

Minnesota

Department of Employment and Economic Development

DEED ACCOMPLISHMENTS



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2015 ANNUAL REPORT

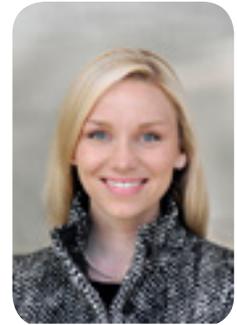


The Minnesota Department of Employment and Economic Development (DEED) is the state's principal economic development agency. DEED programs promote business recruitment, expansion, and retention; international trade; workforce development; and community development.

2015 DEED ACCOMPLISHMENTS

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A Letter from the Commissioner



Dear DEED team members,

Happy New Year! It was my honor to serve with you in 2015, and I want to extend my heartfelt appreciation for your hard work and dedication this past year. Due to your efforts, Minnesota is continuing to thrive in to the upcoming year.

When DEED's leadership team gathered for our annual Manager's Meeting this past summer, we announced a focused effort on diversity and inclusion. The work to strengthen our workplace as a welcoming and inclusive environment has continued in a number of ways, and I look forward to continual efforts on this front.

This year was also a strong year in our work on **implementing accessible practices** agency-wide to address the needs of people with disabilities. Since September, over 200 DEED staff have been trained in making Word and Adobe Acrobat documents accessible for people with disabilities, and over 5,000 documents were updated to meet accessible standards. Classes will continue into 2016 and beyond, and if you haven't already I encourage you to sign up!

Additionally this year, I was thrilled to announce the creation of a **new Office of Career and Business Opportunity** that will focus on supporting people of color and breaking down barriers for employment and business opportunities.

Specifically, this office will:

- Help workers in communities of color access the training and resources they need to find good jobs that lead to successful careers;
- Help minority- and women-owned businesses succeed by providing access to resources and opportunities to start and expand their businesses;
- Help the Minnesota business community develop and adopt hiring and contracting practices that expand opportunity for minority workers;
- Help the Governor's Diversity and Inclusion Council identify and break down barriers within state government.

I expect that the new Assistant Commissioner position will be filled in the first quarter of 2016, and I am looking forward to getting this important work underway.

While we have much to be proud of in 2015, we know that there is more work to be done. I am confident that our efforts to focus on making Minnesota a more inclusive economy will make positive long-term impacts on our state, and will allow us continue growing stronger together.

There are challenge ahead, but by working together with our partners we will keep Minnesota on the right track.

I'm looking forward to the New Year to working together to build on our success from 2015. As always, thank you for all that you do for Minnesotans!

Warm Regards,

A handwritten signature in blue ink that reads "Katie Clark Sieben".

Katie Clark Sieben



Talent Development

Legislative Talent Investments and Initiatives

- **Pathways to Prosperity Program.** The Legislature made \$1.72 million in new investments in workforce development for adults with barriers to employment through the FastTRAC Adult Career Pathways and Adult Workforce Development Competitive Grant programs. DEED further advanced this work by combining the best elements of these programs into one consolidated pool, ensuring that these dollars will be used even more effectively to promote economic opportunity for all Minnesotans.
- **Investments in Minnesota's Youth.** The Legislature increased funding for Minnesota's key youth workforce programs, including an additional \$1 million for the Youth at Work Program and \$1.1 million more for the Minnesota Youth Program. The YouthBuild program also received \$2 million, allowing DEED to continue providing at-risk youth with opportunities to explore careers in the building trades. The Legislature also passed a DEED-supported policy change allowing the Minnesota Youth Program to serve youth up to age 24.
- **Paid Family and Medical Leave Program Study.** The Legislature directed DEED, in collaboration with several other state agencies, to produce a report on the most efficient and effective mechanisms to provide partial wage replacement for workers taking parental, family or medical leave.
- **Rural Career Counselors.** The new Rural Career Counseling Coordinator Program also funded career counseling services specifically outside of the Twin Cities metropolitan area.
- **Expansion of Workforce Program Outcome Measures.** Building on successful efforts over the last several years, the Legislature made several changes to expand the DEED's Outcomes Report Card.
- **Funding for Minnesotans with Disabilities.** DEED was successful in securing a permanent \$250,000 rate increase for Extended Employment Program providers as well as a \$1 million increase for the Individual Placement and Support Program.

Improving Educational Attainment

Minnesota Pathways to Prosperity

Pathways to Prosperity funding will help participants gain career awareness, achieve basic skills education, participate in skills-training programs, and find jobs in high-growth, high-demand industries with long-term employment opportunities and living wages. In 2015 DEED, in partnership with the Minnesota Department of Human Services, Adult Basic Education and MnSCU, selected 33 grantees under the Pathways to Prosperity framework. The goal is to serve 3,187 people.



WIOA Adult

Funding for the WIOA (Workforce Innovation and Opportunity Act) Adult Program was allocated via formula to 16 local Workforce Investment Boards. Total funding was \$6,988,343. This program helps people who are economically disadvantaged or unemployed by assisting with academic and technical skill enhancements and job-search activities.

Assisting Unemployed Minnesotans

Unemployment Insurance

The Unemployment Insurance Program (UI) assists unemployed people. In 2015 the program provided more than 2.6 million weeks of benefits to 163,000 applicants. The program continues to exceed all federal measures in the delivery of services. From an applicant's perspective, perhaps the most significant indicator of performance is the availability of staff assistance when they need it. In 2015, once again the average wait time was less than one minute, and generally closer to 30 seconds. Some key federal measures and how the Minnesota Unemployment Insurance Program performed in 2015:

- **Timely First Payment Rate:** Percent of eligible applicants who receive a first payment within 14 days of application. This is a measure of the speed of processing issues that arise during the initial application process. In 2015, Minnesota's rate was 92.7 percent. The national average is 83.1 percent.
- **Timely Weekly Payment:** Percent of applicants paid within 14 days of their request for payment. This is a

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measure of how quickly issues are processed during the weekly payment request process. In 2015, Minnesota's rate was 97.9 percent compared with the national average of 90.6 percent.

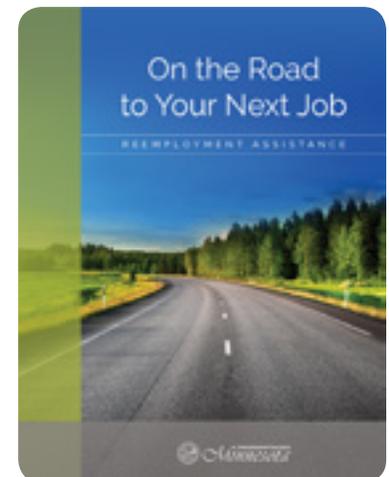
- **Separation Determination Timeliness:** Percent of separation determinations made within 21 days of the date an application for benefits is submitted. This metric describes the amount of time taken to gather information from applicants and employers and then adjudicate the issue. Minnesota allows backdating of benefit accounts, which leaves just 14 calendar days to meet the 21-day goal. Nonetheless, in 2015 Minnesota's rate was 75.8 percent. The national average is 70.5 percent.
- **Time in Adjudication Queue:** How long it takes to adjudicate an issue once all information is submitted. Unlike most states, in Minnesota any delay in adjudicating issues is caused by waiting for the involved parties to respond and not because of issue backlogs. UI issued approximately 140,000 eligibility determinations in 2015, with an average time in queue of about 1.5 days.
- **Appeals Time Lapse:** Percent of appeals resolved in fewer than 30 days. In Minnesota the rate was 90.7 percent in 2015. The national average is 68.2 percent.
- **Appeals Case Aging:** Percent of appeals in queue that are less than 25 days old. In 2015, Minnesota's rate was 90.4 percent. The national average is 64.2 percent.
- **Quarterly Employer Wage Submission:** Percent of quarterly wage reports submitted by employers in a timely manner. This is a measure of the capacity to efficiently process data provided by employers. For 2015, the rate in Minnesota was 98.4 percent. The national average is 92.5 percent.
- **Average Call Wait Time:** During 2015, Minnesota UI handled nearly 520,000 phone calls from applicants and employers, with an average wait time of less than one minute.
- **Program Efficiency:** Unemployment insurance is funded on a model established by the United States Department of Labor (USDOL). The model is designed to encourage states to operate their programs efficiently by fully funding those states that do better at cost control. All states are ranked in the six major activity areas according to their "minutes per unit" of work completed. Minnesota is one of only a few states that are consistently within the top quartile for efficiency in all six activities.

