

2016 DEED Accomplishments

ANNUAL REPORT



2016 DEED ACCOMPLISHMENTS

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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.

LETTER FROM THE COMMISSIONER

Dear Team DEED,

It has been an honor to serve as your Commissioner for the past nine months! When I first learned I would be joining DEED in April 2016, I was excited to join a team of hardworking and mission driven professionals in action. Today, our work here at DEED continues to focus on enhancing the economic success of individuals, businesses and communities. Together, we can build an economy that works for all Minnesotans, everywhere in Minnesota.



As you'll no doubt see by looking through this book, we have many accomplishments to celebrate. One of this agency's main goals in 2016 was a focused effort on equity. Not only are we strengthening our workplace as a welcoming and inclusive environment, we're putting that practice into action through our public facing programs.

Last year, \$35 million was approved by the Minnesota Legislature and signed into law by Governor Mark Dayton to address economic disparities and create opportunities for Minnesotans on the economic sideline. Since that funding was approved, DEED has awarded grants to organizations throughout the state to offer programs such as career pathways and entrepreneurship in targeted communities. These programs will no doubt have a profound impact on the people these organizations serve and the state's overall economy.

Additionally, 2016 saw great success for our economic development efforts. Projects through the Job Creation Fund and Minnesota Investment Fund created or maintained more than 3,000 jobs in 2016. The Emerging Entrepreneur Loan Program, new in 2016, awarded \$2 million to lenders to improve access to capital for business owned by people of color, women, people with disabilities, veterans and/or low-income individuals. The Border-to-Border Broadband Grant Initiative has so far brought reliable, high-speed internet access to more than 25,949 households, 3,176 businesses and 244 community institutions since 2014.

While we have many successes to celebrate in 2016, we know that there is more work to be done if Minnesota wishes to remain competitive and offer a great quality of life. As we look ahead to 2017, I am confident that our efforts to promote business creation, expansion and retention, invest in a strong workforce and deliver service excellence, will lead us to even more accomplishments in the months and years ahead.

As always, thank you for the work that you do on behalf of this great state.

Sincerely,

A handwritten signature in black ink that reads "Shawntera Hardy".

Commissioner Shawntera Hardy



SERVICES FOR BUSINESSES

SMALL BUSINESS DEVELOPMENT CENTERS

2016 by the Numbers

- **32,200:** The number of one-on-one technical assistance consulting hours provided to 3,250 clients. About half of those clients were “long-term,” meaning more than five hours of consulting were provided.
- **211:** Number of new businesses launched by clients.
- **\$123.8 million:** Amount of new business capital secured by clients.
- **5,600:** Jobs created or retained by clients.
- **145:** Number of training events held throughout the state to provide information to small businesses.

The Small Business Development Centers (SBDC) last year secured an additional \$400,000 from the Minnesota Legislature to increase outreach to people of color and other underserved populations, and to increase services for exports and international trade, youth entrepreneurship and veterans. The SBDC also received a \$100,000 grant from the Small Business Administration to assist out-of-work miners on the Iron Range in 2017.

Young Entrepreneur of the Year

Andrew Peralta, owner of the Thief River Falls Dairy Queen, was named Minnesota’s Young Entrepreneur of the Year. Peralta, 26, has been in business since age 13 when he and a friend started A&P Lawn Service to earn money after school and on weekends. He began working at the Dairy Queen when he was



15, working his way up to general manager in 2013. Under his management, the business went above the \$1 million sales mark for the first time in 2015.

SMALL BUSINESS ASSISTANCE OFFICE

This Small Business Assistance Office is a point of first and continuing contact for individuals and firms with questions about starting, operating or expanding a business in Minnesota.

Customers and Services

The program provides publications, in collaboration with local law firms, on topics such as starting a business, employer-employee relationships, internet commerce, securities offerings, franchising, debt financing and intellectual property protection. Staff members provide counsel and direction in business structure, competitiveness, regulation and taxation. Services are free to Minnesota businesses.

2016 by the Numbers

- **33,729:** Number of inquiries and transactions.
- **135,200:** Number of publications distributed in all formats.
- **100:** Percentage rating “The Guide to Starting a Small Business in Minnesota” as useful.
- **94:** Percentage using “The Guide to Starting a Small Business in Minnesota” in preparation for starting a business within one year.

INNOVATION VOUCHER PILOT PROGRAM

This program provides vouchers of up to \$25,000 for businesses to purchase technical assistance and services from Minnesota-based public higher education institutions and nonprofit entities to help commercialize innovative new products and services.

FY 2016 by the Numbers

- **15:** Number of applications
- **12:** Number of awards
- **\$265,664:** Funds awarded
- **\$132,832:** Matching funds
- **Six:** Completed projects



MINNESOTA JOBS SKILLS PARTNERSHIP

2016 by the Numbers

- **50:** Number of grants awarded
- **\$5.9 million:** Funds awarded
- **7,429:** Number of new and incumbent workers trained
- **\$13.2 million:** Funds contributed by participating businesses

In addition, the Job Training Incentive Program (for new or expanding businesses in Greater Minnesota) awarded 15 grants totaling \$1 million to train 229 workers in new jobs. Participating businesses contributed \$1.6 million.

