Minnesotans 55 years of age and older with an income of less than 125% of the poverty level who want/need additional income through employment.

Services Provided

Services through **WIA Title 1B Adult** for job seekers include preliminary assessment of skill levels, aptitudes, and abilities; support services; occupational training; on-the-job training; job search assistance; placement assistance; and career counseling. Information is also available on a full array of employment-related services, including information about local education and training service providers, labor market information, job vacancies, and skills necessary for in-demand jobs. Local workforce councils select specific services and providers for their areas.

Through the **Senior Community Service Employment Program (SCSEP)**, individuals work in part-time jobs at senior citizen and day care centers, schools, hospitals; programs for people with disabilities; fire prevention programs; and beautification, conservation, and restoration projects. Annual physical examinations, personal and job-related counseling, job training (if necessary), and in some cases, placement into unsubsidized jobs are also part of the services. Participants may work up to 1,300 hours per year, average 20-25 hours per week, and earn the prevailing wage. Local agencies and national sponsors provide programs in all 87 Minnesota counties.

Opportunities Industrialization Centers (OICs) provide community-based specialized employment and training services. OICs have proven successful in recruiting and serving those clients, often minority or welfare recipients, that either never enroll or are not successful in mainstream training programs. OICs' comprehensive services include: outreach/recruitment; counseling; remedial education; motivational and pre-vocational training; skills training; and job development/placement. A key component of the OIC's education and training programs is their partnership with industry and accreditation of their education programs.

OICs operate in Minneapolis and St. Paul (Summit Academy OIC, American Indian OIC, East Metro OIC) as well as on the Mille Lacs Indian Reservation (Anishinabe OIC) and in Bemidji (Northwest Indian OIC). The OIC State Council is the administrator of state funds to the OIC programs. The council coordinates all state-level activities, provides technical assistance and resource development, and develops new OICs.

Key Measures

The WIA Adult and OIC measures are based on a federal fiscal year (October – September) except as indicated, while SCSEP measures are based on a state fiscal year (July-June). Due to the federal reporting requirements and timing, 2004 WIA data is preliminary and 2004 OIC program measures are not available for this narrative. Customer satisfaction data is based on the American Customer Satisfaction Index; more information is available at <http://www.mnwfc.org/customersurvey/>.

EMPLOYMENT & ECONOMIC DEV DEPT**Program: WORKFORCE PARTNERSHIPS****Activity: ADULT TRAINING**

Narrative

	2002	2003	2004
WIA Title IB Adult (2004 preliminary)			
Entered employment rate	75%	85%	88%
Employment retention rate at six months	80%	88%	90%
Average earnings change in six months	\$3,488/year	\$4,649/year	\$4,815/year
Employment and credential rate	57%	71%	76%
Customer satisfaction index rating (July-June, scale of 1-100)	NA	79.9	79.6
Senior Community Service Employment Program			
Number of senior customers served through SCSEP	400	418	432
Percentage of older adult customers who enter unsubsidized employment (federal target = 20%)	20%	20%	20%
Opportunities Industrialization Centers			
Job seekers served by OICs	2,973	3,129	NA
Percentage of OIC customers completing employability skills training	76%	76%	NA
Percentage of completing OIC customers who gain employment	69%	52%	NA

Activity Funding

About 90% of budget activity funding comes from federal sources. Only OICs receive state funding, through the Workforce Development Fund. Note that OICs only get a portion (about 15%) of their total funding from the state, and none from federal. Private and local funding for OICs makes up a large part of their resource stream.

Contact

Charlie Robinson, Director, Adult Training
(651) 297-1054

Charlie.Robinson@state.mn.us

<http://www.deed.state.mn.us/WorkForceCenterSystem.htm>

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE PARTNERSHIPS

Activity: ADULT TRAINING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Workforce Federal	11,084	11,141	11,155	11,155	22,310
Total	11,084	11,141	11,155	11,155	22,310
<u>Expenditures by Category</u>					
Total Compensation	976	997	1,055	1,055	2,110
Other Operating Expenses	234	254	268	268	536
Local Assistance	9,874	9,890	9,832	9,832	19,664
Total	11,084	11,141	11,155	11,155	22,310
Full-Time Equivalent (FTE)	12.0	13.5	14.0	14.0	

EMPLOYMENT & ECONOMIC DEV DEPT

Program: **WORKFORCE PARTNERSHIPS**

Activity: **EMPLOYMENT TRANSITION SERVICES**

Narrative

Activity Description

The Employment Transition Services budget activity provides employment, training, and support services to those facing significant barriers to self-sufficient employment. Statutory authority comes from Minnesota Statutes 256D.051, 256J, and 268.96, as well as U.S. Code Title 7, Chapter 51, Section 2015(d); and U.S. Code Title 45.

Population Served

Programs under this budget activity target very specific populations of job seekers (see below). The other key customer group for these activities are the businesses who need qualified, skilled workers.

Activity at a Glance

Employment Transition Services serves a population facing significant barriers to self-sufficient employment. Services tend to be countercyclical – in hard economic times, numbers of customers increase.

Services Provided

There are three major programs in this budget activity:

The **Minnesota Family Investment Program (MFIP)** provides support for families to move from welfare to unsubsidized employment. It is a mandatory program and welfare benefits are limited for most people to 60 months in a lifetime. Services include an assessment and the development of an employment plan. The plan may include job search assistance, getting a high school diploma or General Equivalency Diploma (GED), learning English as a Second Language, short term technical training, etc. Support services are provided on an individual basis. The program is jointly administered by the Department of Human Services and DEED through an interagency agreement. Services are provided statewide by counties, usually through service providers such as WorkForce Centers, community action agencies, and county employment and training providers.