Helping Job Seekers Transition to New Employment

Unemployment Insurance

Applicants are required to make an active work search to be eligible for unemployment benefits. Many applicants need help to conduct an effective work search. UI invests in helping applicants find the resources and acquire the skills they need to be successful in their job search.

- **E-Learning for Job Seekers** – In 2015 UI launched four job search eLearning classes online. The classes are: "Introduction to Job Search," "Networking," "Resume Class" and "Interviewing." These classes provide an interactive learning experience designed to teach the skills needed to find a job. Each class is broken into topics that include instruction, interaction and learning activities.
- **Re-employment Eligibility Assessment (REA)** – In-person sessions are conducted statewide. They concentrate on identifying and helping applicants who are permanently separated from their jobs to understand their barriers to employment and how they can find solutions. As part of the services, applicants develop an individualized work search plan to facilitate their way to employment. In 2015 UI rolled out a new publication to use as a guide in the group sessions. "On the Road to Your Next Job" replaces multiple handouts and frees up REA staff for two more hours each week to assist applicants. In 2015 over 41,000 applicants were served by REA, with nearly 13,000 group sessions presented in 47 communities around the state.
- **Re-employment Eligibility Assessment Plus** – This is a follow-up session for applicants who continue to struggle with finding a job after receiving six to eight weeks of unemployment benefits. This session focuses on what is going well and what is going poorly for them and creates a firmer connection to WorkForce Center services. In 2015, 5,000 applicants were served by this program.



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CLIMB (Converting Layoffs Into Minnesota Businesses)

CLIMB is a DEED program providing unemployed individuals training and educational assistance to start their own business. For certified participants in this program, UI can waive the requirement to be actively looking for work. Since late 2014, UI has had 160 participants in the program.

Dislocated Worker Program

The program served over 13,000 laid off Minnesotans via federal or state funds in the year ending June 2015. Minnesota met our performance goals for entered employment and retained employment, and exceeded our average earnings goal. We also substantially outperformed the national average, placing more than eight out of every 10 people exiting the program into full-time, unsubsidized employment (with over nine out of 10 of those keeping the job for at least six months). The average annual wage was nearly \$46,000, which exceeds the national average by over \$14,000 a year. More than six out of 10 exiting participants received both employment and an industry-recognized credential. Minnesota met or exceeded all federal goals for this program.

Rapid Response Program

Working through WorkForce Centers and partner organizations, Rapid Response introduces laid off workers to the Dislocated Worker Program and other DEED services that help affected workers quickly find suitable employment with comparable wages.

Aligning with impacted workers and growing diversity in Minnesota, we added team members with diverse backgrounds and abilities to speak multiple languages, including Hmong, Somali, Spanish and First Nation. As a result, customer understanding of the program and its services increased to 99 percent and customer satisfaction rose to 100 percent.

Rapid Response teams coordinated with over 70 employers, scheduling employee group information sessions for dislocated workers and responded to over 30 Worker Adjustment and Retraining Notifications (WARN) Act notices impacting nearly 7,500 workers. We also initiated services for 1,824 trade-eligible workers.

Trade Adjustment Assistance

This program provides training and related benefits to dislocated workers who are deemed “trade-impacted” by the U.S. Department of Labor. Due to congressional inaction, TAA reverted to an old law where the state could not provide benefits for workers in the service industry. As a result, TAA participant numbers and petition filings dropped dramatically from 2014 to 2015. Congress re-authorized TAA to include the service industry on June 29, 2015, and program numbers are quickly on the rise.

Even with reversion, TAA administered 1,673 individual benefits to customers in the year ending June 30, including 1,080 participants enrolled in credentialed training, 39 in on-the-job training, and four in state-registered apprenticeships.

In addition to TAA benefits, eligible participants received extended unemployment insurance and related benefits. Staff also helped 19 MnSCU institutions receive \$17.4 million in competitive grants through the Trade Adjustment Assistance Community College and Career Training Program. This is an initiative to expand training programs for unemployed workers, especially those impacted by foreign trade. Program staff filed 18 petitions for potential TAA-eligible workers. TAA performance exceeds every federal standard and is among the best in the nation.

State’s Largest Job Bank

MinnesotaWorks.net, DEED’s online labor exchange for Minnesota employers and job seekers, continued



to grow during 2015. Despite a low unemployment rate, 75,930 new job seekers created accounts and conducted more than 3.8 million job searches. Minnesota employers created more than 1,900 new accounts, for a total of 91,027 employers using MinnesotaWorks.net They posted more than 818,191 jobs for the year ending Sept. 30. Employers and job seekers together conducted an average of 12,407 searches each day at www.MinnesotaWorks.net.

Field Operations

The Job Service program served 183,070 people in PY2014-15. Job Service provides job referrals; hiring events and career fairs; career counseling; labor market information; job search classes; referrals to training and other programs; and more. Sixty-six percent of exiters found a job within 90 days of receiving a service.

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DEED Awarded \$6 Million 2015 Workforce Innovation Fund Grant

Minnesota received one of six U.S. Department of Labor awards to support and study federally funded employment and training programs to ensure that our public workforce system evolves to continue serving the needs of job seekers and businesses. The funds will be used to build a “demand driven labor market” system and help implement and test innovative ways to deliver services more efficiently, facilitate cooperation across programs and funding streams, and create programs aligned with the needs of specific employers or industry sectors. This will lead to improved services and will provide invaluable data about effective and sustainable strategies that can be used nationwide.

Career Fair Highlights

- The Diversity Career Fair was held at the St. Paul WorkForce Center and attracted 80 exhibitors and more than 2,000 job seekers.
- The Get Jobs Job Fair in Eagan attracted 100 exhibitors and more than 2,000 job seekers
- The first Scott County Career Fair in Shakopee attracted 106 exhibitors and 520 job seekers.
- On-site hiring events were held regularly in most WorkForce Centers across the state, connecting hundreds of employers with job seekers.



WorkForce Centers issued National Career Readiness Certificates to 1,660 job seekers from January to November 2015, providing them with workplace credentials to help them find jobs.

Real-Time Talent

A public-private partnership team that included Field Operations conducted a statewide rollout of the Itasca Project’s real-time data tool licensed from Wanted Analytics. One hundred “Real Time Talent” licenses were issued to WorkForce Centers and MnSCU institutions so staff can provide up-to-date career and labor market information to job seekers and students.

