



# SFY 2017 Small Business Development Growth Acceleration Program Appropriation

Report to the Legislature as required by 2016  
Minnesota Session Laws, Chapter 189, H.F. 2749,  
Article 12, Section 11, and Subdivision u.

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# LEGISLATIVE REPORT FOR SFY 17 DIRECT EQUITY APPROPRIATION

## Enterprise Minnesota Inc.

### I. Introduction

The Minnesota State Legislature appropriated funds during the 2016 Legislative Session to Enterprise Minnesota for the small business growth acceleration program under Minnesota Statutes Section 116O.115, and \$875,000 is for operations under Minnesota Statutes, section 116O.01 to 116O.061. For Fiscal year 2018 and thereafter the base amount is \$875,000 per year. The primary goal of this initiative is to provide professional technical assistance for Minnesota Manufacturers as they consider and implement new strategies and programs to make their manufacturing firms more efficient and competitive within the manufacturing industry.”

This equity appropriation provides \$1,750,000 in State Fiscal Year (SFY) 2017 and \$875,000 per year for SFY 2018 and thereafter. The Department of Employment and Economic Development (DEED) is permitted to use five percent of the appropriation to administer the grant, making the amount available to Enterprise Minnesota Inc. for SFY 2017 \$1,662,500.

#### A. Legislative Appropriation Reference

Funds for this project were appropriated in 2016 Minnesota Session Laws, Ch. 189, H.F. 2749, Art. 12, Sec. 2, Subd. 2(u).

#### B. Appropriation

For SFY 2017, the appropriation is \$875,000.00, however, the State/DEED withheld \$43,750.00 for administration costs. The Grantee received a net grant of \$831,250.

### II. Project Goals

#### A. Summary of Goals and Objectives Presented in the Work Plan

Enterprise Minnesota Inc. will use the DEED funding to accomplish five goals with their legislative appropriation. These goals are:

1. Enterprise Minnesota Inc. is charged with promoting and administering Minnesota’s Small Business Growth Acceleration (MN Statute 116O.115);
2. Prospect to achieve a balance of geographic and industry subsection diversity with greatest emphasis on manufacturers outside the Minneapolis – St. Paul Metropolitan area that employ 100 and fewer employees;
3. Identify and assess prospects with the greatest potential to develop. Identify specific improvement opportunities and associated with business results anticipated from successful implementation;
4. Propose collaborative initiatives addressing prioritized improvement opportunities;
5. Deliver proposed consulting assistance;
6. Follow-up on implementation of consulting assistance.

7. Document technical assistance related business results;
8. Develop mid-term and final reports.

During Fiscal Year 2017 Enterprise Minnesota Inc. has proposed to produce the following outcomes.

1. Using a building upon a geographically balanced business client list, develop outreach which focuses on Minnesota manufacturers outside of the Minneapolis St. Paul metropolitan area with 250 or fewer employees;
2. Provide technical assistance to 104 small business clients during FY2017;
3. Provide 12,469 hours of direct technical services to small business clients during FY2017;
4. Two hundred seventy three (273) new jobs and the retention of three hundred seventy seven (377) existing jobs;
5. Document refined business results (sales increases/sales retained, cost avoided and investments made as a result of services provided) at the end of a majority of the business development

The Growth Acceleration Program funds are targeted to assist qualified firms with the following activities:

1. Bridging the gap between standard market pricing for technology business improvements, and the amount qualified companies can afford to pay.
2. Helping qualified manufacturers and companies in related industries that employ up to 250 full-time workers.
3. Awarding funds not to exceed 75% of project costs or \$25,000 for any project or \$50,000 for any company during the calendar year.
4. Aiding eligible firms to foster business improvements, increase job creation and job potential, and contribute to the quality of life of citizens and communities throughout Minnesota.

For the twelve months ending December 2016, the end of the required annual reporting period for the Growth Acceleration Program, Enterprise Minnesota has:

1. Disbursed \$177,772 under the program, and matched it with \$183,492 provided by the assisted companies.
2. A total of \$68,085 of the FY2015 program funds was disbursed during 2016. There was an additional \$49,638 distributed from the FY1017 programs. There are ongoing projects with 20 companies using funding from the FY2017 program that represents \$256,265 in funding allocations.
3. Enterprise Minnesota Inc. has approved total projects with 285 unique clients.