The **Food Support Employment and Training (FSET) program** assists those on food support (but not receiving other cash assistance) with services to result in employment and self-sufficiency. In return for monthly food support, participants must comply with work requirements. FSET services include: assessment, employment plan, job training (may include high school diploma/GED, English as a Second Language, or short-term vocational training), and support services if determined appropriate on an individual basis. The program is jointly administered by DEED and the Department of Human Services. Specific FSET services are administered statewide by counties, usually through service providers such as WorkForce Centers, community action agencies, and county employment and training providers.

The **Displaced Homemaker program** provides pre-employment services to empower homemakers to enter or re-enter the labor market. Customers are women or men who have worked mainly in the home for a minimum of two years caring for home and family. Due to loss of family financial support (usually through death, disability, or divorce), these customers must support themselves and their family. Services include workshops, support groups and networking, one-to-one personal or vocational counseling, job-seeking and keeping methods, leadership development, decision-making skills, and assistance with developing an action plan. Other services may include referral for remedial education, child care, legal assistance, housing, and other support services. Transportation, child care, and work or school expenses are covered as funds are available. Services are free for those who are income-eligible and a sliding fee scale has been developed for those who make more. Six displaced homemaker program sites provide services across 48 counties.

Key Measures

The reporting period for all measures is a state fiscal year (July-June). The data below reflects the loss from 2003 to 2004 of six Displaced Homemaker programs serving 39 counties. Customer satisfaction data is based on the American Customer Satisfaction Index; more information is available at <http://www.mnwfc.org/customersurvey/>.

EMPLOYMENT & ECONOMIC DEV DEPT**Program: WORKFORCE PARTNERSHIPS****Activity: EMPLOYMENT TRANSITION SERVICES**

Narrative

	2002	2003	2004
Minnesota Family Investment Program			
Total MFIP customers	57,100	62,100	[pending]
Percentage of MFIP customers who left the program employed	40%	39%	[pending]
Average hourly wage of successfully placed MFIP customers	\$9.32	\$9.35	[pending]
MFIP customer satisfaction index rating (scale of 1-100)	NA	67.5	66.6 [pending]
Food Support Employment & Training			
Total FSET customers	10,441	12,705	[pending]
Percentage of leaving FSET customers who gain employment	34%	32%	[pending]
Average hourly wage of successfully placed FSET customers	\$8.30	\$8.44	[pending]
FSET customer satisfaction rating (scale of 1-100)	NA	67.4	64.9 [pending]
Displaced Homemaker			
Total DH customers	1,490	1,433	[pending]
Percentage of DH customers gaining employment	30%	35%	[pending]
Average hourly wage of successfully placed DH customer	\$9.66	\$9.89	[pending]

Activity Funding

All funding for the Displaced Homemaker program is from Special Revenue sources. All FSET funding comes from federal sources. MFIP funding is a mix of state and federal funds.

Contact

Laura Turner, Director, Employment Transition Services
 (651) 296-6060
 TTY: (651) 296-3900 or 1-800-657-3973
Laura.Turner@state.mn.us
<http://www.mnwfc.org/jobseekers.htm>

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE PARTNERSHIPS

Activity: EMPLOYMENT TRANSITION SERVICES

Budget Activity Summary

Dollars in Thousands

	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Direct Appropriations					
Workforce Development	1,625	1,625	1,625	1,625	3,250
Statutory Appropriations					
General	472	421	421	421	842
Special Revenue	194	200	200	200	400
Workforce Federal	1,235	0	0	0	0
Total	3,526	2,246	2,246	2,246	4,492
<u>Expenditures by Category</u>					
Total Compensation	976	476	476	476	952
Other Operating Expenses	97	35	35	35	70
Payments To Individuals	(108)	0	0	0	0
Local Assistance	2,561	1,735	1,735	1,735	3,470
Total	3,526	2,246	2,246	2,246	4,492
Full-Time Equivalent (FTE)	16.8	6.3	6.3	6.3	

Program Description

The Workforce Services division works in concert with the Workforce Partnership division to support the workforce needs of Minnesota's businesses, workers, and communities. The Workforce Services division contains those budget activities and programs where DEED is the major direct provider of workforce development services. Among five major subdivisions – Employment Programs, Labor Market Information, Rehabilitation Services, Services for the Blind, and Disability Determination – this division serves customer populations stretching from businesses to job-seekers to persons with disabilities.

The Rehabilitation Services unit is particularly complex, with distinct customer bases. For that reason, its three components – Vocational Rehabilitation, Independent Living, and Extended Employment – are listed as their own budget activities for purposes of this narrative.

Budget Activities Included:

- ⇒ Disability Determination
- ⇒ Employment Programs
- ⇒ Extended Employment
- ⇒ Independent Living
- ⇒ Labor Market Information
- ⇒ Services for the Blind
- ⇒ Vocational Rehabilitation

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	19,800	19,800	19,800	19,800	39,600
Technical Adjustments					
Current Law Base Change			365	365	730
Forecast Base	19,800	19,800	20,165	20,165	40,330
Workforce Development					
Current Appropriation	7,025	6,945	6,945	6,945	13,890
Forecast Base	7,025	6,945	6,945	6,945	13,890
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	19,959	20,015	20,165	20,165	40,330
Workforce Development	7,176	7,062	6,945	6,945	13,890
Statutory Appropriations					
General	26	80	0	0	0
Special Revenue	671	958	963	977	1,940
Workforce Federal	108,063	118,891	120,724	118,775	239,499
Gift	118	651	1,016	221	1,237
Total	136,013	147,657	149,813	147,083	296,896
<u>Expenditures by Category</u>					
Total Compensation	65,619	63,905	65,536	67,216	132,752
Other Operating Expenses	24,482	33,323	31,456	30,204	61,660
Payments To Individuals	29,581	30,222	31,248	31,413	62,661
Local Assistance	16,331	20,207	21,573	18,250	39,823
Total	136,013	147,657	149,813	147,083	296,896
<u>Expenditures by Activity</u>					
Employment Programs	35,904	44,659	44,066	40,704	84,770
Labor Market Information	2,158	1,845	1,818	1,872	3,690
Vocational Rehabilitation	46,137	47,091	48,220	49,136	97,356
Independent Living Services	2,755	2,783	3,261	3,308	6,569
Extended Employment Services	13,302	13,369	12,959	12,959	25,918
Services For The Blind	14,514	16,210	16,989	16,604	33,593
Disability Determination	21,243	21,700	22,500	22,500	45,000
Total	136,013	147,657	149,813	147,083	296,896
Full-Time Equivalents (FTE)	1,059.2	1,047.3	1,030.3	1,020.8	