Support for Minnesota Youth

DEED’s Youth Services team successfully administered state and federal youth employment programs that provided work experience for over 18,000 low-income and at-risk youth. Last year, over 60 percent of participants were youth of color and 43 percent had a disability. Minnesota’s youth unemployment rate was 15 percent for all youth and double that for youth of color, economically disadvantaged youth and youth with disabilities.

The neediest youth, including those in foster care, juvenile offenders, homeless youth or runaways, pregnant or parenting teens, and youth with disabilities, were served at levels that are at least two to three times the national average. Minnesota’s graduation rate for all youth was over 80 percent, but much lower for youth of color, low-income youth, and youth with disabilities.

DEED’s youth programs provided high-quality youth employment and training services to youth populations that are under-represented in the workforce.

- All federal performance goals for youth programs were exceeded. Minnesota was one of only three states to qualify for a \$3 million National Incentive Award in spring 2015.

Minnesota Youth Program and the Youth at Work Competitive Grants

As a result of increased funding, services were expanded for ages up to 24. As a result, there was an increase of about 12,000 youth per year. DEED’s Youth Services team successfully implemented the WIOA Young Adult Program this year and the following initiatives:



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- Leveraged \$850,000 of federal Youthbuild funding for the Guadalupe Alternative Program – one of 27 “focus schools” identified by the governor as needing assistance from community partners to lower dropout rates; also leveraged \$1.9 million federal Youthbuild funding for Bi-County CAP (serving Bemidji) and Tree Trust (serving north Minneapolis) through 2017.
- Partnered successfully with Youthprise to secure \$3 million in Social Impact Funds from the National Corporation for Community Service to serve opportunity youth.
- Secured a competitive grant from DOL to host three regional youth practitioners meetings to support implementation of the WIOA Young Adult Program. One of our teams partnered with the Search Institute to provide training to over 150 youth workforce professionals who are ramping up services to Out of School Youth under the WIOA Young Adult Program. The Pohlads Foundation co-hosted the metro meeting.
- Facilitated the Shared Vision for Youth team meetings, which included representatives from over 26 state agencies.
- Secured interagency agreements with the Department of Human Services (TANF Innovation Project), and Department of Education (Resource Guide).
- Represented the Workforce Development Division on the Governor’s Task Force on Homelessness, GradMinnesota and other statewide interagency initiatives.



- **2,273:** Number of VRS customers who received services, achieved competitive employment outcomes, and reported that personal income is their primary source of support (73.7 percent). This compares with just 289 VRS customers whose personal income was their primary source of support at the time they applied for services (9.4 percent).
- **7,530:** Number of transition-aged students and young adults (under the age of 24) who received services from VRS.
- **1,142:** Number of transition-aged students and young adults served who achieved successful employment outcomes.

SGA Project

DEED’s Vocational Rehabilitation Services program in August launched a one-year model demonstration project designed to improve earnings for VR customers who receive benefits through Social Security Disability Insurance (SSDI). The so-called SGA Project seeks to increase the percentage of SSDI VR customers who achieve monthly earnings above SGA at closure. (SGA stands for “substantial gainful activity” and is currently defined as earning \$1,090 or more a month from working.)

The research designers and funders hope to demonstrate the benefits of quickened pacing and a coordinated team approach that includes a VRS counselor, placement professional, financial specialist and the client. The project also will provide up-front information about local labor markets, transferable skills and financial education. We anticipate the SGA Project will give Minnesota an effective new way to respond to SSDI customers, increase wage outcomes for SSDI customers, and increase reimbursements and program income for DEED-VRS. Eight DEED-VRS teams were selected at random to be the “treatment teams” for the SGA Project: Crookston, Duluth, Anoka, North Minneapolis, Woodbury, Burnsville, Mankato and Marshall. Minnesota is one of two states participating in this research project; Kentucky is the other. The research project is funded by a grant from the Rehabilitation Services Administration through the Institute for Community Inclusion at the University of Massachusetts Boston.

Services to Adults Facing Employment Barriers

Vocational Rehabilitation Services 2015 by the Numbers

- **17,978:** Number of people with disabilities who received services from the Vocational Rehabilitation Services (VRS) program.
- **3,104:** Number of people with disabilities who achieved successful employment outcomes, which exceeded our federal performance standard by 234.

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Way to Work

Vocational Rehabilitation Services launched a pilot project to encourage people with disabilities transition from center-based work settings into community-based jobs. The project, called “Way to Work,” was launched in October for people who are eligible for VR services in Dakota County. The Way to Work project is based on successful model in Ohio. It relies upon a partnership in which the public VR program and county staff work closely with center-based facilities to provide personalized career planning for people who want to move from center-based settings into community-based jobs. Using this approach, Ohio has achieved a substantial increase in the number of people with disabilities moving out of segregated work settings and into competitive integrated employment. Way to Work will test whether the Ohio model can be adapted successfully in Minnesota and whether we can find new and efficient ways to leverage funding to support more people in competitive integrated jobs in the community. One month into the pilot project, 34 people have already expressed interest in moving into competitive jobs.



- Transcribed 1,255,668 print pages into audio.
- Served 4,036 seniors with vision loss, helping them to continue living in their homes (up 25 percent from the previous year).
- Helped 143 people become successfully employed (up 23 percent from the previous year).
- Transcribed 24,994 pages into e-text, helping college students keep up with coursework.
- Served 13,000 customers who turned to the Communication Center to meet their needs for viewing print materials through alternative formats-braille, audio, e-text, Radio Talking Book and news services.
- Posted 95 books on the National Library Service online download service. The books were downloaded 6,126 times. A total of 1,873,316 pages were downloaded.

Minnesota Disability Determination Services Program

- In 2015, Minnesota Disability Determination Services (DDS) became the 26th state program to establish a Cooperative Disability Investigations (CDI) unit. CDI’s mission is to collect evidence to resolve questions of fraud in Social Security Administration (SSA) disability programs. CDI works with the Office of the Inspector General, SSA, DDS, and state or local law enforcement personnel. CDI units investigate disability claims and identify lawyers, doctors, translators and others who facilitate disability fraud. The results of these investigations are presented to federal and state prosecutors to review and to DDS to make disability determinations.

Minnesota DDS achieved the following in 2015:

- The second-highest allowance rate in the six-state region.
- The second-lowest claim processing time in the six-state region.
- A net accuracy rate of 99.1 percent; second highest in the six-state region.
- Over 55,000 claim determinations, or 108 percent of the federal fiscal goal for the agency.

State Services for the Blind

DEED worked with our federal partner, the Rehabilitation Services Administration, as well as the State Rehabilitation Council for the Blind and consumer groups to redesign our service delivery. We completed the charge for six work groups, focusing on outreach, placement, intake, assistive technology, data and developing a team model. As a result, SSB implemented a “team model” approach in working with customers, developed and implemented performance-based agreements in working with job placement vendors, and revamped our intake process. We collaborated with the Department of Education to implement new federal regulations under the Workforce Innovation and Opportunity Act related to working with transition students. We also partnered with the Minnesota Braille and Talking Book Library Service to provide one-stop, full-service assistance. Additionally, we have done the following:

- Produced 825,000 pages of braille transcription.
- Broadcast 8,761 hours of original Radio Talking Book programming.
- Provided 355,176 news accesses through Dial-In News and NFB-NEWSLINE.