4. Based on past client outreach Enterprise Minnesota Inc. estimates a return of \$20 - \$30 for every \$1 invested in the program. Estimates are based on similar services and similar companies surveyed by an independent third party. For 2016, 182 companies surveyed by an independent survey group associated with the Federal Department of Commerce responded attributing increased sales, cost reductions, and investments totaling \$196 Million. The jobs created or retained number 1,054. Similar results would have been expected for the Growth Acceleration Program clients served.

5. Consulting services offered by Enterprise Minnesota to its Growth Acceleration clients include (but are not limited to): Value Stream Mapping, Lean Enterprise Implementation, Financial Analysis, Enterprise Value, Workplace Organization, Business Management Services, Strategic Planning, Business Process Review, Operation Excellence, Marketing Management Systems, Talent Development, Social Styles, Change Management, ISO (Quality) Certification and CEO Peer/Human Resource Councils.

6. Final reports on the results of the Growth Acceleration Program will be provided to DEED and the Legislature following the completion of each grant period. That report will include an estimate of the financial effects of funds awarded to each receiving service under the program, as prescribed by M.S. 116O.115, Subd. 6 and the M.S. Chapter 189, H.F. 2749, Article 12, Section 11, Subdivision (u), the Direct Equities Appropriation

B. Data Elements and Performance Indicators Being Collected and Reported  
Enterprise Minnesota will submit data on an annual basis to DEED to document the demographics of participants served, services provided and outcomes achieved. A mid-term report template is included as an attachment to this report.

C. Outcomes to Date  
The grant period for SFY 2017 funds runs from July 1, 2016 through June 30, 2017. No comprehensive program or outcome data is available at this time. The first annual report will be due from Enterprise Minnesota Inc. by August 1, 2017.

### III. Expenditures

A. Amounts and Cost Categories Budgeted  
Enterprise Minnesota has budgeted their SFY 2017 grant funds as follows:

Budget Category	Amount
Personnel (09)	\$831,250
Operations (10)	\$831,250
	\$0
	\$0
	\$0
Total Funds	\$1,662,500

B. Expenditures to Date

The grant period began July 1, 2016. The following expenditures have been reported to date.

Budget Category	Amount
Personnel (09)	\$520,675
Operations (10)	\$127,530
	\$0
	\$0
	\$0
Total Funds	\$648,205

IV. Appendix

A. Draft Data Summary Report Template

<p><b>Identifying Information</b>                  Grantee:                  Contact:                  Phone Number:                  E-mail Address:</p>
<p><b>Period of Report:</b></p>

<p><b>Total Served in Group Services:</b> _____                  The number provided above is to include all persons who participate in grant funded group activity (or activities). For example, the number is to include the number of persons involved in job fairs or the number of family members of a participant who also participate and benefit from the granted funded activity. In the case of an activity led by a youth participant, the participant is to be counted in both the group services and individual services categories.</p>
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**Participants Served: Individual Services**

	Number
<b>1. Total Individual Participants Served</b>	<i>Enter</i>
<b>(1) Gender</b>	
(1) Male	<i>Enter</i>
(2) Female	<i>Enter</i>
<b>(2) Age</b>	
(1) 14-15	<i>Enter</i>
(2) 16-17	<i>Enter</i>
(3) 18	<i>Enter</i>
(4) 19-21	<i>Enter</i>
(5) 22-24	<i>Enter</i>
(6) Greater than 24	<i>Enter</i>
<b>(3) Ethnicity/Race</b>	
(1) Hispanic/Latino	<i>Enter</i>
(2) American Indian or Alaska Native	<i>Enter</i>
(3) Asian/Pacific Islander	<i>Enter</i>
(4) Black or African American	<i>Enter</i>
(5) White	<i>Enter</i>
<b>(4) Education Level</b>	
(6) 8th grade and under	<i>Enter</i>
(7) 9th Grade-12th Grade	<i>Enter</i>