Activity Description

The Employment Programs budget activity provides employment and training services directly to businesses and the job-seeking public. All programs stem from federal legislation, including: the Small Business Job Protection Act of 1996 (Public Law 104-188); the Taxpayer Relief Act of 1997 (Public Law 105-34); the Job Creation and Worker Assistance Act of 2002 (Public Law 107-147); the Wagner-Peyser Act as amended by Public Law 97-300; and U.S. Code Titles 8, 26, 29, and 38. Job Service receives further authority from Minnesota Statutes 268.26.

Activity at a Glance

Of all the workforce development units, Employment Programs reaches the most customers, and has the broadest scope. The unit's activities, especially Job Service, are critical to providing labor exchange services for over 175,000 businesses and job seekers.

Population Served

The Job Service and Minnesota's Job Bank are available to all job seekers and employers. In addition, some of the programs described below provide services to targeted populations.

Services Provided

Working with businesses to find the right worker is the principal focus of the Job Service. Following are the major components of the Employment Programs budget activity:

Job Service, including the Minnesota Job Bank (www.mnworks.org), functions as a workforce exchange linking businesses with job seekers. Businesses can post their job opportunities, search the database for resumes, store their searches, and then call qualified applicants for interviews. Likewise, a job seeker can post their resume, search the data base for job openings, and then call the business to inquire further about the position. The Job Bank is the premier job listing tool with the largest employment database in the state. It is used by Minnesota WorkForce Centers as well as most public employment and training programs across Minnesota. The Job Bank also provides a direct link to America's Job Bank so that businesses and job seekers can expand their searches nationwide.

The Job Service provides businesses with information on the labor market (see Labor Market Information budget activity), prevailing wage, labor laws, recruitment strategies, retention strategies, human resource practices, etc. In addition, it sponsors classes designed to meet their needs. Job Service staff assist business in hosting job fairs and assist them in mass recruitment efforts. Classes are also available to job seekers to teach them how to look effectively for work, write resumes, etc. Referrals to training and supportive services are often coordinated with community-based agencies. All of these services are available through the statewide network of WorkForce Centers.

Veterans Programs, in concert with Job Service, assure that specialized employment and training services are provided to Minnesota veterans. Services include job-ready assessment, job preparation assistance, and job placement assistance. Veterans Programs services are available at most WorkForce Centers.

The **Foreign Labor Certification Program** enable U.S. businesses to hire foreign workers on a permanent or temporary basis. These programs ensure that allowing foreign workers to work in the U.S. will not adversely affect the job opportunities, wages, and working conditions of American workers. DEED assists employers with the application process, provides prevailing wage information, and pre-screens applications prior to submittal to the U.S. Department of Labor Regional Certifying Office in Chicago.

The **Work Opportunity Tax Credit (WOTC) and Welfare to Work Tax Credit (WtW) programs** provide a federal tax credit to employers as an incentive for hiring members of targeted groups who traditionally have difficulty finding jobs. DEED provides WOTC/WtW information to employers and certifies the employer's application.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: EMPLOYMENT PROGRAMS

Narrative

Key Measures

All measures below are based on a state fiscal year (July-June). Job Service began entered employment and retention measures in 2004. Customer satisfaction data is based on the American Customer Satisfaction Index; more information is available at <http://www.mnwfc.org/customersurvey/>.

	2002	2003	2004
Job Service entered employment rate	NA	NA	63%
Job Service employment retention rate at six months	NA	NA	83%
Job Service and Veterans customer satisfaction index rating (scale of 1-100)	NA	71.1	71.6

Activity Funding

All of this activity's annual budget comes from federal sources, primarily the U.S. Department of Labor.

Contact

Jim Korkki, Director, Employment Programs

(651) 296-6061

TTY: 651-296-3900 or 1-800-657-3973

Jim.Korkki@state.mn.us

www.mnwfc.org/js/index.htm and www.mnworks.org

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: EMPLOYMENT PROGRAMS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Workforce Federal	35,904	44,659	44,066	40,704	84,770
Total	35,904	44,659	44,066	40,704	84,770
<u>Expenditures by Category</u>					
Total Compensation	22,391	19,465	20,075	20,735	40,810
Other Operating Expenses	12,052	20,088	17,782	17,122	34,904
Payments To Individuals	1,388	2,000	1,800	1,800	3,600
Local Assistance	73	3,106	4,409	1,047	5,456
Total	35,904	44,659	44,066	40,704	84,770
Full-Time Equivalents (FTE)	367.5	344.8	330.5	323.5	

EMPLOYMENT & ECONOMIC DEV DEPT

Program: **WORKFORCE SERVICES**

Activity: **LABOR MARKET INFORMATION**

Narrative

Activity Description

The Labor Market Information (LMI) office collects, analyzes, and disseminates key labor market indicators, information, and analysis on the economy, workforce, industry base, and job market in Minnesota. LMI's products and services inform decision-makers, businesses, the economic development community, and the general public. Statutory authority comes from U.S. Code, Title 29, Section 2.

Population Served

Customers include anyone who can benefit from impartial, high-quality labor market data: businesses, economic developers, students, job seekers, education and training planners, workforce development professionals, policymakers, government entities, media, and the public.