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Displaced Homemaker Program

This program provides services that empower homemakers to enter or re-enter the labor market.

The clients are women and men who have worked in the home for a minimum of two years caring for home and family but must support themselves and their families due to separation, divorce, death, disability of a spouse or partner, or other loss of financial support.

Vendors provide services including workshops, support groups and networking, one-to-one personal or vocational counseling, job-seeking and job-keeping methods, leadership development, decision-making skills development, and assistance with developing a plan. Other services may include referral for remedial education, child care, legal assistance, transportation and work-tool expenses. The services are funded from fees on marriage license applications and divorce filings.

- In 2015 we provided services for 1,000 people.
- Of those who received services, 93.1 percent gained pre-employment goals, including higher education.
- 36 percent of these participants found jobs at an average hourly wage of \$12.21.
- \$1.06 million was raised from fees on marriage license applications and divorce filings.

Women in High-Wage, High-Demand Nontraditional Jobs Grant Program

The goal of this program is to increase the number of women in high-wage, high-demand, nontraditional occupations, including skilled trades and science, technology, engineering and math (STEM) occupations.

Grant funds serve women, especially low-income women and women over 50. Services include the recruitment, preparation, placement, and retention of women in registered apprenticeships; secondary or postsecondary education programs; on-the-job training; and permanent employment in high-wage, high-demand, nontraditional occupations. Grant funds also will help increase interest in these fields among girls. Mentoring, internships or apprenticeships will be available.

- DEED approved eight WESA program providers to train in nontraditional occupations.
- Last year, the Women's Economic Security Act had 272 women enrolled in the program.

- 184 of the 272 women have been enrolled in various nontraditional training programs.
- This grant of \$500,000 was funded by the Workforce Development Fund.

This program launched December 2014 and ends June 30, 2016. Numbers served, employment and retention, average earnings and average earnings change, and other performance outcomes will be tracked.

Workforce Services Coordination Unit (WSCO)

- 275 DEED and partner staff in the WorkForce Centers received civil rights training on serving people with disabilities.
- The Learning Express library was added to the online menu of services for job seekers, and the WSCO unit provided webinar training to staff.
- WSCO staff conducted refugee workshops at four WorkForce Centers in communities with significant refugee populations.
- Two financial literacy webinars for staff were conducted.
- Six Reception and Resource Area Certification Program trainings (included an assistive technology equipment session) were conducted at four WFCs and via webinar.
- In total, 19 classroom trainings/workshops and seven webinars on various topics were conducted for WorkForce Center staff.



In partnership with Dream It. Do It Minnesota, DEED sponsored Minnesota Manufacturing Week. Each October, manufacturers across the state open their doors to provide students, parents and the public the chance to learn about modern manufacturing. Tour attendees see STEM (science, technology, engineering and math) skills put into practice in modern manufacturing. In 2015, BSRs throughout the state coordinated over 70 manufacturing tours with over 1,200 students.

In partnership with Minnesota's Energy Center and Consortium, Energy Career Awareness Week was proclaimed by Gov. Dayton in October. During the week, numerous educational events were held throughout the state promoting energy careers.

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Assisting Veterans

Veterans Career Fair

This year's Veterans Career Fair was a major success, according to veterans and businesses that participated. Over 180 employers and service providers and over 800 job seekers attended. The event received broad media coverage, which helps spread the word about DEED services to assist veterans statewide.

Other resources at the event include on-site workshops, a working resource room similar to those found in WorkForce Centers, and human resources professionals who review and critique veterans' resumes on the spot. The Veterans Career Fair is held each July, which is "Hire a Veteran Month" in Minnesota.

Beyond the Yellow Ribbon

Across Minnesota, over 280 communities and businesses are supporting veterans and their families through the Beyond the Yellow Ribbon program. Veterans employment representatives from DEED work closely with Yellow Ribbon communities and businesses, and many sit on the boards or steering committees of these organizations.

Project Patriot

Project Patriot is an innovative partnership between General Mills, DEED's Veterans Employment Program and the Minnesota Department of Veterans Affairs. Designed to bring major Minnesota companies together to discuss recruitment and hiring of veterans, the project has attracted companies like Target, Best Buy, U.S. Bank, 3M, Medtronic, UnitedHealth, Ecolab and St. Jude. All participating Project Patriot companies are either Yellow Ribbon companies or are pursuing that distinction.

Projects for Targeted Veteran Populations

This project allows DEED to hire specialized staff dedicated to serving traditionally underserved groups of veterans. We began with a project for Native American veterans living on tribal lands and with veterans being released from correctional facilities. We now also have special projects for women veterans and for veterans laid off from mining jobs on the Iron Range.

Outreach to Returning Service Members

DEED vets programs served more than 4,500 Minnesota soldiers and their families during reintegration and demobilization events. We participate in these events for the Army National Guard, the U.S. Marine Corps Reserve, the Army Reserve and the Navy Reserve. Our goal is to ensure all returning military service members are aware of and have access to the best career guidance services available.

Community Outreach and Partnership

Veterans employment representatives reach out to businesses, community agencies, veterans service organizations (like the VFW and American Legion) and partners to prioritize and coordinate services to Minnesota veterans. DEED's veterans employment reps visit these groups on a regular basis. Some are actively involved as board members and officers, and they regularly provide volunteer hours.

Information Resources for Job Seekers

Career Profiles

DEED's Labor Market Information Office launched a Career Profiles web tool that provides information by occupation on employment conditions, educational requirements, projected demand and currently posted job openings. This tool was specifically designed with students, career choosers, job seekers and job counselors in mind, to help drive educated decisions about career choices.

Regional Employment Information

Developed and deployed new Regional Profiles and regional web pages to provide easier access to local and regional employment information. This information, created by DEED's Labor Market Information Office, also includes 12 regional spotlights and a regional overview.



● Keeping Minnesotans in Home and Community Settings

Minnesota Family Investment Program (MFIP)

This program helps families with children meet their basic needs, while helping parents move to financial stability through work. Parents are expected to work and are supported in working with both cash and food assistance. Most families have a lifetime limit of 60 months on MFIP. DEED works with the Department of Human Services (DHS) to ensure the program goals are met.

In 2015:

- DEED and DHS provided joint counselor training to over 700 employment service providers over two days.
- Monthly reports were provided to assist counties and providers in meeting federal participation requirements.
- Bimonthly three-day MFIP training was provided to employment service workers.
- Officials worked in collaboration with the University of Minnesota Humphrey Institute to develop training and guidelines to implement an outcome-based measure, instead of the current performance measure.
- Forms, brochures, training and the 500-page MFIP Employment Services Manual were updated to align with legislative changes.

SNAP Employment and Training (E&T) Program

SNAP E&T is jointly supervised by DHS and DEED. The program has two approaches: county supervised and project supervised. SNAP recipients who are required to participate in E&T in order to continue receiving SNAP benefits are the majority of those served. Overall budget for these two project types was \$2.19 million.



In 2015:

- There were 16 county providers and six project providers.
- SNAP E&T enrolled 4,046 participants in county programs and 652 in project programs.
- 100 percent of participants received assistance via SNAP benefits.

- 48.5 percent of SNAP E&T enrollees were at or below a high school diploma or GED.
- 49 percent of people served identified themselves as American Indian or Alaska Native, Asian, Black or African American, Hawaiian Native or Other Pacific Islander, or Multi-race.
- SNAP E&T participant outcomes were as follows: 41 percent placement, working an average of 32.1 hours per week at \$11.02 per hour.

