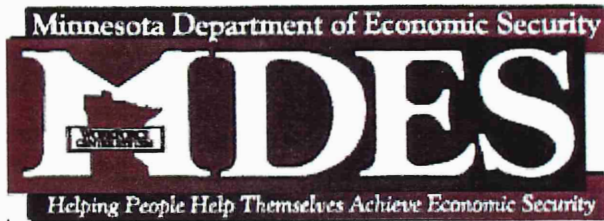


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STATE OFFICE BUILDING

1998 Performance Report



The mission of the Minnesota Department of Economic Security (MDES) is to *help people help themselves achieve economic security*. The vision of the agency is to facilitate a world-class workforce through customer-focused services that anticipate the dynamic workforce needs of employers and job seekers. MDES serves the state's economy by fulfilling the following goals:

- ◆ Minnesotans will be able to live independently and fully participate in their communities;
- ◆ Minnesotans in temporary economic hardship will have their basic needs met and an opportunity for prompt return to suitable employment;
- ◆ Minnesotans will have the training and skills to be successful in the workplace; and
- ◆ Minnesota employers, educators and individuals will have labor market information needed to compete in the world economy.

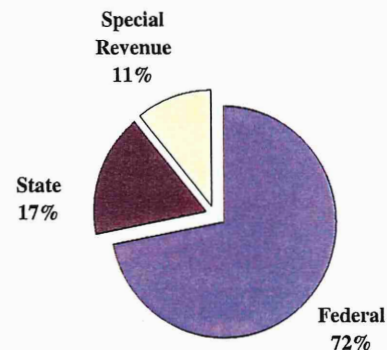
The Department began a commitment to Total Quality in 1992 and has adopted a continuous improvement model based on the Malcolm Baldrige National Quality Award. This business model places emphasis on performance planning. The ultimate aim of the performance planning is to ensure that the Department goals are understood by all employees, and to incorporate the use of clear measures that permit the tracking of progress and performance.

The intent of this report is to provide an overview and examples of the effort to monitor progress and performance of the broad spectrum of programs and services administered by the Department. It is not a detailed account of all the programs, services and activities of the agency, but provides only a representation of all the data collected and used by MDES to administer programs and services. Descriptions and additional information on programs and services are available on the Department's website (www.des.state.mn.us).

MDES is primarily federally funded but does obtain some funding from the State General Fund and special sources. Most of the federally funded programs have strict compliance mandates involving quality control measures and performance outcomes.

The Federal Department of Labor mandates very stringent and specific quality control processes and measures in the administration of the Reemployment Insurance benefit system by all states. Also, many of the programs and services funded through MDES are contracted to cities, counties and community-based organizations.

Expenditures by Fund 1998-99



Environmental Drivers

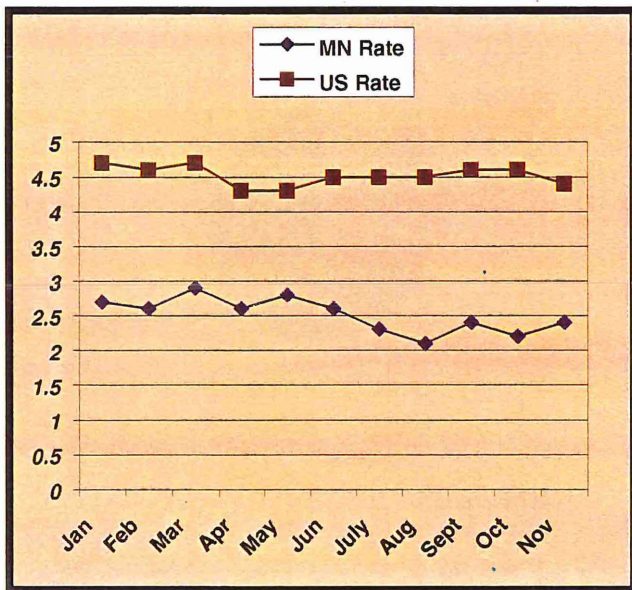
After nearly eight years of economic expansion and vigorous job growth along with record-low unemployment rates, Minnesota has experienced unprecedented tight labor markets. In both 1996 and 1997, Minnesota had the highest labor participation rate among the states, along with what is consistently one of the lowest unemployment rates in the country.

The state's workforce development strategy becomes a critical issue for the economy with employers and workers facing different problems in different parts of the state. It is clear that one single workforce development policy won't work in Minnesota when regional economic factors differ greatly throughout the state.

The dynamics of the workforce have changed dramatically in the past two decades with the fast-moving window of technology and increasing global influence on the U.S. economy. Skills in demand change rapidly,

forcing workers and employers to constantly adapt and acquire new skills along with new technology. No longer do workers expect to work for a single employer or do one specific job throughout their careers. It is possible that individuals could cycle in and out of the Department's programs and services many times within the course of their careers due to job shifting, career change, layoff or any number of reasons. As a result, the Department's focus with performance measurement is less on recidivism and more on systems and process measures and customer satisfaction.