Services Provided

Minnesota's labor market information collection includes data products, publications, and services.

Data production occurs in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics (BLS). The main data products include monthly estimates of employment and unemployment; quarterly statistics on covered employment and wages by area and industry; occupational employment and wages estimates; job vacancy estimates; demographics of Unemployment Insurance claimants; employment projections by occupation and industry; and wage distributions for the state and regions.

LMI *publications* include the quarterly Minnesota Economic Trends, monthly Minnesota Employment Review, and the annual Minnesota Careers catalog. All of these publications and data are available in print and on the web site (above).

LMI *services* include consultation on labor market analysis and research design, career information training seminars, public education about the job market, presentations, and briefings on request.

Key Measures

Measures are based on a calendar year.

	2001	2002	2003	2004
LMI Web site visits (sessions)	403,500	437,700	713,100	NA
Survey response rates meet BLS requirements	100%	100%	100%	NA
Completion of error checks and editing	100%	100%	100%	NA
Timeliness in production of BLS data	100%	100%	100%	NA
Requests handled by analysts and HelpLine	3,239	3,501	4,141	NA
Presentations, trainings and briefings given	124	136	228	NA

Activity Funding

This budget activity is funded entirely from federal sources (the Bureau of Labor Statistics and the Employment & Training Administration at the U.S. Department of Labor).

Contact

Steve Hine, Director, Labor Market Information
(651) 296-6545
steve.hine@state.mn.us
www.mnwfc.org/lmi/

Activity at a Glance

Accurate, impartial, and timely information on Minnesota's economy and labor market is critical to the decision-making process of the agency, Governor's Office, and state legislature. The team handled over 4,000 data requests in 2003 and provides comprehensive statistics and publications through its web site at www.mnwfc.org/lmi/ to thousands more professionals and members of the public.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: LABOR MARKET INFORMATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Direct Appropriations					
Workforce Development	20	0	0	0	0
Statutory Appropriations					
General	26	80	0	0	0
Workforce Federal	2,112	1,765	1,818	1,872	3,690
Total	2,158	1,845	1,818	1,872	3,690
<u>Expenditures by Category</u>					
Total Compensation	1,877	1,635	1,608	1,662	3,270
Other Operating Expenses	281	210	210	210	420
Total	2,158	1,845	1,818	1,872	3,690
Full-Time Equivalents (FTE)	23.3	25.0	25.0	25.0	

Program: WORKFORCE SERVICES**Activity: Vocational Rehabilitation**

Narrative

Activity Description

The Vocational Rehabilitation (VR) program is the state's comprehensive, statewide program that assists persons with significant disabilities to seek, gain, and retain employment. Statutory authority comes from the Federal Rehabilitation Act of 1973 as amended, and Minnesota Statutes Chapter 268A.

Population Served

VR Program customers are persons with severe disabilities. That is, their disability causes serious functional limitations in one or more important areas of life activity and they require multiple VR services over an extended period of time to achieve an employment goal. Nearly half of VR consumers are receiving public support at the time they apply for VR.

Services Provided

VR services include assessment, vocational evaluation, training, rehabilitation counseling, assistive technology and job placement. The services are coordinated by 165 VR counselors working out of the state's WorkForce Center System and delivered to Program participants through a strong partnership of public and private providers.

Key Measures

Measures are based on a federal fiscal year (October – September), except where noted. 2004 data is not available at the time of this writing. Customer satisfaction data is based on the American Customer Satisfaction Index; more information is available at <http://www.mnwfc.org/customersurvey/>.

	2001	2002	2003	2004
Percentage of customers achieving paid employment after receiving services	67%	61%	55%	NA
Average hourly wage of exiting customers with full-time employment	\$10.58	\$10.78	\$10.88	NA
Percent of paid, employed customers making more than minimum wage	94%	94%	95%	NA
Customer satisfaction index rating (July-June, scale of 1-100)	NA	NA	71.3	71.5

Activity Funding

Funding for this program comes from the state General Fund and federal funds. The General Fund appropriations are required matching dollars for federal funding – each state dollar brings in about \$3.70 of federal funds.

Contact

Paul Bridges
 Minnesota Department of Employment and Economic Development
 (651) 296-9981 or 1-800-328-9095
 TTY: (651) 296-3900 or 1-800-657-3973
paul.bridges@state.mn.us
www.mnwfc.org/rehab/vr/main_vr.htm

Activity at a Glance

Over 2,200 Minnesota businesses know just how much Minnesotans with disabilities can contribute to a productive workforce. The customers of Vocational Rehabilitation overcome significant barriers and enter the workplace at the rate of 3,300 to 4,300 annually.

Each year, Vocational Rehabilitation takes on more than 9,000 new customers, each requiring intensive services due to the nature of their disabilities. Despite this, the unit has been able to bring down the number of active caseloads from 19,787 at the end of 2001 to 16,478 at the end of 2003.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: VOCATIONAL REHABILITATION

Budget Activity Summary

Dollars in Thousands

	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	7,521	7,521	7,521	7,521	15,042
Workforce Development	60	0	0	0	0
Statutory Appropriations					
Workforce Federal	38,556	39,564	40,693	41,609	82,302
Gift	0	6	6	6	12
Total	46,137	47,091	48,220	49,136	97,356
<u>Expenditures by Category</u>					
Total Compensation	23,529	24,128	24,683	25,251	49,934
Other Operating Expenses	4,725	4,937	5,085	5,268	10,353
Payments To Individuals	16,872	16,300	16,726	16,891	33,617
Local Assistance	1,011	1,726	1,726	1,726	3,452
Total	46,137	47,091	48,220	49,136	97,356
Full-Time Equivalent (FTE)	371.3	387.5	384.8	382.3	

Activity Description

The Independent Living (IL) budget activity is a non-residential program that helps people with disabilities live independently. Statutory authority comes from the Federal Rehabilitation Act of 1973, as amended and Minnesota Statutes 268A.11.