Senior Community Service Employment Program (SCSEP)

The SCSEP program fosters economic self-sufficiency through community service activities for unemployed, low-income people who are 55 or older and have poor employment prospects.

Clients are older Minnesotans who have income of less than 125 percent of the federal poverty level and want additional income. Services include part-time jobs at senior citizen and day care centers, schools and hospitals; fire-prevention programs; beautification, conservation and restoration projects; and programs for people with disabilities. Annual physical examinations, personal and job-related counseling, job training and – in some cases – placement in regular unsubsidized jobs are available. Service providers include five Workforce Service Areas, three community action agencies, three counties, two national sponsors and one Native American tribe.

In 2015, through a \$1.06 million grant awarded to DEED by the U.S. Department of Labor:

- DEED awarded funding for 11 program providers to offer services in Minnesota, in addition to four national SCSEP sponsors.
- Over 320 men and women received SCSEP services.
- Of those who received services, 55.8 percent entered unsubsidized employment (federal target was 52.6 percent).
- The average hourly wage of the newly employed clients was \$14.03.
- Over 156,000 community service hours were performed.
- 15 percent of people served were veterans.

Diversity and Inclusion

Accessibility

DEED launched an accessibility implementation plan in September 2015, with a goal of making documents created the agency accessible for users. Through the four months since the plan launched, over 200 people have been trained in making Word and Adobe Acrobat documents accessible. Classes will continue throughout 2016, with the addition of Excel and PowerPoint classes as well. In addition, a complete inventory of all documents on DEED's website was completed, identifying over 5,000 documents. Units will work in 2016 to implement plans to either remove documents or make them accessible.



Unemployment Insurance Accessibility

UI is committed to ensuring the information and tools developed about unemployment insurance can be used by everyone. With this goal in mind, UI has developed the capacity internally to ensure the content on its website (uimn.org) is accessible. UI consults with external experts when necessary to keep up-to-date on techniques and trends for making information accessible to all.



Office of Diversity and Equal Opportunity (ODEO)

The Office of Diversity and Equal Opportunity provides leadership, direction and guidance in carrying out DEED's equal opportunity and civil rights responsibilities. Complaints can be brought by DEED employees, WorkForce Center's universal and program participants, other DEED program participants, and members of the public. In 2015, ODEO completed 13 formal equal opportunity investigations. Seven internal complaints were brought by employees and six complaints were brought by members of the public. We had two external complaints filed by the Minnesota Department of Human Rights.

ODEO is available to assist DEED managers and supervisors in their daily application of affirmative action, equal opportunity, and diversity policies and procedures. In 2015, ODEO consulted on 26 reasonable accommodation, two religious accommodation requests and four physical accessibility issues.

ODEO is available to provide training to managers, supervisors, DEED partners and DEED employees regarding equal opportunity and civil rights responsibilities. In 2015, ODEO provided training to 107 participants at the Job Service/MFIP Conference. ODEO also provided internal training, including five mandatory half-day trainings called "Harassment Is ..." to 101 employees and two full-day trainings of "Harassment Is ..." to 50 managers and supervisors.

Interpreter Services

The UI program uses an interactive voice response (IVR) telephone system for customers to conduct business and get help from a customer service representative. The IVR is available in Spanish, Somali and Hmong. Interpreter services are available through the AT&T language line. In 2015 the UI Customer Service Center used the language line on over 7,500 occasions.

Appeal hearings are primarily conducted by phone. When applicants file appeals online they are asked, "Will you need an interpreter? Yes or No. If yes, enter the language." This information prompts the appeal staff to arrange interpreter services for the scheduled hearing.



Business Financing

Legislative Investments and Initiatives

- **Continued Funding of Business and Community Finance Programs.** The Minnesota Investment Fund, Job Creation Fund, Transportation Economic Development Program, Business Development Competitive Grant Program, Contamination Investigation and Cleanup Program, Greater Minnesota Business Development Public Infrastructure Program, and the Minnesota Job Skills Partnership all received their base appropriations or higher, allowing DEED to continue creating jobs and leveraging new investments in Minnesota.
- **Keeping Minnesota Competitive Globally.** The Legislature provided \$2.292 million in continued funding to support the Minnesota Trade Office through their State Trade and Export Promotion Grant Program, Invest Minnesota Marketing Initiative, the Trade Policy Advisory Group, and Minnesota's overseas trade offices in Brazil, South Korea, Germany and China.
- **Expanding Broadband Access for Minnesotans.** Though less than the governor's recommendation, DEED's Border-to-Border Broadband Development Grant Program received \$10.588 million in new funding to help expand broadband access to unserved and underserved communities around the state.
- **Job Training Resources for Businesses.** The Legislature provided \$1.8 million for the new Job Training Grant Program to allow DEED to reimburse employers for eligible training costs. It appropriated an additional \$800,000 to continue DEED's current partnership with Minnesota State Colleges and University institutions and employers (often called the Customized Training Pilot Program). New policy language supported by Gov. Dayton will now allow Dislocated Worker Program dollars to be used for incumbent worker training, giving businesses more flexibility to prioritize the training and workers they need most.
- **Other Policy Changes and Investments.** DEED worked with the Legislature to make policy modifications to the Unemployment Insurance Program, including special provisions to ensure that mine workers and poultry workers received extended benefits.

Business Finance Programs

- **Job Creation Fund** – This business finance program entered its second year in 2015 with continued strong demand. The program made 32 awards valued at \$16 million, leveraging more than \$293 million. The projects

will create more than 2,380 jobs paying an average of \$23.30 per hour.

- **Minnesota Investment Fund** – Awarded \$11.2 million in MIF loans to 21 businesses, helping to create more than 1,700 jobs and leverage nearly \$1.4 billion.
- **Greater Minnesota Job Expansion Program** – Awarded three projects \$283,007 that will leverage \$8.1 million in private investment and create at least 11 jobs.
- **State Small Business Credit Initiative (SSBCI)**– The fund continued to provide access to capital for small businesses. Minnesota has received all awarded funding in the form of three tranches totaling \$15 million. For 2015, 65 transactions were completed utilizing \$3 million in SSBCI funds and leveraging just over \$35 million in private dollars.
 - **Capital Access Program** – The program provided \$32,631 in reserve funds for 12 loans to help lending institutions make loans that fall just outside normal underwriting standards.
 - **Emerging Entrepreneurs Fund** – \$1,423,919 was provided in 41 loans for micro-enterprises, especially those owned by women, minorities and others in economically distressed areas.
 - **Small Business Loan Guarantee** – There was no activity for 2015. The program has closed.
 - **Angel Loan Fund** – The fund awarded \$1,637,500 in loans to 12 early stage firms, leveraging more than \$22 million. This program was featured by Treasury in its annual SSBCI report.
- **Angel Tax Credit** – The available \$16 million in credits for 2015 were fully allocated by Nov. 17, illustrating continuing strong demand for the program. The initial \$8.5 million available for general businesses was allocated by July 17. The \$7.5 million reserved for women and minority-owned and -managed businesses, as well as businesses located in Greater Minnesota, had \$3.1 million unused on Sept. 30, the date that remaining credits became available for investments in all businesses. Since 2010, over \$311 million has been invested in more than 350 Minnesota-based startup businesses pursuant to the program. Investors have been awarded over \$76 million in credits. While most of the investors are Minnesotans, 30 percent of the investors and investment capital income are from outside Minnesota.