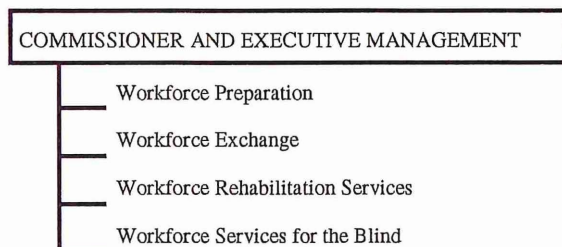
Finally, it is important to point out that most of the programs and services of MDES are driven by what is happening in the economy. The unemployment rate and the number and variety of available job opportunities directly impact most of the measures for the programs and services of the Department. Due to the economic variables, process and systems measures and customer satisfaction become focal points in the Department's effort to measure performance.



Seasonally Adjusted Unemployment Rates
1998

Programs and Services

There are four major programmatic areas within MDES:



Workforce Preparation

Employment Transition programs target specific populations who are considered to be "hard-to-serve." The focus of these activities is to direct special services, training and work experience to people experiencing barriers to employment.

Youth Employment and Training provides a variety of services that integrate work and learning experiences for economically disadvantaged youth.

Youth Violence Prevention provides grants on a competitive basis to counties, cities and community-based organizations statewide for prevention and early intervention programs targeting youth at risk of involvement or re-involvement with the juvenile justice system.

The **Dislocated Worker Program** helps workers in their transition to new employment when they are dislocated from employment as a result of plant closures, permanent mass layoffs, skill obsolescence, technological change, international trade and other economic disruptions.

Welfare-To-Work: MDES partners with the Department of Human Services by providing employment-related services for the Minnesota Family Investment Program (MFIP) and the Food Stamp Employment and Training (FSET) Program.

Workforce Preparation Workload Measures

Individuals Served (Fiscal Yr)	1997	1998
Employment Transition Programs	8,370	7,314
Youth Employment and Training Programs	15,293	11,478
Youth Violence Prevention Programs	64,304	66,000
Dislocated Worker Programs	17,338	14,781
Welfare-To-Work Programs	36,449	44,563

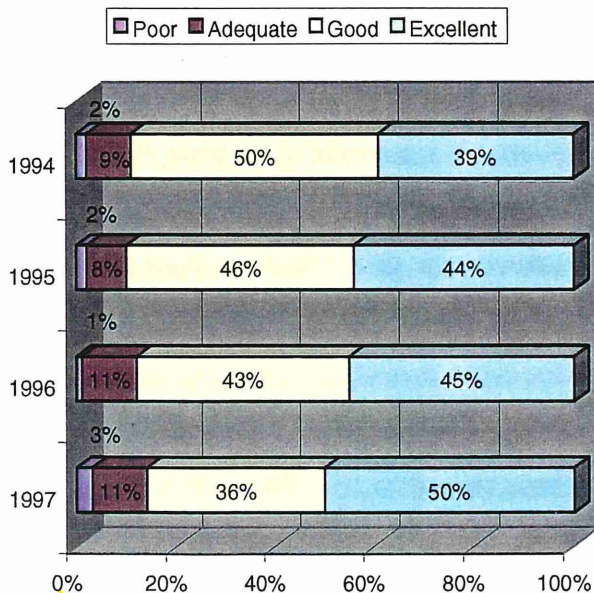
Workforce Exchange

Job Service is a federally funded national labor exchange, which includes a wide range of labor exchange activities assisting both job seekers and employers. Other programs include veterans placement activities, Labor Market Information, the Bureau of Labor Statistics Programs, alien labor certification, trade adjustment assistance and work opportunity tax credit referrals.

Reemployment Insurance (RI) provides temporary economic relief through the payment of benefits to workers who have been laid off from their employment through no fault of their own. This RI benefit system is funded by an employer tax maintained in a dedicated federal trust fund, from which approximately \$356 million in benefits were paid in federal fiscal year 1998.

Job Service applicant/RI claimant satisfaction surveys are part of the RI Quality Control audit process. From 1994 through 1997, 3,105 RI claimants completed Job Service satisfaction surveys. The following graph reflects the ratings of the overall service received by those claimants:

I would rate the overall service I have received as . . .