Population Served

IL customers are persons with significant disabilities who request services to help them live independently in their communities.

Services Provided

There are four core IL services: individual and systems advocacy, information and referral, IL skills training, and peer counseling. IL services maximize the leadership, empowerment, independence, and productivity of people with disabilities.

IL services are provided in two ways: 1) through the state's Vocational Rehabilitation Program (VR) and its 17 IL-VR counselors, and 2) through the state's network of eight regional, private non-profit Centers for Independent Living (CIL).

Key Measures

Since the IL program operates on a federal fiscal year (October – September), final FY 2004 data are not available at the time of this writing.

	2001	2002	2003	2004
Total number of persons served by Minnesota independent living services	5,906	6,080	5,026	NA
Total instances of service (including duplicate customers)	19,390	24,030	21,803	NA
Percentage of IL goals met across all customers (that is, IL goals set divided by IL goals attained)	65%	83%	73%	NA

Activity Funding

Funding for IL is shared by state (General Fund) and federal sources. During the 2004 session, the legislature approved the transfer of funds between the Vocational Rehabilitation and Independent Living budget activities to maximize federal matching dollars.

Contact

William Bauer, Director
 Independent Living
 Minnesota Department of Employment and Economic Development
 (651) 296-5085 or 1-800-328-9095
 TTY: (651) 296-3900 or 1-800-657-3973
william.bauer@state.mn.us
www.mnwfc.org/rehab/il/main_il.htm

Activity at a Glance

Between 5,000 and 6,000 Minnesotans with significant disabilities receive services to help them live independently in their communities, as a result of this budget activity's work.

The 2004 legislative session successfully passed an innovative funding mechanism to take full advantage of federal matching dollars. This will mean services to even more Minnesotans in need.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: INDEPENDENT LIVING SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,325	1,325	1,690	1,690	3,380
Statutory Appropriations					
Workforce Federal	1,430	1,458	1,571	1,618	3,189
Total	2,755	2,783	3,261	3,308	6,569
<u>Expenditures by Category</u>					
Total Compensation	238	206	208	216	424
Other Operating Expenses	69	76	76	76	152
Payments To Individuals	117	120	120	120	240
Local Assistance	2,331	2,381	2,857	2,896	5,753
Total	2,755	2,783	3,261	3,308	6,569
Full-Time Equivalents (FTE)	4.0	2.9	2.9	2.9	

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: EXTENDED EMPLOYMENT SERVICES

Narrative

Activity Description

The Extended Employment (EE) program makes it possible for persons with significant disabilities to maintain jobs and careers in the community. Statutory authority comes from Minnesota Statutes 268A.13 - 268A.15.

Population Served

EE consumers are Minnesotans with significant disabilities who require ongoing employment services and supports to maintain or advance their employment in the community.

Services Provided

The Basic EE program provides funding for supported and center-based employment of persons with severe disabilities through a statewide network of 31 community rehabilitation programs (CRPs). Supported employment provides ongoing support for persons working in the larger community in a variety of employment settings. Center-based employment provides ongoing support for persons who work in manufacturing, service, and retail enterprises operated by the CRP.

Supported employment services are also provided to persons with serious and persistent mental illness who secure employment through the innovative Coordinated Employability Projects in collaboration with the Mental Health Division of the Department of Human Services. Similarly, supported employment services are also provided to persons who are deaf or hard of hearing through a grant to the Minnesota Employment Center for Persons who are Deaf or Hard of Hearing.

Key Measures

Measures are based on a federal fiscal year (October – September). Data for 2004 is not available at the time of writing.

	2001	2002	2003	2004
EE/BASIC				
Number of customers employed (100% are employed)	6,402	6,634	6,476	NA
Total number of hours worked	5,434,353	5,386,086	5,323,151	NA
Average number of hours worked	849 (17/wk)	812 (16/wk)	822 (16/wk)	NA
Total wages earned	\$24.2M	\$25.4M	\$26.3M	NA
Average wages earned	\$3,773 (\$72/wk)	\$3,835 (\$76/wk)	\$4,071 (\$77/wk)	NA
EE/SERIOUS AND PERSISTENT MENTAL ILLNESS				
Number of customers employed (100% are employed)	470	527	727	NA
Total number of hours worked	182,056	228,311	323,367	NA
Average number of hours worked	387 (7.5/wk)	433 (8/wk)	443 (8.5/wk)	NA
Total wages earned	\$1.2M	\$1.7M	\$2.4M	NA
Average wages earned	\$2,627 (\$50/wk)	\$3,218 (\$62/wk)	\$3,313 (\$64/wk)	NA

Activity Funding

Funding for this budget activity comes from state funds, split roughly 40/60 between the General Fund and the Workforce Development Fund.

Activity at a Glance

Extended Employment services are highly intensive services for those Minnesotans with significant disabilities who require ongoing employment services and supports.