Business Financing

- **Urban Initiative** – The program approved 26 loans for a total state contribution of \$683,566. This leveraged \$1,261,400 in Urban Initiative lender money and \$7,422,040 in additional project financing. The businesses would create 70 jobs paying an average of \$15.08 per hour.
- **Indian Business** – Made three loans for a total of \$282,689.

Statewide Business Development

- The Minnesota Marketing Partnership grew to over 77 members and had a presence at over 40 events promoting the state and regional assets to prospects outside of Minnesota.
- DEED coordinated Minnesota marketing partners across the state and recruited nine national site selectors for the Third Annual FAM Tour to familiarize them with our strengths and opportunities for future site searches.
- DEED attended and marketed to real estate professionals and c-suite leadership at the IAMC Professional Forums, International BIO, International Economic Development Council Annual and Leadership Forums, Consultant Forums, LSA Conference, MDM, CoreNet, Select USA, Robotics Alley, IMN and Mid-American Economic Development Conference.
- DEED participated in speaking opportunities at various meetings. Agency representatives talked about DEED programs and tools available to promote economic development.
- The Business Development team continued to assist DEED and state leadership in creating a pro-business environment and providing excellent customer service and consultation to companies and local partners.
- DEED's programs were directly responsible for 3,852 new jobs and \$1.538 billion in new capital investment.

Minnesota Business First Stop

The Minnesota Business First Stop is a nine-agency partnership that provides the means for businesses that wish to site or expand in the state to quickly connect with the expertise often needed for complex projects. Since the initiative launched in 2012, Minnesota Business First Stop has worked with and provided technical assistance to 55 businesses, including solving 11 regulatory requests for assistance.

Minnesota Job Skills Partnership

- In 2015, the Minnesota Job Skills Partnership (MJSP) awarded 44 grants to postsecondary training institutions to assist 59 businesses with specific training needs. These projects help Minnesota businesses remain competitive while also building capacity at Minnesota training institutions. The projects will leverage \$15.5 million in matching funds from the participating businesses and \$1.3 million from the educational institutions. The grants are expected to benefit 10,894 workers, including 10,306 incumbent workers and 588 new hires.
- In addition, MJSP awarded \$2.7 million for 21 Low Income Worker Training Program Grants that are expected to train 1,274 low-income people. MJSP also awarded two Job Training Incentive Pilot Program grants that are expected to train 46 new hires.
- Staff led and participated in eight statewide information sessions outlining offerings of the overall program and multiple informational sessions on the Job Training Incentive Pilot Program.
- MJSP staff and leadership participated in over a dozen grant signing events statewide to increase visibility of the program and partnering institutions. MJSP leadership was highlighted as a key presenter before the Minnesota Manufacturers Alliance.

Job Training Incentive Pilot Program (new)

- DEED received a \$1.8 million appropriation to provide training funds directly to new or expanding businesses located in Greater Minnesota. This program was initiated in October 2015 and is now accepting applications for assistance.



Business Assistance

Assistance for Minnesota Small Businesses

Small Business Assistance Office

- Provided assistance on small business topics to 34,000 inquiries, up from 32,000 inquires in 2014.
- Distributed, in hard copy and digital formats, 122,000 copies of publications to businesses and individuals, a decline from 134,000 in 2014.
- Awarded 14 Innovation Voucher Pilot Program grants totaling \$328,000 to assist in the development and commercialization of new, innovative products.
- Awards matched 50 percent in cash by recipients, for a match total of \$176,664.

Small Business Development Centers

- Served 3,179 clients (1,698 of those “long-term,” meaning more than five hours provided this calendar year) and provided 34,476 hours of counseling to those clients.
- New businesses created: 199.
- Total capital infusion: \$118,296,710.
- Jobs created or retained (est.): 4,600.
- 217 training events were held to provide information to small businesses. Many of the events focused on understanding and improving company financial health, the Affordable Care Act, exporting, encore (entrepreneurship as a second career after age 50), youth entrepreneurship and veterans.
- This year as a result of additional funding provided by the Minnesota Legislature, the centers have increased outreach to minorities (African Americans, up 40 percent; Asians, up 25 percent; Hispanics, up 22 percent) and continued efforts to increase exports and international trade, and youth entrepreneurship.

Trade



Gov. Dayton’s Trade Mission to Mexico: The Minnesota Trade Office (MTO) organized Gov. Dayton’s trade mission to Mexico, which is our second-largest trading partner. Nearly 40 people from businesses and institutions participated in the mission.

STEP Grants: The Trade Office administers grants to Minnesota small businesses to help them export products or services. MTO has awarded more than 53 grants to small businesses.

Statewide Outreach: During the last fiscal year, MTO staff partnered with more than 20 organizations to deliver export promotion and assistance seminars across the state, including in Austin, Bemidji, Brainerd, Duluth, Mankato, Marshall, St. Cloud and Winona.

Study Minnesota: MTO convened the inaugural Arab States reception in Washington, D.C. This historic gathering of Minnesota universities involved with Study Minnesota positioned our state for academic excellence from students who are pursuing careers here.



Promoting Minnesota as an Investment Destination: 2015 represented the first full year of MTO’s Invest in Minnesota initiative. MTO led delegations to investment promotion events like the SelectUSA Summit, the SelectUSA Nordic Road Show and MEDICA Trade Show. We also closely collaborated with our partners in Duluth, St. Cloud and across the metro region. Our foreign offices were able to promote investment in Minnesota at nearly 10 international events. Finally, we hosted our initial visit of foreign press to leverage their publications to help carry Minnesota’s message across the globe.

Finalization of Global Trade and Investment Plan: In April 2015, we finalized the Global Trade and Investment Plan written jointly with GreaterMSP. Since then, we have focused on implementing the plan and have taken steps to reach out to our targeted sectors and key markets.

Community Assistance

Broadband Development

Border-to-Border Broadband Grant Program

- In 2015, the Border-to-Border Broadband Grant Program funded 31 broadband infrastructure projects through two competitive grant rounds totaling \$30 million.
- These projects leveraged over \$41 million in matching funds from private and other public sources.
- These grants will reach over 9,322 previously unserved and under-served households, 936 businesses and 173 community anchor institutions.



Broadband Outreach and Technical Assistance

- Broadband staff presented at 42 conferences and public meetings around the state and represented the state through participation in six national meetings.
- The office co-sponsored Rural Broadband Day at Farmfest and the Better Together statewide broadband conference.

Broadband Data and Mapping

- The office produced over 100 maps and data sets measuring broadband capacity across Minnesota.

Community Assistance

- The Small Cities Development Grant Program awarded 35 grants totaling \$17,244,006, with \$45,846,161 in leveraged dollars.
- The Business Development Public Infrastructure Grant Program awarded nine grants totaling \$1,969,246 with \$984,623 in leveraged dollars.
- The Innovative Business Development Infrastructure Grant Program awarded three grants totaling \$945,269, with \$945,289 in leveraged dollars.
- In collaboration with MnDOT, the Transportation Economic Development Program awarded grants worth \$30,523,299, leveraging \$106,585,967.
- Twenty-nine special appropriation grants were awarded, valued at \$30,189,300.
- Fifteen Entrepreneurship and Competitive Business Development Grants were awarded, totaling \$2,044,318, with \$106,320,433 in leveraged dollars. The grants assisted 5,759 businesses.

