

Agency Purpose

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

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

Core Functions

The agency has three major functions:

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

Operations

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

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

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

Workforce Development supports Minnesota's workforce needs and serves customer populations stretching from businesses to job seekers to persons with disabilities. The major service delivery mechanism for this division is the WorkForce Center System, a unique partnership of employment and training organizations reflecting the needs of each community. In addition to the wide range of specific services offered to workers,

At A Glance

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

- ◆ Minnesota's 19 Fortune 500 firms represent a variety of industries, including but not limited to, health care, banking, food processing, and industrial products.
- ◆ Minnesota's economy is picking up speed. In 2004, businesses added more than 32,000 jobs – a 1.5% growth. Business expansion is even faster in 2006 with jobs already growing 1.7% – twice as fast as the nation through June.
- ◆ Growth is widespread with notable strength in the professional services sector. Even manufacturing has grown from 2004 levels.
- ◆ The state has enjoyed widespread business investment with seven greater Minnesota cities among the top 100 U.S. micropolitan areas in the number of new and expanded corporate projects in 2005.

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

- ◆ As of June 2006, JOBZ partners closed 252 business deals, resulting in 8,000 retained jobs and 3,800 projected new jobs.
- ◆ In FY 2006, DEED assisted over 98,500 Minnesotans to prepare for, find, or retain employment, with 33,500 being placed in jobs.

businesses, students, and job seekers, each WorkForce Center also offers computers, fax machines, literature, and other aids to assist job seekers minimize the time they are unemployed.

Budget

Approximately 40% of the agency's FY 2006 base budget comes from federal sources, and another 51% from other funds. Only about 9% comes from the state General Fund.

The agency's base budget does not include Unemployment Insurance Trust Fund transactions (FY 2006 benefits estimated at \$695 million).

Contact

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