Over 7,000 Minnesotans work about 5.5 million paid hours every year and earn more than \$30 million in wages through Extended Employment.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: EXTENDED EMPLOYMENT SERVICES

Narrative

Contact

David Sherwood-Gabrielson
Minnesota Department of Employment and Economic Development
(651) 296-9150
TTY: (651) 296-3900 or 1-800-657-3973
david.sherwood-gabrielson@state.mn.us
www.mnwfc.org/rehab/ee/index.htm

EMPLOYMENT & ECONOMIC DEV DEPT
 Program: WORKFORCE SERVICES
 Activity: EXTENDED EMPLOYMENT SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	6,206	6,307	6,014	6,014	12,028
Workforce Development	7,096	7,062	6,945	6,945	13,890
Total	13,302	13,369	12,959	12,959	25,918
<u>Expenditures by Category</u>					
Total Compensation	436	421	432	432	864
Other Operating Expenses	26	41	33	33	66
Local Assistance	12,840	12,907	12,494	12,494	24,988
Total	13,302	13,369	12,959	12,959	25,918
Full-Time Equivalents (FTE)	6.0	6.0	6.0	6.0	

Activity Description

State Services for the Blind (SSB) helps blind, visually impaired, deaf/blind, and print handicapped Minnesotans maximize their vocational and personal independence. Statutory authority comes from U.S. Code, Title 2, Chapter 5; Title 20, Section 107 et. seq.; Title 29, Sections 16 and 701 et. seq.; Minnesota Statutes 248.01 through 248.11; and Minnesota Rules Chapters 3321 and 3325.

Population Served

SSB serves Minnesotans who are blind, visually impaired, deaf/blind, and print handicapped. It also serves those businesses looking for highly skilled and qualified workers.

Services Provided

There are several key services provided by SSB:

Workforce Development Services ensures customers receive the rehabilitation services necessary to prepare for, seek, gain, or retain employment. Services may include vocational assessment and counseling; training in adjustment to blindness, Braille, use of assistive technology, job seeking skills, and vocational skills; job placement assistance; and job adaptation assistance. Customer choice drives the services provided. The customer and counselor work together to write appropriate services into an employment plan. Rehabilitation counselors in 13 field offices (including 12 WorkForce Centers), as well as a network of private vendors across Minnesota, provide these workforce development services.

Workforce Development Services also includes the **Business Enterprise Program (BEP)**. BEP provides appropriate training and support to blind Minnesotans so they can become self-employed in their own business. Specific services include training to operate small businesses and placement in self-employment franchise opportunities on federal, state, county, city, and private property. Small businesses include operating lunchrooms, snack bars, gift shops, vending machine sites, vending machine routes, and vending machines on interstate and state highways. BEP is delivered throughout the state by professional, technical, and clerical staff who provide training, management assistance, and technical support to legally blind vendors.

Senior Services assist blind, visually impaired, or deaf/blind Minnesotans age 55 and older regain or maintain their personal independence. Such services do not focus on employment. Rehabilitation counselors provide services across three different levels, according to customer needs: informational, assessment (including guidance on possible low vision aids or other devices), and intensive. In intensive services, the customer receives help via a plan for needs ranging from Braille and cane travel instruction to money and household management skill development. Senior services are provided to individuals or groups of individuals by SSB staff and private contract vendors.

Assistive and Adaptive Technology Services are provided as support to *Workforce Development* and *Senior Services* in delivering solutions so their customers have access to the printed word at work and in their daily lives. Solutions may include screen-reading or enlargement software, Braille output devices, and system interfaces. This section assists DEED and other entities in the review and development of accessible web-based products, and also conducts research and development in new technology that will assist all our customers in being productive and independent citizens. Services are provided statewide by SSB access technology staff.

The **Communication Center** serves as a public library for blind, visually impaired, deaf/blind, and print handicapped Minnesotans. Through transcription and reading services, customers have access to the same print media as sighted Minnesotans. The Center lends transcribed textbooks and leisure reading books (Braille or

Activity at a Glance

State Services for the Blind helps blind and visually impaired Minnesotans maximize their personal and vocational independence.

- ◆ More than 650 Communication Center volunteers assist in serving over 14,000 customers every year.
- ◆ Over 100 customers annually find paid work as a result of SSB's Workforce Development Services.
- ◆ Approximately 2,500 blind or visually impaired seniors use SSB's services each year to become more self-sufficient.

From newspapers and books on radio to guidance on low vision aids to assistance in setting up their own business, SSB has been a decades-long resource for the blind and visually impaired.

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: SERVICES FOR THE BLIND

Narrative

tape), lends and repairs special radio receivers, and lends and repairs cassette players (through the Library of Congress Talking Book Program). The Center broadcasts a 24-hour radio reading service through a closed-circuit radio network that includes six greater Minnesota outreach sites: Fergus Falls, Mankato, Duluth, Rochester, St. Cloud, and Grand Rapids. These sites allow the Center to broadcast local news within their communities. The Center provides two 24-hour audio newspaper reading services: Dial-In News (metropolitan area newspapers) and NFB-Newsline for the Blind (some local and over 100 national newspapers). These services are accessed using a telephone. The Center provides all of these audio, print, and digital communication services through state staff and a network of over 650 volunteers.

Key Measures

Because SSB programs operate on a federal fiscal year (October – September) except where indicated, most final 2004 measures are not available at the time of this writing. Customer satisfaction data is based on the American Customer Satisfaction Index; more information is available at <http://www.mnwfc.org/customersurvey/>.

	2001	2002	2003	2004
Percentage of workforce development customers achieving paid employment after receiving vocational rehabilitation services	46%	51%	40%	NA
Average hourly wage for workforce development services customers employed full time	\$11.51	\$12.86	\$14.43	NA
Percentage of workforce development services customers achieving an employment outcome earning at least minimum wage	45%*	82%	97%	NA
Workforce development services customer satisfaction index score (July-June, scale of 1-100)	NA	NA	66.3	68.2
Percentage of customers exiting intensive Senior Services who achieved all self-care and communication goals	84%	80%	81%	NA
Braille text pages produced by the Communication Center (measured on state fiscal year)	815,788	712,380	651,183	686,838
Audio equipment maintained and circulated by the Communication Center	23,793	21,409	22,028	NA

* This 2001 figure includes persons receiving homemaker services.

Activity Funding

Over 60% of SSB funding comes from federal sources, about 30% from the state General Fund, and the rest from state Special Revenue and gift sources.