The Low-Income Worker Training Program (for workers whose incomes are at or below 200 percent of federal poverty guidelines) awarded 12 grants totaling \$1.9 million to train 1,168 low-income people.

BUSINESS FINANCE

Emerging Entrepreneur Loan Program

The program awarded \$2 million to lenders to improve access to capital for businesses owned by people of color or American Indians, women, people with disabilities, veterans and low-income individuals.

Job Creation Fund

The program entered its third year in 2016 with continued strong demand. The fund made 26 awards valued at \$10.1 million (including \$4.3 million in Greater Minnesota). The businesses will create more than 1,550 jobs paying an average of \$25.43 per hour and invest \$427 million.

The Job Creation Fund disbursed nearly \$4 million in 2016, reflecting its status as a pay-for-performance program.

Minnesota Investment Fund

DEED completed 19 awards totaling \$16.5 million (\$6.9 million in Greater Minnesota). Businesses will create more than 1,500 jobs and invest nearly \$500 million.

State Small Business Credit Initiative

SSBCI finance programs funded by the U.S. Department of Treasury reached \$12.5 million in 2016.

Data Center Sales Tax Refund Program

The program crossed the \$2 billion data center investment threshold this year.

Simpler and More Efficient Processes

Business Finance completed its transition from paper certification and annual report forms to online forms for all customers (with online payment option), creating a simpler and easier application process for our customers and more efficient processing.

National Recognition

The Office of Business Finance was named the 2016 Distinguished State Development Finance Agency by the national Council of Development Finance Agencies (CDFA). The Columbus, Ohio, based national association recognized DEED for its efforts to build a more prosperous Minnesota, particularly through DEED's business finance programs.



SERVICES FOR BUSINESSES

BUSINESS SERVICES

DEED's Business Services team conducted more than 5,000 visits to employers statewide, providing recruitment, retention and other workforce services. Business Services representatives (BSRs) focused on the following industries: manufacturing, health care, retail trade, and professional and technical services.

Training

BSRs provided training and education for businesses throughout the state on the following:

- Talent assessment and workforce planning
- Becoming the business of choice
- Recruitment and retention
- Developing "Leading Different Generations"

Technology for Better Decision-Making

Business Services team members are using Real Time Talent (Wanted Analytics) to access real-time job posting data from job boards, company websites and thousands of other sources. With this data, they assist employers with current information on in-demand occupations, regional and local job postings, workforce trends and labor supply information.

Hiring Events

Minnesota WorkForce Center hiring events began focusing on key industries in 2016. Prior to each event, an industry panel session is held. Job seekers are invited to participate with company representatives in a Q&A about hiring practices. These industry events in manufacturing, construction, health care and information technology were extremely successful.

Construct Tomorrow

BSRs engaged with the Construct Tomorrow team, which is comprised of apprenticeship training coordinators, prime and sub-contractors, 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. Successful events were held in Minneapolis, St. Paul, St. Cloud, Hinckley and Duluth last year.

Manufacturing

In partnership with Dream It. Do It Minnesota, DEED co-sponsored a statewide tour of manufacturing with association and business partners in

October. More than 105 manufacturing businesses participated and over 14,070 people took tours. BSRs coordinated numerous statewide manufacturing events and employer outreach promotions.



Energy Sector

In partnership with Minnesota's Energy Center and the Energy Consortium, the Legacy Minnesota program was launched at Harding High School in St. Paul. The goal of the program is to bring groups together to address future workforce challenges in the energy industry and to create awareness about job opportunities.

Minnesota Apprenticeship Initiative Grant

The goal of the initiative is to develop apprenticeship programs to recruit, train and retain 1,000 new apprentices in 30 occupations. Grants are awarded to approved employers to assist them with costs associated with developing registered apprenticeship programs. The grant is a partnership between DEED and the Minnesota Department of Labor and Industry.

Six New Apprenticeship Programs Initiated in 2016

- Owens Corning-Minneapolis: maintenance mechanic
- Viracon-Owatonna: maintenance mechanic
- Roseau County Ford-Roseau: automotive mechanic
- Three Links Care Center-Northfield: health support specialist
- Good Shepherd-Rushford: health support specialist
- Caledonia Care Center-Caledonia: health support specialist



Job Training Incentive Grants

Business service representatives educated Greater Minnesota businesses on the Job Training Incentive Grant Program and assisted businesses in receiving 15 grants totaling \$900,000 in central and northwest Minnesota.

Foreign Labor Applications

The Foreign Labor Certification Program helps employers who anticipate a shortage of domestic workers to bring nonimmigrant foreign workers to the U.S. on a temporary, seasonal basis. The H-2A applications led to specific positions in agricultural employment. In 2016, Minnesota received a total of 125 H-2A applications, which represented a significant increase from 2015 and assisted employers in bringing over 1,220 nonimmigrant foreign workers to Minnesota.

Migrant and Seasonal Farmworker Program

DEED provided workforce services to 2,300 registered migrant and seasonal farmworkers in the Rochester, Faribault, Willmar and Mankato areas. They provided information on employment and training programs available at local WorkForce Centers, job search assistance and referrals, community information and resources, and translation services.