	<b>Number</b>
(8) High School graduate or equivalent	<i>Enter</i>
(9) Post-Secondary Education	<i>Enter</i>
<b>(5) Other Demographics</b>	
(1) Limited English proficient	<i>Enter</i>
(2) Youth from families receiving public assistance	<i>Enter</i>
(3) Foster youth	<i>Enter</i>
(4) Youth with a disability	<i>Enter</i>
(5) High school drop-out	<i>Enter</i>
(6) Youth offender	<i>Enter</i>
(7) Pregnant or parenting youth	<i>Enter</i>
(8) Basic skills deficient	<i>Enter</i>
(9) Homeless or runaway youth	<i>Enter</i>
(10) Not employed at program enrollment	<i>Enter</i>
(11) Veteran	<i>Enter</i>

### Program Services, Activities, and Other Related Assistance

	<b>Number</b>
1. Received Education or Job Training Activities	<i>Enter</i>
2. Received Work Experience Activities	<i>Enter</i>
3. Received Community Involvement and Leadership Development Activities	<i>Enter</i>
4. Received Post-Secondary Exploration, Career Guidance and Planning Activities	<i>Enter</i>
5. Received Mentoring Activities	<i>Enter</i>
6. Received Support Services	<i>Enter</i>

### Indicators of Performance

	<b>Number</b>
1. Attained work readiness or education goals	<i>Enter</i>
2. Received academic credit or service learning credit	<i>Enter</i>
3. Obtained high school diploma, GED, remained in school, obtained a certificate or degree, or dropout: returned to school	<i>Enter</i>
4. Entered post-secondary education, vocational/occupational skills training, apprenticeship, military, job search or employment	<i>Enter</i>
5. Completed program objective	<i>Enter</i>

### Customer Satisfaction

	<b>Number</b>
1. Number of participants rating experience as "Excellent"	<i>Enter</i>
2. Number of participants rating experience as "Very Good"	<i>Enter</i>
3. Number of participants rating experience as "Average"	<i>Enter</i>
4. Number of participants rating experience as "Below Average"	<i>Enter</i>
5. Number of participants rating experience as "Poor"	<i>Enter</i>
6. Total Number of Surveys Completed	<i>Enter</i>

## I. Gender

- A. **Male:** Self-explanatory
- B. **Female:** Self-explanatory

**II. Age** (age at time of program enrollment, round down to the past birthday)

- A. **14 – 15:** Self-explanatory
- B. **16 – 17:** Self-explanatory
- C. **18:** Self-explanatory
- D. **19 - 21:** Self-explanatory
- E. **22 - 24:** Self-explanatory
- F. **Greater than 24:** Self-explanatory

**III. Ethnicity/Race (more than one category may be selected per participant)**

- A. **Hispanic/Latino (separate category from Race):** These are individuals who classify themselves as “Mexican,” “Puerto Rican,” “Cuban”, or in some other Spanish, Hispanic, or Latino category. The individual can view this origin as the heritage, nationality group, lineage, or country of birth of the individual or of the individual’s parents/ancestors before arrival in this country. Individuals who identify their origin as Hispanic/Latino can be of any race.
- B. **American Indian or Alaska Native:** These are individuals having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment:
  - 1. American Indian: These are individuals who identify as their races as “American Indian,” including such entities as American tribes, Canadian Indians, French – American Indians, or Spanish – American Indians.
  - 2. Alaska Native: These are individuals who identify as their race as Eskimo, Aleuts, Alaska Indians, Arctic Slope, Inupiat, Yupik, Alutiq, Egegik, and Pribilovian.
- C. **Asian or Pacific Islander:**
  - 1. Asian: these are individuals having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam. It includes:
    - a. Asian Indian
    - b. Chinese
    - c. Filipino
    - d. Japanese
    - e. Korean
    - f. Vietnamese
    - g. Other Asian
  - 2. Pacific Islander: these are individuals having origins in any of the original peoples of Hawaii, Guam, Samoa, or another Pacific Islands. It includes:
    - a. Native Hawaiian
    - b. Guamanian/Chamorro
    - c. Samoan
    - d. Other Pacific Islander

**D. *Black or African American:*** These are individuals having origins in any of the Black racial groups of Africa. It includes individuals who identify themselves as:

1. Black
2. African – American
3. Kenyan
4. Nigerian
5. Haitian
6. Somalian

**E. *White:*** These are individuals having origins in any of the original peoples of Europe, the Middle East, or North Africa.