Contact

Chuk Hamilton, Director, State Services for the Blind
(651) 642-0512 or 1-800-652-9000
TTY: 651-652-9000 or 1-888-665-3276
chuk.hamilton@state.mn.us
<http://www.mnssb.org/index.html>

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: SERVICES FOR THE BLIND

Budget Activity Summary

Dollars in Thousands

	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	4,907	4,862	4,940	4,940	9,880
Statutory Appropriations					
Special Revenue	671	958	963	977	1,940
Workforce Federal	8,818	9,745	10,076	10,472	20,548
Gift	118	645	1,010	215	1,225
Total	14,514	16,210	16,989	16,604	33,593
<u>Expenditures by Category</u>					
Total Compensation	7,340	7,950	8,430	8,820	17,250
Other Operating Expenses	3,251	4,051	4,350	3,575	7,925
Payments To Individuals	3,847	4,122	4,122	4,122	8,244
Local Assistance	76	87	87	87	174
Total	14,514	16,210	16,989	16,604	33,593
Full-Time Equivalentents (FTE)	126.7	125.7	125.7	125.7	

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: DISABILITY DETERMINATION

Narrative

Activity Description

Disability Determination Services (DDS), in accordance with federal law and regulations, determines if Minnesota applicants meet federal criteria for disability cash benefits under the Social Security Administration's Disability Insurance or Supplemental Security Income program. Statutory authority stems from the federal Social Security Act, Section 221, 42 USC 421.

Activity at a Glance

Disability Determination Services serves about 50,000 Minnesota residents every year. Its key indicators are accuracy and speed of determinations, so that eligible applicants can receive critical benefit payments.

Population Served

The primary customers of DDS are the approximate 50,000 Minnesota residents who file applications annually for disability benefits or are reviewed for continuing eligibility for payments.

Services Provided

In addition to providing determinations on eligibility for disability payments, the DDS also refers disability applicants who may benefit from rehabilitation services to the Department of Health's section of Children with Special Health Needs.

Key Measures

DDS conducts its measures on a federal fiscal year (October – September). Final FY 2004 data is not available at the time of this writing. "Continuing disability workload completion" refers to performance relative to federal targets for completing reviews of persons already on benefits, so numbers may exceed 100%.

	2001	2002	2003	2004
Individuals receiving SSD	121,000	126,000	132,000	NA
Benefits paid (average monthly)	\$71,000,000	\$78,000,000	\$83,000,000	NA
New determinations reviewed	42,000	45,800	48,465	50,742 (proj.)
Days in decision making	103	94.5	94.5	NA
Accuracy of decisions	97.1%	98.8%	97%	NA
Continuing disability workload completion	105%	101%	102%	NA

Activity Funding

This budget activity is funded entirely from the federal Social Security Administration.

Contact

Walter Roers, Director, Disability Determination

(651) 296-5959

TTY: 651-297-4045

Walter.Roers@state.mn.us

<http://www.ssa.gov/chicago/dds.htm>

EMPLOYMENT & ECONOMIC DEV DEPT

Program: WORKFORCE SERVICES

Activity: DISABILITY DETERMINATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Workforce Federal	21,243	21,700	22,500	22,500	45,000
Total	21,243	21,700	22,500	22,500	45,000
<u>Expenditures by Category</u>					
Total Compensation	9,808	10,100	10,100	10,100	20,200
Other Operating Expenses	4,078	3,920	3,920	3,920	7,840
Payments To Individuals	7,357	7,680	8,480	8,480	16,960
Total	21,243	21,700	22,500	22,500	45,000
Full-Time Equivalent (FTE)	160.4	155.4	155.4	155.4	

Program Description

The Unemployment Insurance (UI) program provides a temporary partial wage replacement to those Minnesota workers who become unemployed through no fault of their own. UI is an economic stabilizer and stimulator in time of economic downturn and helps retain an available skilled workforce for business. Statutory authority comes from U.S. Code (Title 42, Chapter 7; and Title 26, Chapter 23) and Minnesota Statutes 268.001 through 268.23.

Population Served

The primary customers of the UI program are the 130,000 Minnesota employers subject to the UI law and their 2.9 million employees. In 2003, approximately 230,000 Minnesota employees applied for UI benefits.

Program at a Glance

Each year, the Unemployment Insurance (UI) system in Minnesota serves 130,000 businesses and the 2.9 million workers they employ.

Approximately 230,000 Minnesota residents applied for UI benefits in 2003. If a claim is approved, a worker can be paid up to 50% of their average weekly wage subject to a state maximum (currently \$478) for up to 26 weeks.

Services Provided

Each year, UI determines the tax liability of 130,000 Minnesota businesses. Each receives an individually computed tax rate based on “experience” with unemployment. UI staff collect these revenues and audit employer accounts to ensure proper payments. From an individual applicant perspective, UI staff determine benefit entitlement to applicants, pay weekly benefits to eligible applicants, and provide impartial due process hearings for applicants and employers who wish to appeal initial UI decisions. Unemployed individuals likely to remain so for lengthy periods are identified and referred to their local WorkForce Center for appropriate job seeking assistance, job training, or other help.

The UI program is administered through DEED headquarters and three call centers (Virginia, St. Cloud, and Roseville). Benefit applicants access UI services primarily via telephone or Internet (www.uimn.org/ui/index.htm).

Key Measures

UI operates on a calendar year basis. 2004 data is year-to-date as of June 2004.

	2002	2003	2004
First benefit payments made within 14 days	89.9%	89.3%	91.6%
New employer status determinations made within 90 days of quarter end-date	73.5%	88.0%	91.8%
Benefit claimants’ satisfaction with UI system (American Customer Satisfaction index scale of 1 to 100)	77.2	77.5	80.1

Regarding customer satisfaction data: Equal numbers of denied applicants and approved applicants are surveyed. Beginning in 2004, the values are weighted to reflect the greater numbers of approved applicants to denied applicants in the actual population (9:1).