Federal Bonding and Work Opportunity Tax Credit Program (WOTC)

WOTC is a federal tax credit available to employers for hiring people from certain targeted groups that face significant barriers to employment, including ex-offenders. Staff members participated in pre-release resource fairs at seven state correctional facilities. In 2016, 56,515 applications were processed and 27,858 WOTC certifications issued. These certifications resulted in an estimated \$99.8 million in tax savings for Minnesota employers, with over 7,000 applications remaining to be processed. In 2016, the



IRS issued a filing extension that increased the number of applications received by 14,583.

Federal Bonding is no-cost employee dishonesty insurance that protects employers against employee theft of money or property. The number of bonds issued to Minnesota employers last year was steady compared with 2015.

MINNESOTA TRADE OFFICE

STEP Grants

The Minnesota Trade Office (MTO) administers grants to Minnesota small businesses to help them export products or services. MTO has awarded more than 58 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 Duluth, Ely, Mankato, Rochester, St. Cloud and Winona.

Study Minnesota

MTO led Minnesota schools and universities to meet with Latin American embassies 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

MTO led delegations to investment promotion events like the SelectUSA Summit, the SelectUSA Canada 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 promoted investment in Minnesota at nearly 10 international events. We hosted the Chicago International Trade Commissioners Association delegation in the Twin Cities and Duluth to inform foreign commercial service officers of the opportunities in Minnesota.



SERVICES FOR INDIVIDUALS

UNEMPLOYMENT INSURANCE

Minnesota's Unemployment Insurance Program (UI) provides temporary, partial wage relief for people who have lost their jobs through no fault of their own. The program also plays an important role in helping states like Minnesota that have a highly seasonal workforce. Without the UI Program, businesses in construction, landscaping and agriculture would struggle to retain workers from season to season.

The Minnesota UI Program provided more than 2.5 million weeks of benefits valued at \$853 million in 2016. Federal UI performance metrics show that Minnesota's program was again one of the most effective in the country.

- **Highly responsive customer service:** Of the more than 507,000 calls that UI received in 2016, the average wait time was only 57 seconds. Most callers were able to reach a live customer service representative in 30 seconds or less.
- **Quick determinations for applicants:** 93 percent of eligible applicants received UI benefits within two weeks of their initial application, while an even higher percentage of those making ongoing weekly benefit requests (97 percent) received payment within the same time period. Minnesota outperforms the national average on these measures (84 percent and 92 percent, respectively) while maintaining one of the nation's lowest improper payment rates.
- **Effective wage detail reporting system:** More than 130,000 employers in Minnesota are required to submit UI wage detail reports on a quarterly basis. Ninety-eight percent of these mandatory reports were submitted in a timely manner in 2016, indicating that employers understand the process well and that the UI Program manages it efficiently.
- **Timely appeals process:** More than 90 percent of UI appeals in 2016 were resolved within 30 days, far ahead of the national average of 72 percent. In all, the program's unemployment law judges heard over 19,000 appeals this year.
- **Administrative efficiencies:** The United States Department of Labor (USDOL) determines Minnesota's UI Program budget based on workload



and operational efficiency, ensuring that taxpayer dollars are used responsibly. Minnesota is one of a handful of states that are consistently within the top quartile for efficiency for all six USDOL administrative standards.

Community-Based Translation to Better Serve Diverse Communities

The UI Program works continuously to improve services to non-English speakers, with a particular focus on the most commonly-spoken languages among new Americans in our state: Spanish (about 192,000 speakers), Hmong (about 55,000 speakers) and East African Cushite languages such as Somali (about 38,000 speakers). While the actual percentage of UI applicants who do not speak English as their first language is still quite low, the program provides written translation and interpreters in over 100 languages.

To better serve these new American customers, the UI Program sought to develop culturally and linguistically relevant educational videos that would reduce anxiety about the program and promote the program's easy-to-use self-service application systems. The videos, produced in partnership with Twin Cities Public Television's ECHO Program, focused on Spanish, Hmong and Somali speakers to reach the greatest number of people. The alternative language videos were released on the UI Program website in December.

Nation-Leading UI Solvency and Tax Reforms

Minnesota's UI Trust Fund helps ensure that laid off workers can always access UI benefits, even during recessionary periods with heavy job losses. It also



plays a major role in determining UI tax rates. If the UI Trust Fund balance falls below certain thresholds, taxes automatically increase. If the balance reaches healthy levels again, those tax rates automatically shut off. Maintaining a structurally solvent Trust Fund that is neither too small nor too big is one of the primary policy challenges for UI programs across the country.

Given this complexity, the UI Program worked with legislators and stakeholders this year to create a mechanism that stops UI Trust Fund growth when the fund's balance grows larger than is necessary for program solvency. The Minnesota Legislature ultimately passed a bill directing DEED to reduce most employers' future UI taxes due when the state UI Trust Fund reaches a federally determined solvency level. That bill also included a one-time solvency-based UI tax reduction worth approximately \$258 million, which the UI Program began implementing in July. Over \$200 million in tax reductions already have been claimed by Minnesota employers.