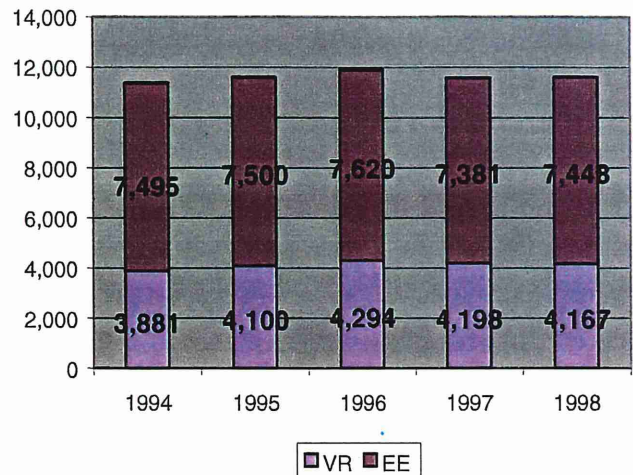
Workforce Rehabilitation Services

Vocational Rehabilitation (VR) assists persons with disabilities in achieving their employment goals and increasing their financial independence, with priority given to people with severe disabilities who have limitations in at least one functional area.

Independent Living (IL) enhances the ability of persons with severe disabilities to live independently and function more independently with their families and in their homes and communities.

Extended Employment (EE) provides employment in supported and competitive environments for people with severe disabilities who are unable to work without receiving ongoing vocational and other support services.

Number of People Employed - VR Program and EE Program



Disability Determination Services (DDS) determine, in accordance with Social Security Administration (SSA) regulations, if Minnesotans who are claiming disability meet the criteria to qualify for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits. DDS processed 40,097 applications for benefits in fiscal year 1998, with an accuracy rate of 97.2 percent (the highest in the region).

Workforce Services for the Blind

Career and Independent Living Services (CILS) in the statewide network of WorkForce Centers, provide rehabilitation services to persons of all ages who are blind or visually impaired. Services include counseling, instruction in alternative techniques including Braille and cane travel, vocational training, job placement and adaptive equipment.

The **Business Enterprise Program** creates small-business franchise opportunities for persons who are blind. Blind vendors function as independent business operators under

subcontracts in (primarily) public buildings, including post-secondary institutions and rest areas on interstate and state highways.

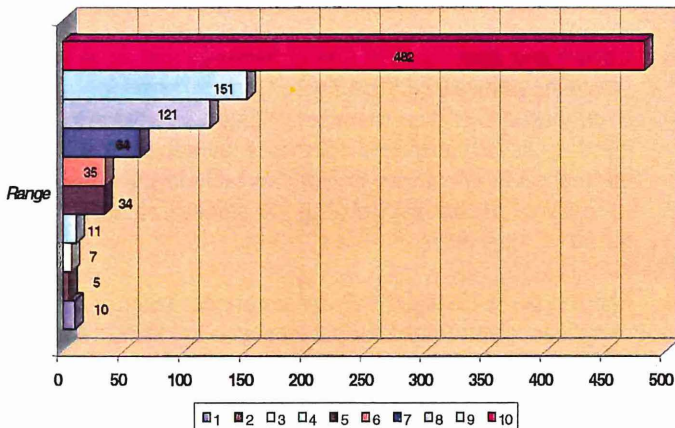
The **Communication Center** provides lifelong information, library and reading services to Minnesotans who are unable to read printed material because of a visual or physical impairment. Services include a reading service broadcast over a special radio frequency 24 hours a day; custom-recorded and/or Braille textbooks or other printed material, and a dial-in newspaper reading service which can be accessed by telephone 24 hours a day.

THE STORE provides adaptive aids and devices to blind and visually impaired persons that are difficult to obtain elsewhere. Some of the items sold are white canes, talking clocks and calculators, Braille or large-face watches, adaptive cooking and sewing aids, and Braille or large-print playing cards.

Workforce Services for the Blind Outcomes

Measure (Fiscal Yr.)	1995	1996	1997	1998
Number of blind persons employed	146	139	107	132
Number of persons achieving home management or independent living	1,162	963	976	1,131
Number of persons provided transcribed Materials	15,284	15,741	14,118	14,225

I am satisfied with the services I have received from the WorkForce Center



The Service Delivery Network

The Department has integrated and redesigned the delivery of employment and training services into 53 WorkForce Centers (WFCs) statewide. The Minnesota WorkForce Center System is a partnership that brings together state, local and private non-profit employment and training services under one roof, providing seamless and comprehensive workforce development services to job seekers and employers.

The WFCs have transformed what used to be a complicated, fragmented and duplicative maze of programs into cost-effective, results-oriented and customer-friendly service delivery. The 53 WFCs consolidate services that used to be offered in nearly 300 separate offices statewide. In some cases, there had been as many as six separate offices in a single community delivering employment and training services.

This major reengineering effort required a strong state and local partnership and reflects the commitment to the Department's vision to facilitate a world-class workforce through customer-focused services that anticipate the dynamic needs of employers and job seekers. The WorkForce Center System plays a critical part in the state's workforce development strategy. ★

The graph on the left represents survey information received from 936 WorkForce Center customers statewide on Thursday October 1, 1998. The customers were asked to rate their satisfaction from one to ten, with one being least satisfied and ten being most satisfied