Contamination Cleanup Grant Program

- The program invested \$3,566,748 in 13 projects, contributing to 366 new or retained jobs and leveraging over \$191 million in private investment.

Redevelopment Grant/Demolition Loan Program

- The program invested \$1.425 million in five projects that added or retained 659 jobs and leveraged over \$72 million in private investment.



Talent Development Services for Minnesota Businesses

Unemployment Insurance

Unemployment insurance serves Minnesota businesses by helping to maintain a stable workforce. Keeping workers economically afloat until they find their next job is important not only to their families but to the communities in which they live and the businesses they patronize. In 2015 more than 122,000 employers were covered by Minnesota's Unemployment Insurance Program, including over 10,000 employers registering a new business.

- **Shared Work** – This program puts unemployment benefits to work for employers who want to avoid laying off their employees. The program allows workers to work fewer hours while receiving reduced weekly unemployment benefits. In 2015, there were 103 Shared Work plans in place, resulting in over 1,600 workers requesting more than 22,000 weeks of reduced UI benefits.
- **Reduced Interest Rate** – Last year the UI Program recommended lowering the interest rate charged on unpaid debt. The Legislature made the change, and in 2015 the interest rate charged on unpaid debt was reduced from 18 percent to 12 percent. The change reflects the lowered interest rate that has been seen in the past several years and brings the rate in line with other interest-charging institutions.
- **Employer Seminars** – These informational sessions are aimed at several audiences: new employers or those contemplating starting a business; human resource and payroll professionals; accountants and practitioners who do business on behalf of employers; and established employers who are changing business processes. These seminars not only help employers work with UI more easily, but are also a key source for vital feedback that is used to help make system, policy and process changes that ease the administrative burden on employers. In 2015, UI presented 24 sessions in 12 communities to nearly 1,300 business professionals.
- **Clarifying Worker Classification** – “Employee or contractor?” is the question employers must answer when hiring workers. In 2015, UI worked with the IRS and the Minnesota Departments of Revenue, and Labor and Industry to ensure standards are consistent and equitably enforced. This is not just a matter of tax collection, but also one of fairness between competing businesses and ensures legal protections for workers.

- **Audits** – No one likes the idea of being audited, but Minnesota UI tries hard to make the process educational and to use it as an opportunity to make it easier for employers to meet their obligations. In 2015 UI conducted more than 2,500 audits. More often than not, employers learn they have overpaid their UI taxes and are due a refund
- **Improving Self-Service** – Roughly 97 percent of all employer tax transactions are made online through the self-service system. Enhancements – both small and large – are made on a quarterly basis to the employer-facing portion of the UI system. Most enhancements are focused on improving the customer experience. A significant change made this year allows employers to tell us that they made a change to their business structure, such as sole-proprietorship to corporation. The change greatly simplifies the process for employers and at the same time reduces the technical complexity of the transaction for UI.
- **Technology for better decision making** – Our Business Services team is using Real Time Talent (Wanted Analytics), providing access to real time job posting data by aggregating information from job boards, company websites and thousands of other sources. With this data, we have been assisting employers with current information on in-demand occupations, regional and local job posting data, workforce trends and labor supply information.

Assisting Companies Find the Right Workers

Increased Workforce Development Focus on Key Industries – We have statewide business service representatives (BSR) industry experts in the health care, manufacturing and construction sectors working to provide demand-driven workforce solutions to employers.

Our BSR team partnered with Construct Tomorrow, which is comprised of apprenticeship training coordinators, prime and subcontractors, and youth educators. The goal of the project is to introduce high school students to careers in the construction trades through hands-on learning experiences. In 2015, successful events were held in Minneapolis, St. Cloud and Duluth.

● Increase in Visibility

Communications Office

DEED Internal Communications

- DEED Communications launched a SharePoint request form site to track all communication requests – website, design, writing, etc. Over 600 requests for communication projects have been submitted through the form since its launch on Sept. 2.

External Communications in 2015.

- DEED published 90 press releases.
- DEED media strategy resulted in 427 positive news articles, 877 neutral articles and six negative articles.

Social Content Creation

- DEED sent over 1,180 electronic bulletins in 2015 to our subscribers. Content ranged from information on job fairs for job seekers, to grant opportunities for partner organizations and press releases for the media. These bulletins went to over 8.3 million recipients, with a unique open rate of over 17 percent.
- Almost 22,000 subscribers each week receive DEED Roundup, an increase of 9 percent over 2014.
- DEED's Facebook page saw a 23 percent increase in followers for 2015 to 2,776.
- DEED's MinnesotaWorks.net Facebook page saw a 45 percent increase in followers for 2015 to 942.
- Our DEED Twitter account saw an 18 percent increase for the year to 5,745 followers.
- Our MinnesotaWorks.net Twitter account saw a 10 percent increase for the year to 1,824 followers.
- Unique visitors to the DEED website: 821,953.
- Subscribers to DEED's Small Business 101 Blog increased 67 percent in 2015 to 2,811 subscribers.
- Subscribers to DEED Developments Blog increased by 63 percent in 2015 to 2,142 subscribers.
- Our broadband e-newsletter saw a 63 percent increase to 1,332 subscribers.
- DEED's water technology industry e-newsletter had an 81 percent increase to 1,975 subscribers.



- Our Small Business Bulletin increased 11 percent to 3,149 subscribers.
- Infographics made in 2015: 58.
- ICYMI emails sent to those interested in latest news updates: 15.

E-Newsletter Launch

- We launched a new e-newsletter in 2015 for people interested in information from State Services for the Blind. That newsletter has grown to 1,056 subscribers in just a few months.

Social Media Campaigns in 2015

Angel Tax Credit Campaign

- Total number of impressions for both ads: 175,797.
- Total number of clicks: 2,088.
- Average cost-per-click for both ads: 0.95 cents.

Veterans Career Fair Campaign

- Total number of impressions for all ads: 615,178.
- Total number of engagements (clicks, favorites, reshares, comments): 6,438.

Marketing

- **Minnesota:** Thriving in the North economic development magazine (68 pages). No cost to the state to produce. Over 10,000 copies produced, over 8,000 copies sent to specific industries and regions around the country. This was a seven-month project.
- **CNBC promotion** – The Business Journals (two new Minnesota videos promoted)
- **CNBC promotion** – Blogs, Tweets, Facebook. Letters and magazine sent to Minnesota's 17 Fortune 500 CEOs, as well as other industry leaders.
- **Diversity outreach campaign** Worked with Raices Media to reach diverse audiences to promote the WorkForce Centers. DEED sponsored seven of Raices Media's community events. and the June World Cup Street Fair. In addition, we created ads in Hispanic Tiempo; Via y Deportes; and create a Diversity in Action testimonial video.



Internal Operations



Human Resources

- As of December, HR approved 444 requests on internal applications for hiring of employees, appointment extensions, position reallocations and creation of new positions for the year. New this year, HR has participated in job fairs for recruitment purposes.
- The department hired a coordinator for student worker and internship programs. We participated in STEP-UP Achieve Minneapolis and Right Track Programs. Nine student workers from these programs were hired at DEED for the summer.
- Human Resources had a successful Pilot Mentorship Program with 22 participants. The training and learning divisions conducted four new employee orientation sessions with 88 participants.
- As the agency continues to focus on safety and violence prevention, we provide tools to all DEED managers, supervisors and staff, including Workplace Violence Prevention/Active Shooter sessions. Our safety and health officer was invited as a speaker on the topic of workforce violence prevention at this year's Statewide Safety Conference. Under emergency preparedness, we have completed safety plan audits and are taking appropriate steps to move recommendations forward.