Minnesota's UI Trust Fund and tax structure weathered the 2009 recession exceptionally well, putting us in a strong fiscal position while UI programs in many other states continue to struggle. We are also pleased to be the first state with a permanent, statutory solvency goal for our UI Trust Fund.

Special Assistance for Workers in Need

The UI Program implemented a bill providing extended UI benefits to the thousands of workers who lost their jobs in 2015 and 2016 due to unfair trade practices in the global steel industry. Some workers received their UI benefits within 24 hours of the bill being signed into law, demonstrating Minnesota's strong UI system infrastructure and technical staff.

In addition to personalized assistance from Customer Service Center staff, the UI Program has participated in more than 30 outreach events on the Iron Range to assist these workers in applying for UI benefits and accessing re-training resources. These sessions provided hundreds of attendees the personal assistance they needed to get back on their feet.

The program also provided special services to workers affected by the 2015 avian flu epidemic and recent floods in southern Minnesota.

Fairer Taxes and Better Services for Minnesota Businesses

This year, the UI Program successfully pursued a legislative change to tailor UI tax rates more narrowly for new employers. Currently, new employers are assigned one of two tax rates: the standard new employer rate or the high experience-rated industry tax rate. Because of the coarseness of the existing system, it was possible that a new employer would get a significantly higher or lower rate than others in their particular industry. This created a small advantage or disadvantage to a new business compared with competing businesses in the same industry. Beginning in 2018, the program will be able to assign new employer rates at a more granular level commensurate with the average rate for the employer's industry classification.

The UI Program also hosted more than 28 informational sessions in 16 communities across the state to assist new employers, HR/payroll professionals, accountants, bookkeepers and established employers who are changing business processes. These free sessions attracted more than 1,200 professionals over the course of the year. In addition to helping employers work with UI more easily, these seminars are an excellent opportunity for the UI Program to collect feedback for system, policy and process changes that can ease administrative burdens on businesses.





SERVICES FOR INDIVIDUALS

The program made several changes to our employer-facing online self-service system, written correspondence and online web content. These improvements were achieved through a collaboration between our internal communication and training team, system projects staff, employer customer service staff and – most importantly – employers themselves. UI staff met with employers in person, observing and recording their experiences completing real transactions within our online system. These observations followed best practices in the user-centered-design discipline. As a result of our findings, significant improvements were made to the new employer registration process, the annual tax rate notice and web-based instructional content aimed at employers.

Promoting Re-employment and Avoiding Layoffs

Because UI applicants are required to actively seek work while receiving unemployment benefits, the UI Program has undertaken a number of initiatives this year to help applicants be more successful in their job search.

More than 90 percent of applicants who were identified as needing re-employment assistance were scheduled for statewide in-person re-employment planning sessions this year – a significantly higher percentage than was possible in recent years. In 2016 over 40,000 applicants received this assistance, with over 19,000 group sessions presented in 46 communities around the state.



The UI Program launched several new initiatives to benefit job seekers this year. One exciting pilot project focused on providing customized MinnesotaWorks.net job opening results to UI applicants, helping workers identify specific employment opportunities that might be of interest while also promoting the state’s free job search website. Another effort involved the launch of several e-learning courses aimed at job seekers, including: “Introduction to Job Search,” “Networking,” “Resume Class” and “Interviewing.” Finally, the UI Program rolled out a new publication called “On the Road to Your Next Job,” which provides advice to UI applicants in their search for work.

UI also continued to promote the Shared Work Program, which helps employers avoid layoffs by providing a partial wage replacement when hours are cut back. Program staff met with several key employers and industry groups over the course of the year to promote the program and its benefits.

Preventing and Detecting Fraud

The UI Program continued its efforts to detect fictitious employer schemes, a form of UI fraud in which an individual registers an employer account and adds fictional employees to receive UI benefits. UI staff members have developed tools to quickly detect these schemes. Of the over 10,000 new accounts filed in 2016, we detected four fraudulent accounts and prevented up to \$38,300 in potential UI charges. We also continued to develop new methods for detecting identity theft, with more than 120 fraudulent applications for UI benefits detected at the point of application over the course of the year. Because Minnesota was an early adopter of analytical approaches to fraud detection, schemes that have been successful in other states were never initially effective in Minnesota and have fallen in recent years compared to several years ago.

Getting the Most for Taxpayer Dollars

The UI Program focused this year on attracting new talent representing the communities we serve, consistent with administration-wide diversity hiring goals. Of the 37 employees we hired or promoted this year, more than 40 percent were people of color, people with disabilities or veterans.

Both new and longtime employees benefited from 123 training modules we have developed in recent



years, including 31 in the past year. Staff also had the opportunity to attend more than 30 classroom-based training opportunities. These activities pay off by keeping employees up-to-date on changes made to the self-service system and business processes.

MINNESOTA JOB SERVICE

The program implemented new business processes to ensure that all unemployment insurance applicants who are called to WorkForce Centers get an orientation to services and programs. About 40,000 applicants participated in orientation sessions in FY2016.

The program registered and provided at least one service to 183,415 job seekers. Communities of color and American Indians accounted for 21.8 percent of those served.