**IV. Educational Level:** (The highest level of school completion at the time of program enrollment either in this country or in another country)

- A. *8<sup>th</sup> grade and under:*** Self-explanatory
- B. *9<sup>th</sup> grade – 12<sup>th</sup> grade:*** Does NOT include high school graduation
- C. *High School graduate or equivalent:*** Includes GED and all High School diplomas or equivalents
- D. *Post-Secondary Education:*** Includes any formal educational experience beyond high school or equivalent

**V. Other Demographics**

- A. *Limited English Proficient:*** For people who speak a language other than English at home, the response represents the individual's own perception of his or her ability to speak English.
- B. *Participants from Families Receiving Public Assistance:*** These are participants who come from families receiving Temporary Assistance to Needy Families (TANF/MFIP) and general assistance. It does NOT include any Supplemental Security Income.
- C. *Foster Youth:*** These are youth who are or who have ever been placed in a home by legal action on whose behalf State or local government payments are or have ever been made.
- D. *Participants with a Disability:*** These are participants with a disability as defined by section 3 of the Americans with Disabilities Act of 1990.
- E. *High School Dropout:*** These are individuals who are no longer attending any school and who have not received a secondary school diploma or a recognized equivalent.



- F. *Youth or Adult Offender:*** These are participants who:
1. Have been subject to any stage of the criminal or juvenile justice process, for whom services under this program may be beneficial; or
  2. Require assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction.
- G. *Pregnant or Parenting Youth:*** These are youth who are pregnant or who have parental responsibilities for a minor (i.e. less than 18 years of age).
- H. *Basic Skills Deficient:*** These are participants who:
1. Compute or solve problems, read, write, or speak English at or below the 8<sup>th</sup> grade level on a generally acceptable standardized test or a comparable score on a criterion- referenced test; or
  2. Are unable to compute or solve problems, read, write, or speak English at a level necessary to function on the job, in the family, or in society.
- I. *Homeless Individual or Runaway Youth:***  
A participant is considered a homeless individual or runaway youth if the individual:
- a. Lacks a fixed, regular, and adequate nighttime residence; this includes an individual who:
    - i. Is sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason;
    - ii. Is living in a motel, hotel, trailer park or campground due to a lack of adequate alternative accommodations;
    - iii. Is living in an emergency or transitional shelter;
    - iv. Is abandoned in a hospital; or
    - v. Is awaiting foster care placement.
  - b. Has a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, such as a car, park, abandoned building, bus or train station, airport, or camping ground;
  - c. Is a migratory child who in the preceding 36 months was required to move from one school district to another due to changes in the parent's or parent's spouse's seasonal employment in agriculture, dairy, or fishing work; or
  - d. Is under 18 years of age and absents himself or herself from home or place of legal residence without the permission of his or her family (e.g. runaway youth).

Note: this definition does not include an individual imprisoned or detained under an Act of Congress or State Law. An individual who may be sleeping in a temporary accommodation while away from home should not, as a result of that alone, be recorded as homeless.

- J. ***Not Employed at Program Enrollment:*** These are participants who have not had a job within one week of program enrollment.
- K. ***Veteran:*** These are participants who have served in the active military, naval, or air service, and who have been discharged or released from such service under conditions other than dishonorable.

## **Program Services, Activities, and Other Related Assistance**

- A. ***Received Education or Job Training Activities:*** These are participants who are receiving formal or informal instruction in various kinds of settings. Examples include math or reading remediation, GED preparation, tutoring, ESL instruction, time management skills training, study skills training, work readiness training, On-the Job Training (OJT), vocational/occupational skills training and pre-apprenticeship.
- B. ***Received Work Experience Activities:*** These are participants who are involved with planned, structured learning experiences that take place in a workplace for a limited amount of time. The work experience may be paid or unpaid and may be in the private, for-profit sector; the non-profit sector or the public sector. Examples include subsidized or unsubsidized employment, internship, Job Club, job placement.
- C. ***Received Community Involvement and Leadership Development Activities:*** These are participants who are involved in activities designed to enhance responsibility and managerial skills and other positive social behaviors (e.g. building self-esteem, maintaining a healthy lifestyle including being alcohol and drug free). Examples include community service and youth advisory board/council participation.
- D. ***Received Post-Secondary Exploration, Career Guidance and Planning Activities:*** These are participants who receive preparation for post-secondary educational opportunities, receive preparation for employment, and receive information on effective connections to organizations that provide strong links to the job market and employers. Examples include college fairs and visits, assistance with college admission applications/financial applications, career counseling and workforce information services such as labor market information.
- E. ***Received Mentoring Activities:*** These are participants who receive guidance/advice from an adult for a period of at least 12 months occurring both during and after program participation. Examples include sustained relationship between mentor and participant in one-on-one group settings (formal or informal), personal or life skills counseling.