Program Funding

The UI program is funded by a dedicated tax on business. One portion of this tax (“base rating”) is the same for all businesses. Another portion (“experience rating”) functions much like insurance premiums in that individual employer rates are determined by an employer’s experience with the system. Employers with a history of layoffs pay higher rates than those with a stable work force. UI benefits (estimated at \$695 million for FY 2005) do not pass through the state accounting system; administrative costs do pass through that system and are funded federally.

The 2001 Minnesota legislature approved a \$30 million Special Revenue funding stream for four years, to update the badly outdated, 28-year-old UI information system.

Contact

Jack Weidenbach, Director
Unemployment Insurance
(651) 296-1692
TTY: 651-296-3900 or 1-800-657-3973
jack.weidenbach@state.mn.us
www.uimn.org/ui/index.htm

EMPLOYMENT & ECONOMIC DEV DEPT
 Program: UNEMPLOYMENT INSURANCE

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Special Revenue	4,871	20,700	28,600	0	28,600
Workforce Federal	51,641	52,025	42,825	47,925	90,750
Total	56,512	72,725	71,425	47,925	119,350
<u>Expenditures by Category</u>					
Total Compensation	33,866	34,100	33,800	32,500	66,300
Other Operating Expenses	18,943	25,025	19,825	15,425	35,250
Other Financial Transactions	3,703	13,600	17,800	0	17,800
Total	56,512	72,725	71,425	47,925	119,350
<u>Expenditures by Activity</u>					
Unemployment Insurance	56,512	72,725	71,425	47,925	119,350
Total	56,512	72,725	71,425	47,925	119,350
Full-Time Equivalent (FTE)	525.1	525.1	525.1	525.1	

Program Description

Administration includes the fiscal, human resources, information systems, communications and marketing, and leadership activities for the agency. Proper administration ensures compliance with federal and state laws and regulations, as well as more effective, efficient, and accountable programs.

Population Served

The primary customers of administrative activities are DEED's staff. Indirectly, administration serves the agency's wide range of customers and the taxpaying public.

Services Provided

Fiscal Services performs accounting, budgeting, financial reporting, payroll, and purchasing functions. Also provided is general oversight to ensure compliance with state and federal laws, regulations, and guidelines for sound fiscal management. Additional responsibilities include overseeing building maintenance, out-state lease management, warehousing, and printing and mailroom operations. (The mailroom itself is larger than in most agencies, since it sends out thousands of Unemployment Insurance checks weekly.)

Human Resources administers the agency's personnel, employee development, and equal opportunity systems. Included are compensation/classification, benefits, recruitment and selection, performance management, workforce planning, internal/external complaint investigations, and accessibility for employees and consumers.

Information Systems provides centralized computer and information services support agency wide. This includes designing, acquiring, maintaining, and servicing the information resource tools and technology of the agency. They ensure agency compliance with state policies, goals, and guidelines for information technology.

Communications and Marketing manages DEED's marketing and public relations activities, and provides critical support to the agency's web site and Positively Minnesota initiative. It also includes the department's business/economic development analysis and library operations. The group adds efficiency through centralized services, maintains the independence of the evaluation and analysis functions, and develops and implements a single department-wide communications plan integrating the activities of the operating divisions.

The Commissioner's Office, in addition to its traditional leadership and support role, includes key accountability activities such as legislative relations and performance measurement of DEED's services.

Key Measures

Measures are based on a State Fiscal Year (July – June). Note the agency did not exist prior to FY 2004. Where possible, the agency has measured performance previous to FY 2004 by combining data for the two parent agencies (Economic Security, and Trade and Economic Development). Hire and separation numbers include all categories: temporary, emergency, classified, unclassified, layoff, resignation, involuntary termination, and death.

Program at a Glance

This past year, the administrative staff of DEED provided:

- fiscal and budgetary support for an approximately \$350 million agency;
- payroll and human resources support for about 1800 FTEs; and
- seamless information networks and technical support during a full office move and consolidation in downtown St. Paul.

	2002	2003	2004
Percentage of payments made to vendors within 30 days	98.2%	98.8%	98.7%
Number of hires/Number of separations	NA	203/184	121/227
Percentage of job audits completed within 30 days of receipt (and total audits completed)	NA	NA	97.2% (109)
Average customer satisfaction rating (1=low, 4=high) of Communications and Marketing products and services on Business Location and Analysis	3.5	4.0	4.0
Average customer satisfaction rating (1=low, 4=high) of Communications and Marketing products and services on Other Economic Development and Analysis	3.6	3.9	4.0

Program Funding

DEED uses federal and state resources to support administrative activities.

Contact

Dennis Yecke, Deputy Commissioner

(651) 297-4339

Dennis.Yecke@state.mn.us

EMPLOYMENT & ECONOMIC DEV DEPT
 Program: STATE FUNDED ADMINISTRATION

Program Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	4,408	4,020	4,288	4,288	8,576
Technical Adjustments					
Current Law Base Change			(567)	(567)	(1,134)
Forecast Base	4,408	4,020	3,721	3,721	7,442
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	4,098	4,482	3,721	3,721	7,442
Statutory Appropriations					
Special Revenue	242	168	0	0	0
Gift	1	5	0	0	0
Total	4,341	4,655	3,721	3,721	7,442
<u>Expenditures by Category</u>					
Total Compensation	1,926	1,646	1,213	1,213	2,426
Other Operating Expenses	2,400	2,994	2,493	2,493	4,986
Transfers	15	15	15	15	30
Total	4,341	4,655	3,721	3,721	7,442
<u>Expenditures by Activity</u>					
State Funded Administration	4,341	4,655	3,721	3,721	7,442
Total	4,341	4,655	3,721	3,721	7,442
Full-Time Equivalents (FTE)	25.5	20.3	20.3	20.3	