DISLOCATED WORKER PROGRAM

The program served nearly 13,000 laid off Minnesotans via federal or state funds in the year ending June 2016. Minnesota exceeded its performance goals for entered employment, retained employment and average earnings. The state 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 \$48,000, which exceeds the national average

by over \$14,000 a year. More than seven out of 10 exiting participants received both employment and an industry-recognized credential. Minnesota met or exceeded all federal goals for this program.

CLIMB

(Converting Layoffs Into Minnesota Businesses)

CLIMB is an initiative within the Dislocated Worker Program that helps unemployed people start their own businesses. For certified participants in this program, UI can waive the requirement to be actively looking for work. Since late 2014, 501 people have participated.

RAPID RESPONSE PROGRAM

Rapid Response introduces laid off workers to the Dislocated Worker Program and other DEED services that help people find suitable employment with comparable wages after losing their jobs. The program 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 151 employers, scheduling employee group information sessions for dislocated workers, and responded to over 38 Worker Adjustment and Retraining Notifications (WARN) Act notices impacting nearly 5,151 workers. Staff also initiated services for 3,013 trade-eligible workers.

TRADE ADJUSTMENT ASSISTANCE

Trade Adjustment Assistance (TAA) provides training and related benefits to dislocated workers who are deemed “trade-impacted” by the U.S. Department of Labor. TAA administered 1,597 individual benefits to 1,272 customers in the year ending June 30, including 656 participants enrolled in training. In addition to TAA benefits, eligible participants received extended unemployment insurance and related benefits. Staff filed 70 petitions for potential TAA-eligible workers: 42 petitions were certified, one petition is still in investigation, five petitions were withdrawn and 22 petitions were denied. Minnesota’s TAA program performance exceeds every federal standard and is among the best in the country.



SERVICES FOR INDIVIDUALS

VOCATIONAL REHABILITATION SERVICES

2016 by the Numbers

- **17,674:** Individuals with disabilities who received services from the Vocational Rehabilitation Services (VRS) program.
- **3,115:** Individuals with disabilities who achieved successful employment outcomes, a number that exceeded our federal performance standard by 115.
- **2,240:** VRS customers who received services, achieved competitive employment outcomes, and reported that personal income is their primary source of support (71.9 percent).
- **7,651:** Transition-aged students and young adults, under the age of 24, who received services from VRS.
- **1,221:** Transition-aged students and young adults served who achieved successful employment outcomes.

Successful Employment Outcomes

VRS exceeded its 2016 goal for successful employment outcomes for individuals with the most significant disabilities. The goal, established by the VR federal performance standard for 2016, was for at least 3,000 VRS customers to achieve their goals of achieving competitive, integrated employment in their communities. The final number was 3,115.

Connect 700

VRS was instrumental in planning and implementing the relaunch of a program that provides employment opportunities in state government for people with disabilities. The goal of the Connect 700 program is to remove barriers and create new opportunities in state government employment for people with disabilities, especially those for whom traditional interviewing, assessment, selection and testing methods may not accurately measure their skills and abilities to perform certain job responsibilities.

SGA Project

VRS completed a one-year model demonstration project designed to improve earnings for customers who receive benefits through Social Security Disability Insurance (SSDI). The so-called SGA Project received a one-year funding extension (through 2017) 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.)

Way to Work

VRS launched a pilot project in late 2015 to encourage people with disabilities to transition from center-based, subminimum wage work settings into community-



based jobs that paid a minimum wage or higher. The project, called “Way to Work,” relies upon a partnership in which the public VRS program and county staff work closely with center-based facilities to provide personalized career planning for individuals who want to move from center-based settings into community-based jobs. At the one-year mark, 101 people had submitted interest forms. All of these individuals are over 21, live in Dakota County or have a Dakota County case manager, and are currently working with ProAct (provider of center-based employment). One year into the pilot, 14 people had found competitive integrated jobs. Starting wages have ranged from \$9 to \$11 an hour.





STATE SERVICES FOR THE BLIND

In an effort to better serve customers, State Services for the Blind (SSB) worked with the Department of Education and the Minnesota Braille and Talking Book Library to successfully streamline calls by providing



customers with one toll-free number to reach the Minnesota Braille and Talking Book Library and the SSB Communication Center. More customers are reaching staff and being immediately served.

SSB received funding from the Hamm Family and the Live Well at Home grant program at the Department of Human Services to reach more seniors losing eyesight by partnering with other agencies already visiting seniors in their home. Through this partnership, partner agencies are trained to provide a basic assessment and dispense low vision aids to seniors. Partners served 300 people and referred another 150 to the Senior Services Unit.

SSB collaborated with Minneapolis Community and Technical College to host a first-ever career fair targeted at blind, visually impaired and DeafBlind students. Twenty-eight blind, visually impaired and DeafBlind workers and business owners talked with 100 students and parents about the array of vocational opportunities possible and how to achieve such outcomes.

Other Accomplishments by the Numbers

- **13,000:** Number of customers served by Audio Services.
- **378,752:** Number of accesses to news on our Dial-In News and NFB-NEWSLINE services.
- **258:** Number of books recorded by the Radio Talking Book.
- **365/24/6/186,269:** Number of days per year the Radio Talking Book is on the air, 24 hours per day. Six local newspapers and 186,269 newspaper pages were recorded.
- **\$40,000:** Average annual net profit for Business Enterprises Program operators.