Economic Analysis Unit (EAU)

- The Economic Analysis Unit continues to offer innovative products, such as the North Dakota Oil Study and the Water Technology Sector Report. These products are also examples of inter-agency collaboration.
- Another example is the office's contribution to the recently completed Inter-Agency Report on Pipelines, published by the Environmental Quality Board.

- The office continues to offer process innovation, helping make data on DEED's website interactive and easy to understand. Examples include the Monthly Economic Snapshot, Why Minnesota Regional Factsheets, the Business Finance awards map and others.
- Finally, the office continues to offer process improvement in surveys, standardizing the survey used for job fair events to allow consistency and comparability.

Administrative and Financial Services (AFS)

- **Prompt Payment:** In 2015, the department processed 98.03 percent of vendor payments on time, compared with 97.35 percent enterprise-wide, despite AFS staff being displaced for three months due to water damage.
- **Speedier Approval Process for Cost Allocation Plans:** Until this year, all cost allocation plans were manually routed to all parties for approval, and most missed their due date. If plans changed, AFS was forced to adjust invoices already paid for many months of phones, data lines and rent retroactively. In 2015, approvals were done in SharePoint, making the process more efficient and timely. Thirty out of 42 cost allocation plans (71.4 percent) were received by the due date, reducing the number of invoice corrections, rework and changes we were required to make, as well as improving customer service and vendor relations.
- **Improved Reporting in SWIFT:** A new query in SWIFT reduced the amount of staff time required to run the Actuals Report from six hours to 2.5 to 3 hours, decreasing server time and improving efficiency.
- **Electronic Business Expenses Operational in SWIFT:** In 2015, the department implemented electronic business expense reporting in SEMA4 Self-Service, allowing employees to enter their expenses directly into the system, which expedited request approval by the supervisor. This has many benefits.
 - It saves each staff person about one to 1.5 minutes per expense report, or six to eight hours per pay period. It is expected that this time savings will increase as staff members become more efficient in using the system. The pilot group reported significant time savings in most areas, particularly for agency managers who found approval time reduced by 42 percent, and for staff members, who reduced the time to complete their expense reports by 18 percent relative to the paper process.

Internal Operations

- The need for staff members to enter the expense reports was eliminated, but those savings were offset by a 67 percent rise in the time required to audit expense reports.
- Online business expense reporting also supports continuity of operations in the event of a disaster as the process can occur anywhere there is Internet connectivity.

Business Continuity and Emergency Management Program

- In collaboration with the Department of Administration, DEED Emergency Management took the lead on an enterprise task force of emergency planners to develop a new request for proposal for the purpose of replacing the previous multi-award vendor contract awarded in 2102 with a new mass notification system contract. This new contract allows state agencies to choose an emergency notification service for communicating emergency information to their staff statewide.
- In collaboration with the DEED safety officer, we improved the evacuation processes and reduced the time needed to evacuate DEED-occupied space by an average of two minutes. Furthermore, gaps in the communication system have contributed to recommendations for replacing or improving the existing radio communications infrastructure and equipment to ensure the capability is robust in the event of another continuity disaster, evacuation or other scenario.

Printing and Distribution Services

- Classified as a discount mailer, DEED processes more than 7,000 envelopes per day, saving state taxpayers over \$125,000 annually.

Labor Market Information

In addition to launching several new tools and data resources for job seekers (see page 9), the Regional Analysis group of DEED's Labor Market conducted their first-ever customer consultation survey, finding that 99 percent of respondents said they would recommend our services.

Measuring our Workforce Success

DEED's Performance Management Office engaged in a first-of-its-kind project asking for input on racial and class disparities in Minnesota, how we are currently addressing these barriers, and how DEED can better address them.

Thanks to employment counselors and case managers across Minnesota who participated in a survey and engaged in interviews, the Performance Management Office compiled a report on this very important topic called "Workforce System Race and Class Disparities in Minnesota." The office also created an online tool called What Works in Workforce Programs that is an interactive way to explore barriers to employment, credential attainment, training completion and outcome data by program.

This report and online tool provide summary data that confirm racial and class employment disparities exist among participants in the workforce development programs that were studied. While addressing disparities is complicated, the approach we take collectively to strengthen Minnesota's workforce is worth documenting.

Unemployment Insurance:

UI is committed to continuously improving program technology and business processes.

Improving Readability and Plain Language

Whenever written or recorded information is developed, DEED reviews the resulting draft for plain language before finalizing. This process is applied to enhancements to the self-service system, UI's website, printed information and the automated phone system.

Self-Service Applications

In 2015, the Minnesota UI Program made the online application for benefits easier to read and understand. Besides improvements made as a result of formal user testing, more improvements were made by making the flow of information more logical and simplifying the language.

Some examples of changes made include:

- Employment Start Date changed to: First day worked.
- Employment End Date changed to: Last day worked.
- Questions were aligned to the left to facilitate increased readability, allowing users to scan and read more quickly.
- Options were restructured to help applicants to make the best choices, depending on the situation.
- Links were added to the videos to offer an alternative to reading information.



Internal Operations

System Enhancements

Hundreds of enhancements were made to the self-service system in 2015 with a conscious commitment on user needs. The cycle of work UI employs to ensure the changes are successful include: researching potential areas for enhancements, prioritizing based on available resources, creating test scenarios, testing for hundreds of hours, and implementing.

Employee Development

In 2015, 18 new online courses were developed for UI staff, bringing the total number to 40. The online investment is paying off by keeping employees up-to-date on changes made to the self-service system and business processes, so that knowledgeable assistance for employers and applicants is always available.

Recognizing the Authority of Native American Tribal Government

Minnesota was among the first UI programs in the country to build a process to enforce child support orders authorized by Native American tribal governments from across the United States. To complete this change, modifications were made to the programming of the self-service system and to the interface seen by applicants.

New Resources in Multiple Languages

Minnesota UI launched eight videos (www.uimn.org/uimn/applicants/videos/) that provide an alternative way for applicants to learn about unemployment insurance. Multimedia communication accommodates customer needs and preferences and serves customers with limited English proficiency.

Shutting Down Fictitious Employer Schemes

These schemes take the form of an individual registering for an employer account and then adding fictional employees. The next step in the ploy is to use the fraudulent workers' identities to request unemployment benefits. In 2015 over 10,000 new employer accounts were registered. UI reviews all new accounts and four fraudulent accounts were detected before any benefits were paid. If these schemes had been successful, \$117,000 in benefits could have been fraudulently collected.

Fictitious Applicants/Identity Theft

Attempts to obtain unemployment benefits through the use of stolen identities have proliferated across the country over the last several years. Minnesota UI was able to get ahead of most other states and implemented procedures that allow for the analysis of incoming data to detect identity theft activities and prohibit the payment of benefits until we are certain of the applicant's identity. Numerous attempts take place weekly. There were only a few that succeeded for more than a day or so.

External Audits

The UI program undergoes a full financial audit every year by the Office of the Legislative Auditor. System and technical security along with business process are audited by the Internal Revenue Service and the Social Security Administration every few years.



Minnesota

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