- F. *Received Support Services:*** These are participants who receive such services as:
1. Linkages to community services;
  2. Assistance with transportation;
  3. Assistance with child care and dependent care;
  4. Assistance with housing;
  5. Referrals to medical services;
  6. Assistance with uniforms or other appropriate work attire and work-related tools, including such items as eye glasses and protective eye gear;
  7. Substance abuse treatment;
  8. Mental health treatment.

## Indicators of Performance

- A. *Attained Work Readiness or Education Goals:*** The identified work readiness or education goals have been met for these participants.
- B. *Received Academic or Service Learning Credit:***
1. Academic Credit: Verification of an achievement of competency in a formal course of study by one or more of the following:
    - a. A local/state educational agency or a state agency responsible for administering vocational and technical education within a state;
    - b. An institution of higher education described in Section 102 of the Higher Education Act (HEA) that is qualified to participate in the student financial assistance programs authorized by HEA Title IV (e.g. community colleges, proprietary schools, technical colleges, etc).
  2. Service Learning Credit: Verification of an achievement of competency because of a work experience as demonstrated by objective testing. Such verification can be done by one or more of the following:
    - a. A local/state educational agency or a state agency responsible for administering vocational and technical education within a state;
    - b. An institution of higher education described in Section 102 of the Higher Education Act (HEA) that is qualified to participate in the student financial assistance programs authorized by HEA Title IV (e.g. community colleges, proprietary schools, technical colleges, etc).
- C. *Obtained High School Diploma, GED, or Remained in School, Obtained a Certificate or Degree, or Drop-out Returned to School:***
1. Obtained High School Diploma, GED: These are participants who successfully graduate from state accredited high schools or obtain a GED by passing the requisite tests.
  2. Remained in School: These are participants who are at risk of dropping out from school but instead remain in school (usually as a result of program participation).

3. **Obtained a Certificate or Degree:** These are participants who successfully complete a program of study conducted by an institution of higher education described in Section 102 of the Higher Education Act (HEA) that is qualified to participate in the student financial assistance programs authorized by HEA Title IV (e.g. community colleges, proprietary schools, technical colleges, etc).
  4. **Dropout Returned to School:** These are participants classified as dropouts (definition is above) who return to school to complete a course of study.
- D. *Entered Post-Secondary Education, Vocational/Occupation Skills Training, Apprenticeship, or Military, or Entered Employment***
1. **Entered Post-Secondary Education:** These are participants who are engaged in a program of study conducted by an institution of higher education described in Section 102 of the Higher Education Act (HEA) that is qualified to participate in the student financial assistance programs authorized by HEA Title IV (e.g. community colleges, proprietary schools, technical colleges, etc).
  2. **Vocational/Occupational Skills Training:** These participants are engaged in a program of study leading to the acquisition of job ready skills.
  3. **Apprenticeship:** These participants are engaged in a program of study and on-the-job training that is registered with either or both the U.S. Department of Labor and/or the Minnesota Department of Labor and Industry.
  4. **Military:** These participants have entered the Armed Services (Regular, Reserves or the National Guard)
  5. **Entered Employment:** These participants have secured unsubsidized employment.
- E. *Completed Program Objectives:*** The number of participants who have completed their program participation and achieved one or more of the outcomes (A-D) above.

### **Customer Satisfaction (using a standardized rating sheet)**

- A. Number of Participants Rating Their Experience as “Excellent:”** These are participants who are rating their program experience as “Excellent.”
- B. Number of Participants Rating Their Experience as “Very Good:”** These are participants who are rating their program experience as “Very Good.”
- C. Number of Participants Rating Their Experience as “Average:”** These are participants who are rating their program experience as “Average.”
- D. Number of Participants Rating Their Experience as “Below Average:”** These are participants who are rating their program experience as “Below Average.”
- E. Number of Participants Rating Their Experience as “Poor:”** These are participants who are rating their program experience as “Poor.”
- F. Total Number of Surveys Completed:** Sum of A through E.