- **140:** Number of blind, visually impaired and DeafBlind individuals who found employment.
- **117:** Number of transition students served through work experiences, enrichment camps and pre-employment transition services.
- **444,894:** Number of braille pages provided to 219 Minnesota students K-12.

DISABILITY DETERMINATION SERVICES

- Completed over 50,000 disability determinations.
- Welcomed 21 new claims adjudicators.
- Ended the first year of the Cooperative Disability Investigation Unit with over \$1.1 million in savings.

VETERANS EMPLOYMENT SERVICES

Minnesota Veterans Career Fair

The 10th annual DEED Veterans Career Fair attracted over 240 Minnesota businesses and over 800 veterans. This was the largest Veterans Career Fair yet and the largest single-day veterans career fair in the Midwest. The event was featured on several local TV and radio broadcasts in Minnesota.

The event included free LinkedIn photos taken by professional photographers, resume reviews and guidance from corporate HR professionals, and a seminar for employers on recruitment and retention of veterans.

Beyond the Yellow Ribbon

The Beyond the Yellow Ribbon reintegration program started in 2006 in Minnesota. Since then, the U.S. Department of Defense has required all states to have a reintegration program modeled after the Minnesota program.

More than 300 Minnesota businesses, cities and counties have been proclaimed as Beyond the Yellow Ribbon entities. DEED's veterans employment representatives work closely with these communities and businesses, and many sit on their local boards and steering committees.





SERVICES FOR INDIVIDUALS

Outreach to Returning Service Members

DEED veterans programs served over 2,800 National Guard soldiers and their families returning from various deployments in 2016. Services are provided to Minnesota soldiers during formal reintegration and demobilization events. Many of these events took place in Minnesota, but service providers also travel to bases outside of Minnesota to provide assistance.

Projects for Targeted Veteran Populations

DEED received additional funding from the U.S. Department of Labor to hire staff to provide services to traditionally underserved groups of veterans. We operate programs that provide intensive employment services for American Indian veterans, veterans being released from correctional facilities and women veterans.

Community Outreach and Partnership

Veterans employment representatives from DEED reach out to businesses, community agencies, veteran service organizations (like the VFW and American Legion) and WorkForce Center partners to prioritize and coordinate services to Minnesota veterans. DEED veterans employment representatives collaborate with these groups on a continuous basis, and some are actively involved as board members, officers or volunteers.

YOUTH PROGRAM SERVICES

DEED's Youth Services team administered programs that provided work experience for over 22,000 low-income and at-risk youth. Last year, 65 percent of participants were youth of color and 31 percent had a disability.

Minnesota's youth unemployment rate in 2015 was 9 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 met.

Minnesota Youth Program and Youth at Work Competitive Grants

As a result of increased funding, services were expanded for ages up to 24. In SFY 2016 over 13,000 youth were served in the outreach to schools/career adviser component of the Minnesota Youth Program. DEED's Youth Services team successfully implemented the WIOA Young Adult Program this year and the following initiatives:

- State Youthbuild funding helped leverage federal Youthbuild funding for the Guadalupe Alternative Program (serving westside St. Paul) – one of 27 “focus schools” identified by the governor as needing assistance from community partners to lower dropout rates.
- The program also leveraged \$1.9 million in federal Youthbuild funding for the Bi-County Community Action Program (serving Bemidji), City Academy (serving eastside St. Paul) and Tree Trust (serving north Minneapolis) through 2017.

The program partnered successfully with Youthprise to secure \$3 million in Social Innovation Funds from the National Corporation for Community Service to serve opportunity youth.

Minnesota was awarded a \$2.5 million Disability Employment Initiative grant from the U.S. Department of Labor designed to increase services to youth with disabilities in the workforce system. The grant period ends in 2020.



Each state dollar invested in the Minnesota Youth Program yielded a return on investment of \$4.29 for SFY 2016. This is due in large part to fewer people seeking social welfare supports such as food, housing and child care assistance. New program resources will address low graduation rates, high unemployment, lack of access to transportation to work, low post-secondary attainment rates, and disparities among youth of color in income, employment, education and health issues.

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.

MINNESOTAWORKS.NET

DEED's online labor exchange resource continued to grow last year, despite the state's low unemployment

rate. Nearly 76,300 job seekers created new accounts and conducted more than 3.2 million searches. Minnesota employers created 1,457 new accounts, bringing the total number of employers using MinnesotaWorks.

net to fill their job openings to 93,083. Employers posted 748,298 jobs throughout 2016. Employers and job seekers together conducted an average of 9,664 searches each day at www.MinnesotaWorks.net.

WORKFORCE INNOVATION FUND (WIF) GRANT

Minnesota received one of six U.S. Department of Labor awards in 2015 to support and study federally funded employment and training programs to ensure they serve the needs of job seekers and businesses. In 2016, DEED launched the WIF Steering Committee, established key stakeholder groups and engaged with partners to create the project timeline and goals. This project includes designing a demand-driven labor

market system that will test innovative ways to deliver services more efficiently and facilitate cooperation across programs and funding streams.

LABOR MARKET INFORMATION OFFICE

Over the past year, the Labor Market Information Office concentrated on gaining a better understanding of racial disparities in Minnesota's labor market. As a result, extensive documentation and analysis on this topic are available in a suite of articles in Minnesota Economic Trends as well as the Graduate Outcomes by Race dashboard, which tracks labor market outcomes by race for people who have earned post-secondary credentials in Minnesota.

Analysis and documentation are now available on wage and employment disparities in Minnesota, diversity by industry, diversity in Greater Minnesota, diversity in Minnesota's construction industry, minority-owned businesses in Minnesota and racial disparities in employment after graduation. In addition, outside experts provided recommendations on how to eliminate racial disparities. Those experts included Samuel Myers Jr. of the University of Minnesota, Joe Hobot of the American Indian Opportunities Industrialization Center and Bruce Corrie of Concordia University.

The Labor Market Information Office also used 2016 to expand, and provide better access to information on Minnesota's regional labor markets. The Regional Labor Markets Page on the DEED website links users to regional profiles, regional blogs, regional articles and data tools. Contact information for regional labor market analysts is also available.

OFFICE OF ECONOMIC EQUITY AND OPPORTUNITY

The Office of Economic Equity and Opportunity (OEEO), created by Governor Dayton, officially started work with the hiring of Assistant Commissioner Karen Francois and Director Kolu Wilson. OEEO facilitated in the awarding of about \$10 million in equity and capacity-building grants administered by DEED to help communities of color, women, people with disabilities, veterans and youth. OEEO also started to adopt practices that ensure equitable access to the training and resources need by Minnesotans to find good jobs, as well as start or expand businesses.





SERVICES FOR COMMUNITIES

OFFICE OF BROADBAND DEVELOPMENT

The Border-to-Border Broadband Development Grant Program received \$35 million in new funding to encourage the continued expansion of broadband access to unserved and underserved communities around the state.

Most of that funding was awarded to 42 projects in Greater Minnesota in the latest competitive grant round that was announced in January 2017. These grants are anticipated to reach more than 11,000 previously unserved and under-served households, businesses and community anchor institutions.

Grant Project Status Report:

- For first-round projects, eight of 16 have been completed. Total fiber miles: 1,591. Number of passings: 4,107.
- Four of 15 second-round projects have been completed. Total fiber miles: 655. Number of passings: 2,086.

Broadband Outreach and Technical Assistance

- Broadband staff presented at 54 conferences and public meetings to more than 3,200 people and conducted 20 site visits to current grant projects.
- The office co-sponsored the Advancing the Vision statewide broadband conference and published 12 monthly issues of the “Office of Broadband Development Update” blog to 1,600 subscribers.

Broadband Data and Mapping

- The office conducted its annual inventory of broadband availability across the state and produced over 100 maps and data sets measuring broadband capacity across Minnesota.



FINANCE

Community Development

- The Small Cities Development Grant Program awarded 32 grants totaling \$17.87 million.
- The Workforce Housing Development Program awarded six grants totaling \$4.49 million, with \$24.9 million in leveraged dollars, contributing to 8,744 new or retained jobs.

Infrastructure Funding

- The Business Development Public Infrastructure Grant Program awarded 14 grants totaling \$5.34 million, with \$8 million in private investment, contributing to 919 new or retained jobs.
- The Innovative Business Development Public Infrastructure Grant Program awarded three grants totaling \$920,000, with \$1.55 million in leveraged dollars, contributing 592 new or retained jobs.

Contamination Cleanup Grant Program

- The program invested \$5.78 million in 15 projects, contributing to 906 new or retained jobs and leveraging \$484.4 million in private investment.

Redevelopment Grant/Demolition Loan Program

- The program invested \$851,350 in four projects that added or retained 51 jobs and leveraged \$23.32 million in private investment.



INTERNAL OPERATIONS

COMMUNICATIONS OFFICE

Social Media

- DEED's Facebook page saw a 44 percent increase in followers in 2016 to 4,010.
- DEED's MinnesotaWorks.net Facebook page saw a 20 percent increase in followers to 1,131.
- Our DEED Twitter account saw a 15 percent increase to 6,580 followers.
- Our MinnesotaWorks.net Twitter account saw a 7 percent increase to 1,947 followers.
- DEED's LinkedIn page has 1,024 followers, an increase of 30 percent since 2015.

Social Media Campaigns

- State of Minnesota Career Fair Campaign
 - Total impressions of all ads: 507,132
 - Total engagements (clicks, favorites, reshares, comments) across all ads: 10,427
- 2016 Veterans Career Fair Campaign
 - Total impressions of all ads: 744,550 (up 21 percent from 2015)
 - Total engagements (clicks, favorites, reshares, comments) across all sites: 11,812 (up 83 percent from 2015)
- 2016 Scott County Career Fair Campaign
 - Total impressions of all ads: 695,346
 - Total engagements (clicks, favorites, reshares, comments) across all sites: 2,215



Website

We migrated our website to the new state Tridion platform, which required moving nearly 1,700 web pages and over 3,000 assets. The new site is mobile-friendly and flexes to conform to mobile devices of different sizes. It also features the new state brand.

- 876,008 visitors in 2016 to our mn.gov/deed website
- 57 percent of those were new visitors
- More than 4.8 million pageviews

GovDelivery

- DEED added over 320,000 new subscribers to our mass email tool, GovDelivery, in 2016.
- We sent 1,436 messages to over 17 million recipients on topics ranging from grant announcements and job fairs, to our weekly DEED Roundup and press releases.

Communications Projects

Through our Communications SharePoint project request portal, we received 2,315 requests.

- Design Requests: 389
- Event Requests: 70
- Marketing Requests: 150
- Press Releases: 44
- Writing Requests: 70
- Web Requests: 1,399
- Other Requests: 176

DEED Developments Blog

There were 29 posts to the DEED Developments blog. The most popular posts, by unique opens, were: "Angel Tax Credit: Following the Money" (27 percent unique opens), "Thirteen Greater Minnesota Startups Benefit from Angel Tax Credit in 2015" (24 percent), and "June Unleashed: 7,300 Jobs" (21 percent). The DEED Developments GovDelivery list contains 2,578 recipients.



MinnesotaWorks.net Blog

There were 47 posts to the MinnesotaWorks.net blog. The most popular posts were “Way to Work Offers a Different Path” (20 percent unique opens) and “How to Make a Splash at Job Fairs” (18 percent).

There was an 8 percent increase in recipients from January 2016 (12,890 recipient) to the end of the year (13,939 recipients).

OFFICE OF DIVERSITY AND EQUAL OPPORTUNITY

The Office of Diversity and Equal Opportunity (ODEO) provides leadership, direction and guidance in carrying out DEED’s equal opportunity and civil rights responsibilities.

The equal opportunity officer, previously housed in Workforce Development, was moved in 2016 to the Office of Diversity and Equal Opportunity to streamline the handling of complaints and equal opportunity monitoring. Additionally, ODEO hired another equal opportunity officer to assist DEED in its diversity recruitment efforts and monitoring.

Complaints can be brought by DEED employees, WorkForce Center and other DEED program participants, and the public. In 2016, ODEO received 23 equal opportunity complaints, 58 customer service complaints or calls, and 11 program complaints or inquiries. ODEO completed six formal equal opportunity investigations.

ODEO is available to assist DEED managers and supervisors in their daily application of affirmative action, equal opportunity, and diversity policies and procedures. In 2016, ODEO received 40 reasonable accommodation requests and reviewed 167 pre-hire review forms.

ODEO helps to drive DEED’s diversity recruiting strategy. ODEO, in collaboration with HR, attended recruiting events and chairs the Minnesota Community Advisors on Recruitment & Retention Solutions. The director of ODEO led planning of the first ever State of Minnesota Career Fair on Oct. 29. More than 4,000 people attended.



ODEO is available to provide training to managers, supervisors, DEED partners and DEED employees regarding equal opportunity and civil rights responsibilities. In 2016, ODEO provided training to more than 80 managers and supervisors on reasonable accommodations.

In May, ODEO began the Diversity & Inclusion Spotlight Series. The office held nine spotlights on various topics, including “Effectively Working With and Serving Muslim Employees and Clients,” “LGBTQ Inclusion in the Workplace,” “Generations in the Workplace” and “Effectively Working With and Serving the Hispanic/Latino Population.”

ODEO revamped the agency’s affirmative action plan to include a Diversity and Inclusion Strategic Plan and is awaiting approval from Minnesota Management and Budget. ODEO also drafted and submitted the agency’s 2016 Methods of Administration Plan to the Department of Labor to demonstrate how DEED complies with its equal opportunity obligations.



HUMAN RESOURCES

As of December, HR approved 384 requests on internal applications for hiring of employees, appointment extensions, position reallocations and new positions. New this year, HR has participated in job fairs, including the All State Career Fair, for recruitment purposes.

DEED participated in several student worker and internship programs, including STEP-UP Achieve Minneapolis, Right Track in St. Paul and HireUp in southern Minnesota. DEED employed 11 student workers from these programs for the summer. DEED also participated in the Urban Scholars Program and employed three scholars.

Human Resources continued its successful Mentorship Program, offering two sessions with 30 participants. The training and learning division revamped the new employee orientation and changed its schedule from once per quarter to once per month. This change allowed new employees to get the information in a more timely fashion. Training and learning has conducted seven new employee orientation sessions with 112 participants.

The Human Resources Safety Unit performed safety assessments of all work locations and provided recommendations for environmental and policy and procedure improvements. Efforts to further develop DEED's safety and workplace violence prevention tools and training was also a focus. Our safety administrator was invited to serve on a workplace violence advisory committee that focuses on developing recommendations to assist state agencies with their workplace violence programs. DEED's safety administrator was invited as a panel expert on the topic of workforce violence prevention at this year's Statewide Safety Conference and participated in a supporting working caregiver video to be presented to all state agencies.





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DEED is an equal opportunity employer and service provider.
Upon request, this information can be made available in alternate formats for individuals with disabilities.